

WATCHING THE BEAR:

**ESSAYS ON CIA'S ANALYSIS OF
THE SOVIET UNION**

EDITED BY: GERALD K. HAINES & ROBERT E. LEGGETT

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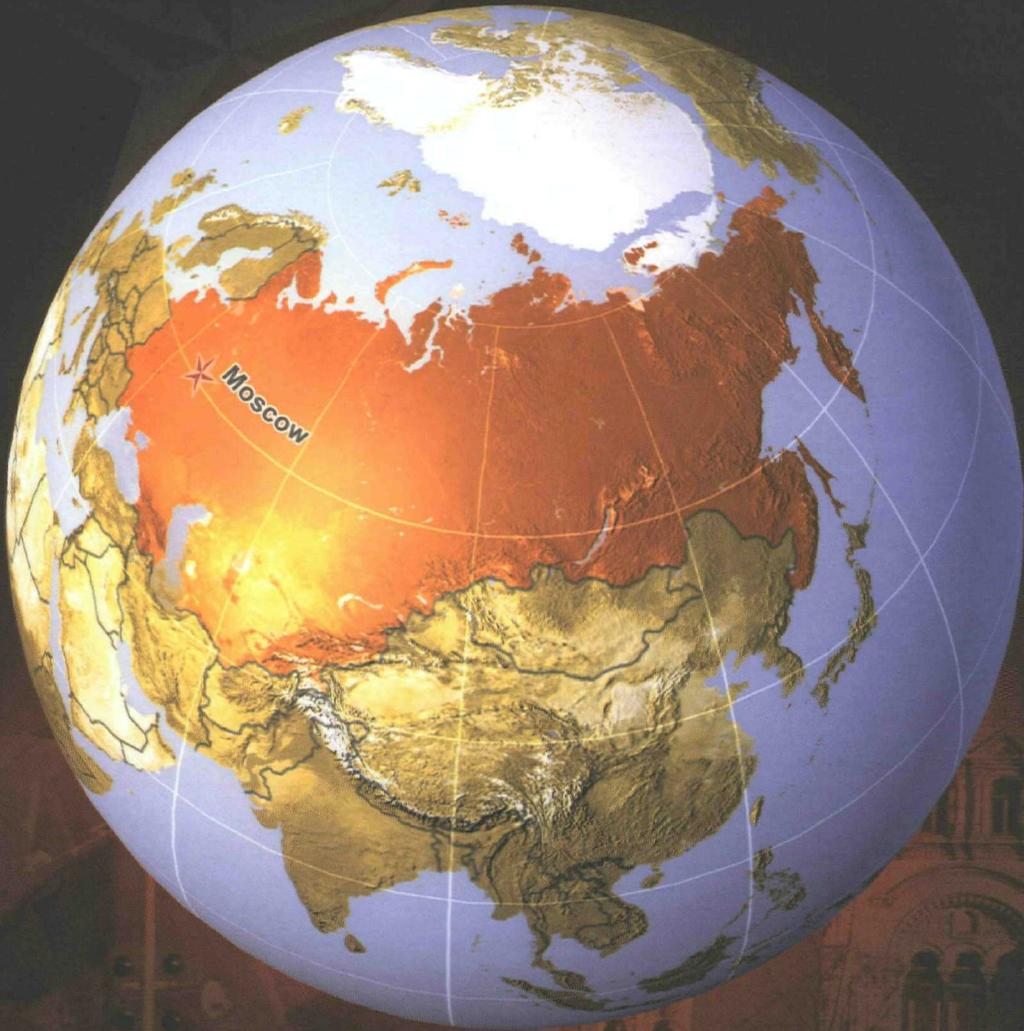
**CENTER FOR THE STUDY OF INTELLIGENCE
CENTRAL INTELLIGENCE AGENCY**

Watching the Bear:
Essays on CIA's Analysis of the Soviet Union



Edited by
Gerald K. Haines and Robert E. Leggett

Soviet Union



Foreword

During the entire period of the long Cold War (1945-1991), the United States faced in the USSR an adversary it believed was bent on world domination. US intelligence was pressed to focus much of its attention on the Soviet Union and attempted to understand its leaders, discern their intentions, and calculate the capabilities of a closed, totalitarian society. It was a formidable task. Nevertheless, led by the Central Intelligence Agency (CIA), the US Intelligence Community provided US policymakers with a wealth of information and analysis.

How good was this intelligence? Some critics have charged that the Agency and the Intelligence Community failed to accurately assess the political, economic, military, and scientific state of the Soviet Union. Some argue that the CIA gravely miscalculated Soviet military power and intentions and even missed the signposts on the road to the final downfall of the Soviet empire. Others believe that the intelligence was adequate but that policy miscues led to missed opportunities to relieve tensions or speed the transformation in the USSR.

Now, more than ten years after the disintegration of the Soviet Union, we have a chance to review a representative sample of this intelligence and to judge more accurately whether US intelligence was truly “asleep at the switch.” The CIA released over 80,000 pages of newly declassified materials relating to its role in providing intelligence to US policymakers on the Soviet Union. Several well-known scholars were asked to review these and earlier released materials and to critique CIA’s analysis of Soviet political, economic, military, and science and technology developments. This volume is the result of that effort.

In March 2001, the Agency co-sponsored with Princeton University a conference on this topic, which provided an in-depth review of the issues. I attended the conference, and after reviewing the documentation and reflecting on the task these scholars faced, I must say I found the essays fascinating for their nearly comprehensive portrayal of the US effort. From my perspective, the Intelligence Community worked much better than many assumed. Much of my career in the American Foreign Service was spent studying the Soviet Union. As Special Assistant to President Ronald Reagan (1983-1986) and as US Ambassador to the Soviet Union (1987-1991), I had access to and relied on US intelligence data on all aspects of Soviet developments. It was not always right, and it missed certain developments. But, I must say, it was right more often than not. Intelligence, one should remember, is rarely perfect, however much we would like it to be. For the most part, and I say this from personal experience, the CIA and its partners in the intelligence business provided policymakers with timely and useful intelligence which helped them formulate and carry out effective US policies.

This volume is invaluable in helping to understand not only US intelligence analysis, but also the bureaucratic process involved in the production of finished intelligence, and, finally, its impact on US policymakers. Moreover, given the tragic events of 11 September 2001 and the sudden emergence of a new focus for America's intelligence—international terrorism—I would suggest to critics and would-be reformers that they begin any discussion of US intelligence with a thorough reading of this thought-provoking examination of the US intelligence analysis effort against the hardest target of the Cold War, the Soviet Union.

Jack F. Matlock, Jr.
Former US Ambassador to the USSR

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Introduction and Overview of the Conference Papers

“CIA’s Analysis of the Soviet Union, 1947-1991” was the subject of a conference at Princeton University on 9 and 10 March 2001, sponsored by Princeton’s Center of International Studies and the Center for the Study of Intelligence at the Central Intelligence Agency (CIA). The conference drew experts including former and current analysts from CIA, members of the academic community, former members of the US policymaking community, and representatives of the media. The goal of the conference was to assess how well CIA—specifically its major analytic component, the Directorate of Intelligence (DI)—in concert with other agencies in the US Intelligence Community helped policymakers in Washington understand and gauge the readiness and the plans of Soviet military forces, the state of the Soviet economy, the capabilities of Soviet military technology, and the policies and internal workings of the Kremlin throughout the Cold War.

The conference was divided into seven sessions or panels (see appendix A). The first five focused on the organizational evolution of the DI and on CIA’s analysis of Soviet economic, political, military, and scientific and technological developments during the Cold War. The sixth session assessed the extent to which Western analyses of the Soviet Union may have influenced the USSR’s policymaking process. A seventh panel featured a roundtable discussion of how influential CIA’s analysis had been on the foreign policymaking process in Washington.

The papers featured in this volume were presented at the first six panel sessions of the Princeton conference. A panel of experts provided comments on the papers and presented their own views on the subjects being reviewed. All of the panels were followed by open discussion among the authors of the papers, panel members, and the audience.

An examination of CIA’s analytic record and performance from the early Cold War years through the collapse of the Soviet Union was made possible by the declassification and release for the conference of almost 900 documents produced by the DI (see appendix B). In addition, the authors of the papers and the scholars at the conference were able to draw upon a sizable collection—close to 2,700 documents—of previously declassified and released analytic documents on the USSR published by CIA between 1947 and 1991.

All of the declassified documents are available at the National Archives and Records Administration; those released specifically for the conference also are available on the CIA Electronic Document Release Center (or FOIA) Website at <http://www.foia.ucia.gov>. Absent from this collection of documents is the diet of CIA's daily current intelligence reporting and analysis tailored for the President and his closest circle of most senior policy advisers in the form of the *Daily Intelligence Summary*, later the *President's Intelligence Checklist*, and more recently the *President's Daily Brief* and the *National Intelligence Daily*. The contents of these all-source daily reports, while presumably influential, still are deemed too sensitive for declassification.

The six papers prepared for the conference are summarized below. In some instances, editorial comments are provided in an effort to put some of the issues in context or to raise issues for possible future research and discussion. The papers can be found in their entirety in Chapters I through VI. Speeches and concluding remarks follow in Chapters VII and VIII.

Origins of CIA's Analysis of the Soviet Union

Donald Steury's paper focuses on the evolution of an independent, analytical capability at the Central Intelligence Agency during the early years of the Cold War and the Agency's existence. Steury traces the development of the Central Intelligence Agency from the creation of the Central Intelligence Group (CIG) in 1946 through the tenure of Lt. Gen. Walter Bedell Smith as Director of Central Intelligence (DCI) in 1950-51. It was during this period that the nucleus of the Agency's future analytic organization—the DI and a Board of National Estimates (BNE)—was formed.

According to Steury, some US officials opposed the creation of a civilian intelligence agency, fearing it might become an American Gestapo. President Harry Truman, however, concerned with preventing another Pearl Harbor, created the Central Intelligence Group as a "sort of holding company whose main function would be the coordination of departmental intelligence." The first DCI, Rear Adm. Sidney W. Souers, was given a staff of only 29 people (17 of them on loan from other departments) and was dependent on the Department of State and the War and Navy Departments for both staff and funding.

Meanwhile, the military services, the Department of State, and the FBI jealously controlled their information and their role as intelligence policy advisors to the President. According to Steury, the military resented having to provide military data to a civilian agency and felt "civilians could not understand, let alone analyze, military intelligence data." Similarly, the Department of State immediately challenged the CIG on the issue of access to the President. When Truman asked for a daily intelligence summary from the CIG, Secretary of State James Byrnes insisted that State provide the President with a daily report as well. As a result, Truman received daily summaries from both the CIG and State. Thus,

the War Department and the Department of State remained the focal point for providing analysis on the Soviet Union during this period. The CIG, with the creation of an Office of Reports and Estimates, concentrated on producing the Daily Intelligence Summary for the President.

The passage of the National Security Act and the creation of the CIA in 1947 did not greatly alter the situation. According to Steury, the “new kid on the block” found itself trying to carve out an analytical role in a pre-existing and bureaucratically entrenched national security establishment.

Steury claims that neither the CIG nor the early CIA was capable of meeting America’s early postwar intelligence requirements on the Soviet Union. The War Department was producing detailed, high-quality, analyses on Soviet military capabilities and making long-term projections about Moscow’s intentions. Only after Gen. Lucius D. Clay, the American Military Governor in Germany, sent his famous “war warning” cable to Washington on 5 March 1948 did CIA get more actively involved in analytical assessments. Steury argues that the true motive of the Army leadership in seizing on Clay’s cable was to justify increases in the US defense budget. Regarding the war warning crisis, CIA analysts took the position that the Soviet Union was unlikely to deliberately initiate war in the foreseeable future, despite its strong military position in Europe.

From this point on, the mission of CIA’s analysts quickly grew, according to Steury. In addition to producing daily current intelligence and long-term estimates, they were asked to do wide-ranging research on topics such as economics, transportation, and geography. Also, in his view, bureaucratic opportunism played a role. While the Department of State and the military services remained adamant that political and military analysis should not be tasked to CIA, they left scientific and, increasingly, economic analysis to the Agency.

Following the recommendation of the Dulles-Jackson-Correa report, DCI Walter Bedell Smith created the BNE in 1950-51 and added the DI in January 1952. The Board was supported by an Office of National Estimates (ONE) and gradually became a major research organization in its own right. At the same time, CIA reached a landmark agreement with the Department of State that gave the Agency responsibility for economic research and analysis on the Soviet Union and its East European satellites. (The State Department retained primacy in political analysis.) The DI subsequently developed models of the Soviet economy that, with modifications over the ensuing decades, provided US policymakers invaluable insights into the USSR’s massive but cumbersome economy. Gradually, the CIA assumed a broad mandate for analysis, especially with regard to the Soviet Union.

Assessing Soviet Economic Performance

CIA's Directorate of Intelligence allocated a large share of its analytic resources from 1947 to 1991 to the Soviet Union in general and to the Soviet economy in particular. Two watershed events in this effort were the recruitment of Max Millikan, an economist from the Massachusetts Institute of Technology, to head the Office of Research and Reports (ORR)¹—which focused on basic intelligence reporting including, most prominently, economic intelligence—and the agreement with the Department of State mentioned earlier, which enabled ORR to assume responsibility for economic research and analysis on the Soviet Union and Eastern Europe.

James Noren, a leading expert in the DI's effort to analyze the Soviet economy during much of the Cold War, provides a first-hand account of the work the DI produced during this period. His paper chronicles an array of intelligence assessments of the Soviet economy and a record of significant achievements by CIA and the US Intelligence Community. It lays out how the DI attained the five goals set by Millikan for the Agency's economic analysis of the Soviet Union during the Cold War:

- To help estimate the magnitude of present and future military threats by assessing the resources available to a potential enemy—now and in the future.
- To estimate the character and location of possible military threats—how potential enemies have invested their resources.
- To assist in divining the intentions of potential enemies in the conviction that how they act in the economic sphere is likely to reveal real intentions.
- To help policymakers decide what can be done to reduce possible or probable military threats by impairing the enemy's capabilities.
- To assist in establishing and projecting relative strengths of East and West.

Noren contends that all of Millikan's goals for CIA's economic intelligence were fulfilled:

Over the years, CIA learned a great deal about the Soviet economy, and shared its findings not only with policymakers but also academia and the general public... The Agency's economic analysis contributed to a better understanding of the threat posed by the Soviets in both economic and

¹ Max Millikan's tenure at CIA was quite short—about a year. Nonetheless, in this short period he initiated an extensive recruitment program, hiring economists who formed the core group of CIA's economic analysts for the next decade, and set a course that the Agency's Soviet economic analysts followed for the next forty years.

military spheres, and restrained a general tendency to exaggerate that threat. Noel Firth and I opined in our book that, in the absence of the defense-spending estimates, “The prevailing view of Soviet military programs would have been more alarmist and US defense spending during the Cold War would have been much higher.”

In his paper, Noren describes how CIA’s economics division, which was small and largely unrecognized in the early 1950s, grew in the 1960s, 1970s, and 1980s to become arguably the preeminent organization in the West engaged in analysis of the Soviet economy. Along the way, according to Noren, the DI undertook some precedent-setting work. For example, the Agency’s economic analysts constructed a set of national income accounts for the USSR that built on the pioneering work of Professor Abram Bergson and his colleagues at Columbia, Harvard, and the RAND Corporation. Also, at a time when production-function analysis was in its infancy in the United States, CIA developed measures of combined-factor productivity—the efficiency with which labor, capital, and land were used—for the Soviet Union. These constructs became the backbone of the Agency’s analysis of Soviet economic trends. They provided a way for the DI to gauge the rate of growth of the Soviet economy and to answer structural questions about it—such as how fast the USSR’s capital stock was growing, whether or not living standards were improving, and how much of a burden defense spending was placing on the economy. They also provided a basis for international comparisons of the size and structure of the Soviet economy.

At the same time, according to Noren, the DI provided US policymakers with timely and useful analysis on a wide range of economic issues. CIA’s analysis assessed the strengths, weaknesses, and prospects of the individual industrial, agricultural, transportation, communications, and energy sectors in the USSR in detail and on a continuing basis. The Agency followed Soviet agriculture, for instance, with state-of-the-art methods of predicting grain yields. According to Noren, coverage of Soviet agriculture, particularly the models of grain production, provided critical information that enabled US policymakers to successfully gauge large changes in Soviet grain production and therefore possible Soviet purchases in world markets. Noren pointed out that the Department of Defense was an eager customer of CIA’s estimates, expressed in US dollars, of the cost of Soviet military programs. He noted that in 1977 Secretary of Defense Harold Brown had characterized the dollar estimates as “providing the best, single aggregated measure of US and Soviet defense efforts.” Finally, Noren noted that the Agency took the lead in assessing the role of technology transfer in the USSR’s economic and military development. According to Noren, the DI’s analysts found that the technology gap—in the West’s favor—was large and widening over the course of the Cold War, that the Soviet system of planning and management retarded the assimilation and diffusion of new technology, and that the volume of Soviet imports was too small relative to total investment to have a substantial effect overall.

Meanwhile, the Agency regularly provided assessments of the state of the Soviet economy to US policymakers. Noren points to a succession of analytic papers going as far back as the early 1960s that described a slow and steady decline in the rate of economic growth, a lack of improvement in the quality of life in Soviet society, and finally growing indications of political destabilization that ultimately resulted in the breakup of the Soviet Union.

- The Agency's measures of Gross National Product (GNP) indicated that Soviet economic growth was slowing over time. Indeed, as early as 1963, CIA reported that Soviet GNP had grown only by a modest 2.5 percent, largely debunking Nikita Khrushchev's boast that the USSR would overtake the United States. By 1982, CIA was forecasting that Soviet GNP growth would average only 1.4 percent in the 1980s, projections that tracked well with actual 1980s growth.
- The Agency's productivity analysis painted a pessimistic picture of the future of the Soviet economy. In 1961-63, for instance, CIA reported that the rate of growth of factor productivity had fallen to 2 percent per year compared with almost 5 percent per year in 1954-60. A 1970 paper concluded that returns on new capital were "strongly diminishing" and that a higher rate of capital formation would "not insure even a continuation of present rates of economic growth."
- CIA's analysis of Soviet industry uncovered major vulnerabilities that were slowing the growth of industrial output—shortages of raw materials, slower growth in energy supplies, and rail bottlenecks—as well as the continuing priority given to the military, increasing planning snafus, and foreign trade rigidities.
- CIA's analysis of the worth of a succession of economic "reforms" in the USSR was consistently skeptical. The DI's analysis found most reform programs—the 1965 Kosygin reform program, for instance, and the reform proposals that surfaced in 1957, 1965, and 1979, as well those put forward by Gorbachev—to be too "timid" and predicted they would yield only small positive results.

Finally, Noren also cites an impressive number of analytic papers done by the DI that were skeptical of Gorbachev's policies of *glasnost* and *perestroyka*. These papers describe "financial imbalances and inflation," an economy "out of control," ill-conceived policies, partial economic reforms, misdirected investment resources, and a failure to improve living standards. Overall, the analysis done by the DI during the Gorbachev years, Noren asserts, painted a consistently pessimistic picture of an economy that was going steadily downhill. According to Noren, "The Agency tracked and projected an economy drifting toward stagnation, posing extremely difficult choices for Soviet leaders."

At the same time, Noren's paper reveals that some of the Agency's assessments were considerably off the mark. He indicates, for instance, that while CIA's analysis was correct on the fundamental problems that eventually brought about a fall in oil production in the USSR, the Agency's 1977 estimate of oil reserves in the USSR was too low, and its analysts did not take sufficient account of Moscow's willingness to shift men and equipment—in massive numbers—to the development of the Siberian oil fields in the middle of a five-year plan. The Agency's abrupt reassessment in 1976 of its ruble defense-spending numbers led to a lack of confidence in the Agency's work among some members of the Administration and Congress. Noren also points out that CIA's analysis of Soviet military power and intentions missed the mark in the late 1970s. A review of CIA's estimates of Soviet defense spending in 1982 found that while outlays for military procurement had leveled-off in the USSR since 1975 and the growth in total defense spending had slowed in real terms, the Agency's assessments continued to maintain that defense spending was rising at the historic rates of 4 to 5 percent per year.

The accuracy of CIA's analysis of the Soviet economy has been questioned, and has become the subject of substantial debate since the collapse of the Soviet Union. Noren's analysis buttresses the assessments of a number of other analysts who maintain that the Agency did as well as could be expected in anticipating the collapse of the Soviet economy in the early 1990s.² Other analysts, meanwhile, continue to disagree. They charge very broadly that CIA failed in one of its main missions—to accurately assess the political, economic, and military state of the Soviet Union.³

Analyzing Soviet Politics and Foreign Policy

Douglas F. Garthoff, a former analyst and senior official at CIA, provided an account of the Agency's analysis of Soviet politics and foreign policy and also described the organizational changes that affected the production of political analysis within CIA during the Cold War. He recounted CIA's reading of political events in the USSR beginning with the initial reporting to the President by CIA's predecessor organization—the CIG—in mid-February 1946, through the Stalin and Khrushchev periods, the Brezhnev and post-Brezhnev eras, and finally the controversial Gorbachev period.

² See Douglas J. MacEachin, *CIA Assessments of the Soviet Union: The Record Versus the Charges* (Washington, DC: Center for the Study of Intelligence, Central Intelligence Agency, 1996), p. 7. Other analysts who have defended the Agency include Bruce Berkowitz and Jeffrey T. Richelson, "The CIA Vindicated: The Soviet Collapse Was Predicted," *The National Interest*, no. 41, (1995); and Kirsten Lundberg, "The CIA and the Fall of the Soviet Empire: The Politics of Getting It Right," Harvard Case Study C16-94-12510, Harvard University, 1994.

³ Most prominent among the critics of the Agency are former Senator Daniel Patrick Moynihan, William Safire of the *New York Times*, and author Nicholas Eberstadt. See, for example, Daniel P. Moynihan, *Secrecy: The American Experience* (New Haven, CT: Yale University Press, 1998); George P. Schultz, *Turmoil and Triumph: My Years as Secretary of State* (New York, NY: Charles Scribner's Sons, 1993), 864-869; and Melvin Goodman, "The Politics of Getting it Wrong," *Harper's Magazine*, November 2000, pp. 74-80.

On the whole, Garthoff assigns the Agency and the Intelligence Community high grades for political analysis, describing the views of experts “who had immersed themselves in the subject rather deeply and who had no policy-driven axes to grind in forming their conclusions.” At the same time, he is critical of the Agency’s cautious or conservative approach in evaluating statements regarding Soviet foreign policy. According to Garthoff:

There seems to have been a bias in favor of not making analytic mistakes in the direction of being too “optimistic” about Soviet policy choices, probably in the conviction that this was the most prudent and therefore most responsible way to shape analysis for senior US policymakers.

Garthoff asserts that two other biases were built into CIA’s analysis of Soviet foreign policy: (1) that threats to US interests were more important to identify for US policymakers than opportunities for advancing US policy interests; and (2) that attention to the military dimension of the Soviet threat dwarfed all other aspects of the analysis of the USSR.⁴ Garthoff acknowledges that the Agency’s basic mission was, and still is, to warn of possible military threats to the United States. Nonetheless, he maintains, “CIA sometimes attempted to relate appreciations of Soviet military strength to Moscow’s general foreign policy in ways that emphasized the military or assertive aspects of Soviet policy.” He leaves open the question of how the Agency could have done a better job of integrating its analysis of the political, economic, and military dimensions of Soviet policymaking.

In his concluding section, Garthoff addresses the issue of whether or not CIA predicted the demise of the USSR. He gives the Agency relatively high grades for the quality of its effort:

The papers currently available show that CIA’s analysts interpreted Gorbachev’s words and actions as serious efforts to bring about real change in the USSR, that the analysts kept pace with changes as they occurred and thought through their possible implications, and that they understood after a while that the impact of Gorbachev’s changes might turn out to be beyond his expectations, understanding and control.

⁴ The over-attention paid to the military dimension of the Soviet threat was addressed by two members of the panel, Dr. Fritz Ermarth and Dr. Peter Reddaway. This issue also is addressed in some depth in a recent book by Willard Matthais. His book surveys more than 50 years of national security policy and the role played by intelligence in its formulation. A major theme of the book is that diverse views developed during the Cold War on the importance of military power in the determination of foreign policy. Matthais points out, for example, that the military establishment saw military power as the prime determinant of the behavior of states. As a result of this narrow viewpoint, he believes that military and political leaders demonstrated “a grievous failure to understand the Soviet leaders and communist doctrine.” On the other hand, in his view, the Office of National Estimates was more correct in that it kept Soviet policies “under continuing review” and “did not take refuge in any fixed theories about Soviet intentions.” See Willard C. Matthais, *America’s Strategic Blunders: Intelligence Analysis and National Security Policy, 1936-1991* (University Park, PA: The Pennsylvania State University Press, 2001).

It may be said of CIA that it did not predict with exactitude that Gorbachev would fall or when he would fall, but it also must be acknowledged that CIA documented many indications of the troubles he encountered (and engendered) and the seriousness of their danger to his political health.

Garthoff cites a number of National Intelligence Estimates (NIEs) and intelligence assessments as examples of the tenor of the Agency's analysis during the Gorbachev period, including the following:

- An NIE published in November 1987 titled *Whither Gorbachev: Soviet Policy and Politics in the 1990s*, which concluded that Gorbachev's intent was to be bold and visionary and that he was "now convinced that he must make significant changes to the system, not just tinker at the margins." The estimate goes on to say that Soviet foreign policy was in for "profound" changes, with a de-emphasis on military intimidation as a policy instrument and a reduction in tension with the West so that growth in defense spending could be constrained.
- A December 1988 intelligence assessment titled *Gorbachev's September Housecleaning: An Early Evaluation*, which stated that "new thinking" on national security and foreign policy involving a "more pragmatic, non-ideological approach to foreign affairs" was now more likely.
- A March 1990 intelligence assessment that described reform in the USSR as at "a critical juncture," and warned that domestic problems threatened to overwhelm *perestroika*, that Gorbachev had to choose between moving more decisively toward democracy and economic reform or backtracking on both, and that near-term instability and conflict seemed likely to persist and possibly intensify.

Garthoff's ability to assess comprehensively the Agency's analysis of political events for more than four decades was, in his view, limited. He writes that his paper deals only "with high points of topmost level leadership politics and policies" and "the main lines of the basic East-West competition" with respect to Soviet foreign policy issues. One constraint he faced was the uneven availability of declassified CIA studies dealing with Soviet political and foreign policy issues, a problem that plagued all authors of the papers in this volume. But the problem was most severe in the political area, according to Garthoff, because previous declassification efforts involving CIA's analyses of the USSR resulted in the release of relatively larger and more representative samples of documents dealing with

military and economic affairs.⁵ The fact that the conference covered the entire Cold War period from 1947 through 1991 also was a problem. Garthoff found that addressing all of the major events over that entire time period posed a daunting task.⁶

A careful reading of Garthoff's paper points out the need to understand the organizational structure of the Agency and how it changed over time if one is to fully comprehend CIA's role in providing political analysis to policymakers. Much of the Agency's early political analysis, for instance, was provided to policymakers in the form of current intelligence—daily, short-term assessments of events as they unfolded—although long-term research papers were done early on as well, such as, the so-called CAESAR and ESAU papers produced by the Senior Research Staff and its predecessor.⁷ The formation of the Office of Soviet Analysis in 1981 was a significant organizational change in that it brought together military, political, and economic analysts in one office and provided the basis for a more multidisciplinary approach to Soviet issues.

On the other hand, the abolition of the ONE's board and staff in 1973 was a less positive development. ONE was replaced by a system of National Intelligence Officers responsible for drafting NIEs for geographic or specific subject areas. In the process, the collegial structure that had existed in ONE—in which the Board reviewed each National Estimate—was lost. The effect of structural change on the Agency's analysis is a subject that warrants further research and study.

Finally, Garthoff necessarily relies heavily on NIEs to chart the course of the political analyses done by CIA and the Intelligence Community during the Cold War. NIEs, the DCI's most authoritative written judgments on the Soviet Union, present the views of the entire Intelligence Community. The text of an NIE generally reflects the Agency's analytic position on the issues; when it does not, the Agency's position is stated in a dissent. On balance, the judgments reached in NIEs usually paralleled those reached by the DI in its own, ad hoc intelligence assessments.

⁵ As was noted in the "Introduction" to the conference publication, the body of DI documents on the Soviet Union published during the Cold War years, which had not yet been declassified, was far too large to have been reviewed for declassification and released for the conference. The Agency's goal, therefore, was to assemble a collection of documents large enough and sufficiently diverse that (1) most, if not all, of the major developments and analytic issues that occurred during the period were represented; and (2) the tenor and substance of the DI's analysis was adequately captured. Nonetheless, the process of declassifying and releasing documents was uneven and resulted in a collection of documents that was not perfectly representative of events as they occurred over time, despite considerable effort to make it so. See *CIA's Analysis of the Soviet Union 1947-1991*, edited by Gerald K. Haines and Robert E. Leggett (Washington, DC: US Government Printing Office, 2001), pp. 10-12.

⁶ Historians and scholars will require the declassification and release of additional documents to sort out many of these issues. The Director of Central Intelligence has pledged to continue the release of these and other Cold War materials within the limits imposed by law not to jeopardize sources or methods, impinge on liaison relations with other countries, or interfere with the Agency's ability to carry out its mission. Included in the priority list for review are finished intelligence analyses on the former Soviet Union. See "DCI Statement on Declassification," dated 29 May 1998.

⁷ Although current intelligence assessments were not included in the body of declassified materials made available to the conference authors, papers such as those in the CAESAR and ESAU series are discussed by Douglas Garthoff in Chapter III.

Analysis of Soviet Science and Technology

Clarence E. Smith asserts in his essay, “CIA’s Analysis of Soviet Science and Technology,” that a revolution in technical intelligence collection capabilities at CIA during the Cold War led to the development of new analytic techniques as well. These advances ultimately brought significant successes in discerning Soviet scientific and technical capabilities, especially with respect to advanced offensive and defensive weapons. Smith describes the difficulties CIA and the US Intelligence Community faced in collecting intelligence on hard targets in the denied areas of the Soviet Bloc. Traditional espionage, severely restricted at the time, was not producing the needed information. As a result, US policymakers feared another surprise attack that could be far more devastating than the one on Pearl Harbor. For example, on 23 April 1952, DCI Walter Bedell Smith told the National Security Council:

In view of the efficiency of the Soviet security organization, it is not believed that the present United States intelligence system, or any instrumentality which the United States is presently capable of providing, including the available intelligence assets of other friendly states, can produce strategic intelligence on the Soviet Union with the degree of accuracy and timeliness which the National Security Council would like to have and which I would like to provide. Moreover, despite the utmost vigilance, despite watch committees, and all of the other mechanics for the prompt evaluation and transmission of intelligence, there is no real assurance that, in the event of sudden undeclared hostilities, certain advance warning can be provided.

Smith describes how civilian scientists, led by James Killian of MIT and Edwin M. Land as part of a Technological Capabilities Panel established by President Dwight D. Eisenhower, found that the Intelligence Community needed to “increase the number of hard facts upon which our intelligence estimates are based to provide better strategic warning, minimize surprise in the event of an attack, and reduce the danger of gross overestimation or gross underestimation.” To counter the Soviet threat the panel recommended a vigorous program using the most advanced knowledge in science and technology.

This, according to Smith, led CIA and the Intelligence Community, in partnership with private corporations, to develop revolutionary collection programs designed to provide the needed intelligence data. CIA’s Office of Scientific Intelligence (OSI), later to become the Directorate of Science and Technology, spearheaded the effort that included advances in collecting electronic intelligence (ELINT), the development of manned reconnaissance platforms, and the creation of space-based imaging satellites.

Smith notes that the flow of new data brought a revolution in analysis as Intelligence Community analysts worked to assimilate and make sense of it. At the outset of the Cold War, CIA had only a small analytic unit, the OSI, to analyze Soviet atomic capabilities. In May 1954, DCI Allen Dulles approved a dedicated ELINT program to intercept non-communication signals associated with the USSR's ability to deliver atomic bombs or weapons of mass destruction, as well as signals associated with its defensive systems. According to Smith, this unique program allowed CIA analysts to dissect, early on, Soviet missile and satellite telemetry data and to assess the performance of Soviet missile systems.

Smith's paper also discusses the use of the U-2 high-altitude reconnaissance aircraft developed by the Agency in cooperation with the Air Force and the Lockheed Corporation. The U-2, first flown over the Soviet Union on 4 July 1956, helped settle the "bomber gap" issue with overhead imagery of the Soviet Union. Later photo imagery was invaluable in also dispelling the "missile gap" issue and in determining the precise location of Soviet strategic delivery systems and Soviet defensive systems. Smith describes how the U-2 eventually became a dual-use reconnaissance platform, capable of collecting both imagery and ELINT. CIA's OXCART program, better known by its Air Force designator SR-71 (or Blackbird), followed the U-2 and brought technological breakthroughs in aerodynamic design, engine performance, and stealth techniques.

Smith also details the role of the Agency in the development of the first space reconnaissance program, CORONA, and rates the technical advances made in camera systems and orbital life as "simply phenomenal." By September 1964, CORONA had photographed all 25 of the existing Soviet intercontinental ballistic missile (ICBM) complexes. While stressing CIA's role, Smith credits the entire Intelligence Community for contributing to the technological breakthroughs. In his view the new collection systems enabled US policymakers to become increasingly confident in their ability to discern Soviet military capabilities and to provide warnings of possible Soviet attack. In turn, he believes these pioneering collection systems made possible the Strategic Arms Limitation Talks (SALT) and the signing of arms-control agreements with the Soviet Union because they provided the United States with the means to verify Soviet compliance.

Estimating Soviet Military Intentions and Capabilities

Raymond L. Garthoff's paper addresses how CIA responded to policymakers' questions about Soviet military power and intentions. Garthoff traces the gradual development of CIA's role in military analysis from the "bomber gap" and "missile gap" controversies in the 1950s and early 1960s to questions surrounding Soviet intentions concerning nuclear parity or superiority in the 1970s, to the Agency's estimates of

Moscow's growing military power in the 1980s and 1990s. He argues that CIA's analysis was not always right, nor always accepted, but that it played a predominant role in the US policymaking process because it was "more correct, more often."

Implicit in CIA's analysis of Soviet military power, according to Garthoff, was an assumption that we were dealing with a "given," an objective and established reality. There was little recognition, Garthoff argues, that the underlying reality might have been contingent and dynamic and, at least in part, reactive—that Soviet intentions and military programs might have been significantly affected by US policies and actions, and that US intelligence assessments and their consequences for US policy and military programs might have influenced the nature and extent of the very threat being analyzed. According to Garthoff, the main reason for this blind spot was the tendency of CIA analysts to see Soviet objectives, intentions, and capabilities as principally, if not exclusively, offensive in nature.

Like Donald Steury, Garthoff asserts that CIA analysis, especially of Soviet military affairs in the earliest years of the Cold War, was neither especially stellar nor influential, although this would soon change. At the outset, even though CIA had a voice, the most important judgments regarding Soviet intentions fell to others, especially the US military. When the CIA was established, according to Garthoff, there was a general understanding that the Army, Navy, and the newly created Air Force would exercise primary responsibility for military intelligence. Garthoff argues convincingly that during the 1950s the US military seriously miscalculated the threat posed by Soviet forces. He cites as examples of underestimation: the growth of Soviet military expenditure in the mid-1950s, the size of Soviet Army ground forces, the number of Soviet medium bombers, and the availability of uranium and U-235. The US military overestimated the growth of the Soviet submarine force and the production of Soviet long-range bombers, which led to the so-called "bomber gap." Garthoff points out that instead of the 700-800 long-range bombers the US Air Force estimated from 1955 to 1957, Moscow never deployed more than 150, U-2 reconnaissance flights and other technical intelligence led CIA to deflate the feared "bomber gap" by 1958.

Garthoff also discusses the famous "missile gap" controversy that developed in the early 1960s. According to Garthoff, Air Force Intelligence egregiously overestimated current and future Soviet ICBM capabilities. The feared "missile gap" was dispelled by CIA analysts when satellite photography during 1961 clearly showed that the Soviet leaders were not deploying large numbers of ICBMs.

On balance, Garthoff gives the Agency good grades for its military analysis during the 1950s and early 1960s, calling it "probably the best in the Intelligence Community." It was also, according to Garthoff, the least influenced by institutional interests, especially compared to the military intelligence services.

Garthoff illustrates this point by contrasting CIA's analysis during the 1960s and 1970s with military intelligence estimates. According to Garthoff, the documents CIA declassified for the Princeton conference indicate that CIA believed the Soviets probably sought no less than strategic equality with the United States, although they would have preferred some degree of strategic advantage if it could have been achieved. The US military, on the other hand, was convinced by December 1976 that the Soviet buildup of intercontinental nuclear capabilities was part of an effort to achieve world domination. The Air Force called it "the Soviet drive for strategic superiority." As a result, US military analysts opposed the administration's policies of détente, arms control, and increased trade with Moscow, contending that the Soviet Union had "exploited them to the serious disadvantage of the West."

Garthoff asserts that every NIE from 1974 to 1986 overestimated the magnitude of Soviet strategic force modernization programs. By 1982 analysts in CIA's Directorate of Intelligence determined that Soviet defense spending had in fact increased by only 2 percent on average since 1976 and that the rate of growth of weapons procurement had been almost flat. Nonetheless, the heads of the Defense Intelligence Agency and the military intelligence services, Garthoff points out, continued to argue that "Soviet leadership is now confident that the strategic military balance has shifted in the Kremlin's favor and that the aggressiveness of its foreign policy will continue to increase as the Soviet advantage grows."

Garthoff sharply criticizes the "Team B" approach created by DCI George H. W. Bush in 1976 as an alternative to the Intelligence Community's military estimates. Team B's report was highly critical of CIA's analysis but, according to Garthoff, virtually all of Team B's criticisms proved to be wrong. The Team B exercise, in his view, was "ill conceived and disappointing" in its attempt to identify ways to improve the estimating process. The Team B members, according to Garthoff, were less concerned with objectively evaluating Intelligence Community estimates than with pushing their hard-line views of a dangerous Soviet Union bent on world domination.

Garthoff concludes that perhaps the greatest shortcoming of the NIEs and CIA's assessments of Soviet military power from 1988 to 1991 was a failure to recognize the radical changes in Soviet outlook, doctrine, policy, or military strategy. He cites as an example a 1988 NIE that concluded, "To date we have not detected changes under Gorbachev that clearly illustrate either new security concepts or new resource constraints in the Soviet fundamental approach to war." Garthoff viewed this as a lost opportunity to identify and analyze changes that indeed were taking place. Nevertheless, he concludes that analysts at CIA were well ahead of the Intelligence Community as a whole in assessing Soviet military intentions and capabilities.

Western Analysis and the Soviet Policymaking Process

Vladimir Treml's paper assesses whether government officials in the former Soviet Union read Western studies of the USSR and, if so, the degree to which the studies influenced policymaking in the Kremlin. Treml focuses his analysis almost exclusively on economic issues—that is, on Western studies that assessed “the performance, effectiveness of policy, and structural changes in the Soviet economy”—but believes his conclusions apply generally across the range of disciplines that focused on the Soviet system.

Treml's study covers the period from the mid 1950s—when secrecy and censorship in the USSR were most severe—to the implementation of Mikhail Gorbachev's policy of openness or *glasnost* in the late 1980s. Treml points out that Soviet officials and academics were not allowed during most of this period to deviate from the Communist Party line on the performance of the Soviet economy, nor could they use or cite economic data not approved by officials from the USSR's Central Statistical Administration. In essence, they were hamstrung in their ability to assess objectively the performance of the Soviet economy and were largely, if not completely, isolated from the work of other economists throughout the world.

While Treml's paper focuses on Western analyses of the Soviet Union in general, he points out that CIA was the dominant intelligence organization analyzing the Soviet economy during this period. CIA analysts wrote many of the papers that appeared in the compendia published by the Congressional Joint Economic Committee (JEC) and Treml estimates that more than 40 percent of these JEC articles on the Soviet economy were “either completely translated, summarized, excerpted, or reviewed in classified Soviet publications, and, once in a while, in open publications in Soviet economic journals.”

Treml's paper seeks to determine the extent to which Western studies of the Soviet economy were translated into Russian, reviewed, and studied by Soviet academic and government economic specialists with appropriate clearances, and used to make policy recommendations to high-level Soviet officials during the roughly thirty-five years covered by his study. In an effort to determine this, he (1) combed Russia's central archives for formerly classified as well as open Western documents that had been translated and for other information and documents that indicated such materials were made available to Soviet officials or policymakers; (2) interviewed Russian economists to determine the extent of their knowledge on the subject; (3) reviewed Soviet and post-Soviet literature for evidence that Western analysis had been used during the Soviet era; and (4) interviewed Western experts on the Soviet economy to determine whether they had any knowledge of altered Soviet practices during the period in question.

Treml's conclusions can be summarized as follows:

1. The Soviet Government made a massive effort to severely restrict the dissemination of Western studies to a small number of Party and government officials. Even the most prominent Soviet economists saw relatively few translated Western studies and only heard about the results contained in others.

2. Some Western studies of the Soviet economy were selected, translated into Russian, classified, summarized, and distributed to Soviet leaders—estimated by Treml to include the top 200 to 500 party and government officials. Treml found in the Soviet archives, for example, a 1976 JEC study that had been translated into Russian and distributed to the Central Committee. About half of the Politburo's members had initialed the document.

3. Kremlin officials generally mistrusted official Soviet analyses of the USSR's economy, and whenever possible would read or at least scan restricted Western studies. Kosygin and Gorbachev, for instance, indicated in their memoirs that they read Western studies of the Soviet Union. Treml also found that such Western studies as Morris Bornstein's work on Soviet prices; CIA's estimates of the rates of growth of the Soviet economy and of Soviet defense spending in rubles and dollars (which were sent directly to Brezhnev); the work of Professor Gregory Grossman and others on the "second economy" in the USSR; and the report by Christopher Davis and Murray Feshbach on the deteriorating state of public health in the USSR were read by top party officials.

Treml was unable to assess with much certainty the impact Western studies had on Soviet policymakers because many Central Committee records remain classified, are lost, or were destroyed. He found the paper trail of Central Committee policy decisions to be shoddy or nonexistent. But in what appears to be the clearest example of the impact of Western analysis on Soviet policy, Treml found references in the Central Committee's archives to two still-classified documents that reference CIA studies in the late 1970s. The CIA reports concluded that the Soviet petroleum industry was beset by serious problems. He notes that, following the release of the CIA study, the Kremlin directed a major shift in investment spending in favor of the oil and gas industries and that Soviet extraction and exploration policies changed in the late 1970s.

Chapter I

Origins of CIA's Analysis of the Soviet Union

Donald P. Steury

In the forefront of President Harry Truman's mind as he signed the order establishing the Central Intelligence Group (CIG) in 1946 was concern that the permanent, peacetime intelligence organization he was creating not serve as the cornerstone of an American "Gestapo," Nazi Germany's pervasive and oppressive secret police organization. At the same time, Truman felt the need to respond to widespread concern that the lack of an overarching national intelligence organization in the United States had been responsible for the strategic surprise at Pearl Harbor just five years before. And his own experience in the year he had been President showed him the policymaker's need for regular, timely intelligence reporting. Truman's way out of this dilemma was to choose a minimalist solution. The CIG was created as "a sort of holding company whose main functions would be the coordination of departmental intelligence."¹

The Director of the CIG was given a permanent intelligence staff of just 29 (17 of whom were on loan from other departments).² He was dependent on the Departments of State, War, and Navy both for staff and for funding. As created, CIG had two functions: the planning and coordination of all federal intelligence projects and the making of high-level estimates of foreign situations for the President and senior government officials. Although meant to be "the very last word in accuracy and timeliness," the estimates were not supposed to result from independent research but to be the product of the correlation and evaluation of analyses produced by the "departmental" intelligence organizations.³

As Sherman Kent presciently observed in 1946, "The CIG... [is] in for difficulties. If it has a soul to call its own, this and its heavy responsibilities are about all it can claim exclusive ownership to."⁴ The original concept of CIG may have been "reasonable and derived from real informational needs, [but] institutional resistance made implementation [of this concept] virtually impossible." The military services and the Department of State jealously guarded their preexisting control of information and their role as policy advisors to the President. Under such circumstances, CIG's original

¹ Sherman Kent, "Prospects for the National Intelligence Service," *Yale Review* (1946): p. 123.

² William M. Leary (ed.), *The Central Intelligence Agency: History and Documents* (Tuscaloosa, AL: University of Alabama Press, 1984), p. 25.

³ For example: The intelligence organizations of the Department of State, the War Department, and the Navy Department. Kent, pp. 126-27.

⁴ Kent, "Prospects," p. 127.

mission was “an exercise in futility.”⁵ The military resented having to provide military data to a civilian agency and felt that “civilians could not understand, let alone analyze military intelligence data.”⁶ Although the War and Navy Departments eventually assigned officers to CIG, they never granted CIG access to US military data. No less hostile to CIG’s intelligence-producing authority was the Department of State, which almost immediately challenged CIG on the issue of access to the President. When Truman asked CIG for a daily intelligence summary, Secretary of State James F. Byrnes insisted on his department’s prerogative to provide the President with daily policy analysis. The result: Truman received daily summaries from both CIG and the Department of State.⁷

It is true that in Spring 1946, the National Intelligence Authority—the Secretaries of State, War, and Navy and the President’s personal representative, who were to supervise the CIG’s Director of Central Intelligence (DCI)—authorized the CIG to conduct independent research and analysis “not being presently performed” by other departments.⁸ By October of that year, DCI Lt. Gen. Hoyt S. Vandenberg had created the Office of Reports and Estimates (ORE), with a staff of more than 300 intelligence professionals and clericals—sufficient to make CIG an independent intelligence producer. At the same time, CIG received its own clandestine collection capability, the Office of Special Operations (OSO), created by “returning” the War Department’s Strategic Services Unit (SSU).⁹ With the SSU, CIG received a number of trained personnel, originally from the World War II Office of Strategic Services, with experience in both analysis and operational matters. Despite this, ORE depended on the Department of State for raw intelligence and relied primarily on unclassified sources of material—in part because OSO’s intelligence product was highly compartmented and not accessible to ORE, and in part because ORE still lacked ready access to military intelligence. Moreover, the President’s interest drove ORE to concentrate on producing a daily summary of international developments. Even as CIG discovered that it was easier to collect and analyze its own data than coordinate the work of obstructionist departments, it also learned that Truman liked and expected to receive its Daily Intelligence Summary. The pressure of events and the priority of responding to the President thus focused ORE’s efforts on current reporting rather than on long-range forecasting.¹⁰

The result was that CIG “drifted from its original purpose of producing coordinated national estimates to becoming primarily a current intelligence producer.”¹¹ CIG produced just four estimates on the Soviet Union in 1946, two of which were analyses of Soviet Bloc propaganda broadcasts.¹² Another, *Soviet Capabilities for the Development and Production*

⁵ Leary, *CIA*, p. 24.

⁶ *Ibid.*, p. 25.

⁷ *Ibid.*, p. 25.

⁸ *Ibid.*, pp. 25-26.

⁹ *Ibid.*, p. 26.

¹⁰ *Ibid.*, pp. 26-27.

¹¹ *Ibid.*, p. 24.

¹² Center for the Study of Intelligence, *Declassified National Intelligence Estimates on the Soviet Union and International Communism* (Washington, DC: CIA, 1997).

of *Certain Types of Weapons and Equipment*, was just two pages long and contained the first of a series of wrong-headed projections concerning the development of Soviet atomic weapons capabilities.¹³ The very first estimate—ORE 1: *Soviet Foreign and Military Policy*—represented exactly the kind of “high-level estimate of foreign situations” CIG was created to produce, but it stands out as virtually unique among the crop of estimates ORE turned out.

The passage of the National Security Act and the creation in 1947 of the Central Intelligence Agency (CIA) did not greatly alter the situation. Under the new DCI, RAdm. Roscoe Hillenkoetter, “The Agency experienced un-directed evolution in the area of intelligence, never fulfilling its coordination function, but developing as an intelligence producer.”¹⁴ The list of intelligence estimates published in 1947 is rather longer than that for 1946 and contains a number of high-level estimates, but topics of immediate concern predominate. Of the 15 estimates declassified to date, six are in the nature of “situation reports” describing developments in various countries. Four others discuss the ongoing implementation of Soviet regional policies or likely Soviet reactions to US actions under consideration. Perhaps the most comprehensive estimate is ORE 14, *Future Soviet Participation in Long-Range International Air Transport*.¹⁵

None of these documents represent judgments outside the purview of either CIG or CIA, and all contain information of importance to the formulation of US foreign policy. But the predominance of such a current, situational focus suggests a preoccupation with “answering the mail,” to the detriment of the longer range, more comprehensive intelligence assessments which the nation’s central intelligence organization might have been expected to produce. Nowhere does one see the kind of comprehensive, formative intelligence documents produced by CIA’s Office of National Estimates (ONE) in the 1950s and 1960s or by the National Intelligence Council (NIC) beginning in the 1970s. Moreover, the predominantly political tone of many of the estimates (especially the “situation reports”) suggests a duplication of intelligence functions better performed by the Department of State.

In reviewing the intelligence process for the National Security Council, the 1949 Dulles-Jackson-Correa report somewhat wistfully concluded, “The principle of the authoritative National Intelligence Estimate (NIE) does not yet have established acceptance in the government. Each department still depends more or less on its own intelligence estimates and establishes its plans and policies accordingly.”¹⁶ The report blamed ORE for

¹³ 20 ORE 3/1: *Soviet Capabilities for the Development and Production of Certain Types of Weapons and Equipment* (31 October 1946), p. 1.

¹⁴ Leary, *CIA*, p. 23.

¹⁵ Center for the Study of Intelligence, *Declassified National Intelligence Estimates*.

¹⁶ Leary, *CIA*, p. 28.

not asserting itself enough in the estimates process and for failing to fulfill its mission as a coordinating intelligence body. That indictment was largely in line with the facts, but it failed to allow for what CIA veteran Ludwell Montague called “the recalcitrance and incompetence of the departmental intelligence agencies.”¹⁷ Lack of cooperation on the part of the departmental agencies only isolated ORE further, contributing to its general failure to function as a producer of coordinated, high-level estimates.

Nonetheless, the problem was deeper still, interwoven into the fabric of the newly created intelligence organization. In fact, neither CIG nor the early CIA was capable of meeting America's postwar intelligence requirements. CIG had been created to prevent the kind of strategic surprise that had brought the United States into World War II. But by 1946, although avoiding another Pearl Harbor was a paramount requirement of the postwar American Intelligence Community, strategic warning was only part of a wide spectrum of intelligence requirements. The experience of more than four years of total war was formative for postwar American strategic culture. By the end of World War II, a nation's war-making capacity was seen as but the expression of its total potential economic and military power defined in the broadest possible terms.

The shadow of Soviet military power settled across the European continent as the Soviet Union first infiltrated and then ruthlessly imposed dictatorial communist regimes upon the peoples of Eastern Europe, all the while moving to confront the Western Allies in Germany, Greece, Iran, and, eventually, Korea. An accurate appraisal of the full military and economic potential of the Soviet Union came to be viewed as an essential component of the role of the US Intelligence Community in assessing the burgeoning Soviet “threat”—one fully as important as achieving an accurate forecast of Soviet intentions.

The dimensions of the postwar intelligence problem were mapped out by Sherman Kent briefly in a 1946 *Yale Review* article¹⁸ and then comprehensively in a 1949 treatise, *Strategic Intelligence for American World Policy*. Kent focused the lens of American intelligence on what he called the *strategic stature* of a potential enemy. By this he meant a nation's ability to influence an international situation in which the United States had a “grand strategic interest.”¹⁹ Kent saw a nation's strategic stature as having three components, the most important of which was its *war potential*—the fully mobilized potential of its society, economy, and military to wage war. In any given situation, a detailed understanding of a nation's strategic stature was important, not only as a measure of what courses of action were possible (e.g., its capabilities—military or otherwise—for action), but as one indicator of its likely courses of action. For example, Soviet deployment of

¹⁷ Ludwell Lee Montague, *General Walter Bedell Smith as Director of Central Intelligence: October 1950-February 1953* (University Park, PA: Pennsylvania State University Press, 1992), p. 43.

¹⁸ Kent, “Prospects,” p. 123.

¹⁹ Sherman Kent, *Strategic Intelligence for American World Policy* (Princeton, NJ: Princeton University Press, 1965), pp. 40-41.

massive ground and tactical air forces capable of deep-strategic (e.g., offensive) operations to Eastern Europe was an indicator, not only of the political and strategic importance Moscow attached to the region, but of likely Soviet strategy in the event of war. A nation's war potential would only be fully employed in wartime, but Kent warned that in the developing Cold War the gap between a peacetime posture and one fully mobilized for war was narrowing rapidly.²⁰

Kent's voice was the most authoritative to speak on intelligence matters, but it certainly was not the only one. America's strategic culture blossomed intellectually in the postwar period, and questions of strategic intelligence received considerable attention. Kent himself was strongly influenced by what probably was the first postwar book to be published on the subject, George S. Pettee's *Future of American Secret Intelligence*. An intelligence veteran of the wartime Foreign Economics Administration, Pettee concentrated almost entirely on the industrial and socioeconomic elements of national power.²¹ To cope with the complexities and dangers of a world arena shaped by industrialization, Pettee called for a postwar intelligence organization with far more emphasis on research and analysis than ever in the past. His influence on Kent is to be found in the latter's conceptualization of national war potential and even in the basic organizational schema applied to *Strategic Intelligence*.

Pettee's little book has all but disappeared from the American political consciousness, but his contribution was part of a large body of work influenced by the experience of total war. In the postwar world, foreign intelligence analysis meant building a comprehensive picture of state and society—one that demanded a significant, ongoing research effort. This was particularly true as American intelligence confronted the Soviet Union—a nation combining a large, offensively minded, standing military; rich natural resources; and a vast, if not necessarily modern, industrial base with a powerful and effective security apparatus that kept secret virtually every aspect of Soviet industrial, military, and technological development. It would have been impossible to achieve a strategically significant body of knowledge about the Soviet Union without the development of sophisticated tools of intelligence collection and analysis. Whatever their talents, the CIG's 29 intelligence officers simply lacked the time or resources to perform analytical work on such a level. In effect, they lacked an institutional basis for the intellectual authority they were expected to wield over the national intelligence process. ORE was perhaps better placed, but it was confounded by the institutional difficulties of inserting itself into a preexisting and bureaucratically entrenched national security establishment.

²⁰ The three components were *non-military instrumentalities* (the ability to influence events with political and economic means); *force in being* (the capabilities of its standing military); and *war potential* (the fully mobilized potential of its society, economy, and military to wage war). Kent, *Strategic Intelligence*, pp. 40-65, *passim*.

²¹ George S. Pettee, *The Future of American Secret Intelligence* (Washington, DC: The Infantry Journal Press, 1946), see esp. Chapters 2 and 3, pp. 25-46.

To some extent, ORE was also attempting to impose itself on a process that already was under way. The War Department's Joint Intelligence Committee (JIC) had been created in 1941 to counter Maj. Gen. William J. "Wild Bill" Donovan's appointment as Coordinator of Information, the first step in creating the Office of Strategic Services. In 1945, the JIC had begun applying its experience analyzing the Nazi military-industrial base to estimates of Soviet war potential and to projections of likely postwar Soviet behavior. JIC analyses encompassed the political, economic, and ideological dimensions of Soviet power as well as the more traditional military aspects of weapons development and war planning.²²

By 1946, the War Department's estimative process had acquired considerable momentum. Thus, when the DCI on 29 April issued a directive (CIG 8) calling for "production of the highest possible quality of intelligence on the USSR in the shortest possible time," it was the JIC, rather than ORE, that became the focal point of the analytical effort. Although the directive expressed the intention that "CIG would take over formal sponsorship of the project at the earliest possible moment," in practice CIG was virtually excluded from the process.²³ Intelligence actually was to be produced by a Working Committee comprising representatives of the Department of State, G-2 (Army Intelligence), the Office of Naval Intelligence, and Air Force Intelligence. CIG was not represented. The Working Committee was to be responsible for creating a digest of factual strategic intelligence on the Soviet Union, to be compiled as a *Strategic Intelligence Digest*. Based on the digest, *Strategic Intelligence Estimates* were to be prepared by member agencies as needed to meet their own requirements. CIG was to act in a "supervisory capacity"²⁴ and function as adjudicator between departments. The military, however, resented having to defer to CIG to process and distill raw intelligence data.²⁵ CIG's impact on the process thus was minimal.²⁶ ORE's own response to the CIG 8 directive was ORE 1, *Soviet Foreign and Military Policy*, a landmark estimate, but one that failed initially to achieve the prominence or impact of JCS 1696, a much larger document, produced by the War Department's JIC, and published under the aegis of the Joint Chiefs of Staff.

Ludwell Montague, principal author of ORE 1, was critical of the methodology employed in JCS 1696, and the document's balance and alarmist conclusions about Soviet intentions have since been questioned.²⁷ Nonetheless, JCS 1696 responded to prevailing concerns in the Washington national security establishment, and it was to this document that the White House staff turned in drafting its own appraisal for the President.²⁸ Truman's

²² Larry A. Valero, "The American Joint Intelligence Committee and Estimates of the Soviet Union, 1945-1947," *Studies in Intelligence* (Summer 2000), pp. 5-9.

²³ *Foreign Relations of the United States* (hereinafter, *FRUS*), 1945-1950: *Emergence of the Intelligence Establishment* (Washington, DC: US Government Printing Office, 1996), p. 345.

²⁴ *FRUS*, 1945-1950, p. 346.

²⁵ Leary, *CIA*, p. 25.

²⁶ Leary, *CIA*, p. 25.

²⁷ Valero, "Joint Intelligence Committee Estimates," p. 11.

reaction was dramatic. "This is so hot," he concluded, "it could have an exceedingly unfortunate impact on our efforts to try to develop some relationship with the Soviet Union."²⁹ While ORE 1 was more concise and perhaps more balanced in its analysis of Soviet intentions, it did not offer much that was not in JCS 1696. In short, the new kid on the block still had a lot to prove.

The opportunity to do so was provided by the Soviet Union. On 21 November 1947, the Soviet Military Governor in Germany, Marshal Sokolovskiy, opened a meeting of the Allied Control Council with a violent outburst attacking the Western Allies. In December, Soviet Foreign Minister Vyacheslav Molotov disrupted a Quadripartite Foreign Minister's Conference in London and, in January, Soviet guards began regularly harassing trains transiting East German territory en route to the Allied garrison in West Berlin. Over the winter, Gen. Lucius D. Clay, the American Military Governor in Germany based in Berlin, began noticing an increased Soviet security presence in meetings with his military counterparts. Meanwhile, local intelligence officers reported recurrent consultations between the Soviet-controlled zone of Germany and Moscow. On 20 January 1948, Sokolovskiy rejected Clay's plans for currency reform inside occupied Germany.³⁰

Finally, on 5 March 1948, Clay felt compelled to voice his growing unease in a cable to Washington:

For many months, based on logical analysis, I have felt and held that war was unlikely for at least 10 years. Within the last few weeks, I have felt a subtle change in Soviet attitude, which I cannot define but which now gives me a feeling that it may come with dramatic suddenness. I cannot support this change in my own thinking with any data or outward evidence in relationships other than to describe it as a feeling of new tenseness in every Soviet individual with whom we have official relations. I am unable to submit any official report in the absence of supporting data but my feeling is real. You may advise the chief of staff of this for whatever it may be worth if you feel advisable.³¹

Unbeknownst to Clay, that same day the American Commandant in Berlin, Col. Frank Howley, decided to express similar misgivings in another cable to Washington:

After weeks of calm, last 2 Kommandatura [the quadripartite governing council in

²⁸ Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford: Stanford University Press, 1992), 130-38; see also *Ibid.*, p. 11.

²⁹ Valero, "Joint Intelligence Committee Estimates," p. 11.

³⁰ William R. Harris, "March Crisis 1948 Act I," *Studies in Intelligence* (Fall 1966), pp. 3-4.

³¹ *Ibid.*, p. 7.

Berlin] meetings, 26 February and 2 March, showed such increased Soviet violence in attacks that it is believed that General Kotikov, Senior Soviet Member is acting under new instructions. Attacks are thoroughly prepared, unprovoked, and often unrelated to any incidents of the meeting.

...The apparent pattern, with reference to Soviet intentions in Berlin, which may be temporary or permanent, includes the following elements:

—Effort to build case that quadripartite government is unable to operate in Berlin...

—Complete opposition to agreement of any kind in quadripartite meetings.³²

According to Secretary of Defense James V. Forrestal's biographer, Walter Millis, Clay's telegram "fell with the force of a blockbuster bomb."³³ Howley's cable, dispatched independently later that day, seemed only to magnify the crisis. Although Clay later denied that he intended the cable as a war warning,³⁴ it was interpreted as such inside the Pentagon. That same day, Gen. Stephen Chamberlin, Chief of Army Intelligence (G-2), hand-carried the "war warning" to Gen. Omar N. Bradley, Chairman of the Joint Chiefs of Staff. Secretary of the Army Kenneth C. Royall also saw it that afternoon; his first response was to ask how long it would take to get a number of atomic bombs to the Mediterranean, ready for use should the Soviets initiate a military action. Meanwhile, G-2 formed a task force under Col. Riley F. Ennis to begin a crash estimate of Soviet intentions.³⁵

Incredibly, although the cable was received with the utmost alarm inside the Pentagon, the Army was in no hurry to inform anyone outside the Department of Defense. Not until three days later, on 8 March, did Secretary of Defense Forrestal brief a closed-door session of the Senate Armed Services Committee on Clay's telegram. On 11 March, Gen. Chamberlin, the G-2, called DCI Hillenkoetter to request a meeting of the inter-departmental Intelligence Advisory Committee the next day.³⁶ Not until that meeting did representatives of the Office of Naval Intelligence, Air Force Intelligence, or the Department of State see Clay's cable, although by that time they had gleaned through the rumor mill some idea of what was happening.³⁷ On reading the cable, Director of Naval Intelligence Thomas Inglis noted that "this was the very function for which CIA had been established," and proposed that Hillenkoetter appoint a CIA representative to chair an ad

³² *Ibid.*

³³ *Ibid.*

³⁴ Lucius D. Clay, *Decision in Germany* (Garden City, NY: Doubleday and Co., 1950), p. 354.

³⁵ Harris, "March Crisis," p. 8.

³⁶ *Ibid.*, pp. 9, 11.

³⁷ *Ibid.*, p. 10.

hoc committee to study the situation and prepare an estimate of Soviet intentions.³⁸ With a stroke, Admiral Inglis transformed what up to that moment had been “an Army matter” into a national intelligence problem.³⁹

As Washington mobilized to deal with what it still perceived to be a crisis, intelligence officers stationed in Europe were polled for any supporting data. With this, CIA’s Berlin Operations Base first heard of Clay’s cable.⁴⁰ Surprised by the apparent extremity of the situation, Dana Durand and Peter Sichel of CIA visited Clay’s intelligence chief in the Office of the US Military Governor in Germany. All agreed that further Soviet measures short of war were likely, but that war itself was unlikely—an opinion that prevailed generally throughout Allied intelligence establishments in Europe.⁴¹ This consensus in the field took the edge off Clay’s “war warning” and reduced the sense of immediacy prevailing in Washington.

The next day, Saturday, 13 March, the ad hoc committee met for the first time under the chairmanship of CIA’s DeForrest Van Slyck, an analyst from ORE’s Global Survey Group. Hillenkoetter left Van Slyck to run the meeting, but bustled in and out with trays of coffee and sandwiches.⁴²

CIA’s Van Slyck and G-2’s Col. Ennis later were identified as “the principal protagonists” in the meeting—those with the most timely information and staff on the ground in Europe. The Army leadership had seized on Clay’s cable as a means of justifying increases to its budget, which was about to come up before Congress. While Ennis was thrashing out an intelligence response with Van Slyck, his colleagues in G-2 were drafting an “Estimate of the World Situation” that called for augmenting the regular Army and recommended bringing “our machinery for general mobilization to an alert status.” This Army document went on to warn that “The risk of war is greater now...than was the case six months ago...[and that]...war will become increasingly probable.... The Soviet Armed Forces...overshadow the whole of Europe and most of Asia.... The United States has no forces in being which could prevent the Soviet [sic] overrunning most of Eurasia.... Present forces...are incapable of offering more than a weak and unorganized delaying action in any of the likely theaters.”⁴³

³⁸ *Ibid.*, p. 13.

³⁹ *Ibid.*, p. 8.

⁴⁰ Murphy, et al., p. 55.

⁴¹ Harris, “March Crisis,” p. 15.

⁴² *Ibid.*, p. 16.

⁴³ *Ibid.*, pp. 16-17.

In the ad hoc committee, G-2—supported by Air Force Intelligence—was equally dire in its conclusions but was restrained by the need to achieve a consensus supported by evidence. (The Army, in its “Estimate of the World Situation,” admitted that it lacked conclusive evidence of an immediate Soviet intention to initiate hostilities.) Ennis led off by demanding that the estimate include a recommendation for universal military training. Van Slyck angrily refused, saying he was “running an intelligence estimates committee, not an appropriations committee.” Considerable difficulty was experienced in reaching agreement on the language to be used. Although none of the intelligence organizations argued that war was likely or imminent, the Army G-2 and Air Force Intelligence refused to agree to a direct statement that war was unlikely. Nonetheless, by the close of business on Sunday, a unanimous agreement had been reached on a statement that war was improbable for at least the next 60 days. Van Slyck drafted a response to be given to the Intelligence Advisory Committee (IAC) the next day.⁴⁴

We now know that the Soviet premier, Joseph Stalin, after consulting East German leaders, had decided to initiate actions designed to push the Western Allies out of Berlin over the course of 1948.⁴⁵ The results were nothing like what he expected. Indeed, had Stalin deliberately set out to increase US military spending, he could not have chosen a more propitious time. The Pentagon was on the verge of requesting a supplementary budget authorization for fiscal 1948-1949. At stake for the Army was a general expansion and universal military training. The newly created Air Force hoped for expansion to 70 combat groups. The Navy was looking for continued funding for its postwar aircraft carrier force, based on the first of a new generation of supercarriers.⁴⁶ On Thursday, 11 March, the day before the first IAC meeting, Gen. Bradley and the service chiefs left Washington for a meeting on the proposed budget at Key West, Florida. They returned, having decided to make the supplemental budget request, to face an ad hoc committee estimate that the Soviet Union was not ready for war. The service chiefs, supported by Air Force Intelligence and the Army G-2, rejected Van Slyck’s draft. Only Admiral Inglis, the Director of Naval Intelligence, stood fast behind the estimate his department had helped write.⁴⁷

On 15 March (Monday) Van Slyck presented the ad hoc committee’s conclusions to the IAC, but it would not agree to the estimate. Hillenkoetter, however, had been to see the President and returned with a demand for answers—definitive, yes or no answers; that morning; with no elaboration—to three questions:

⁴⁴ *Ibid.*, pp. 16-17.

⁴⁵ Vladislav Zubok and Constantine Pleshakov, *Inside the Kremlin's Cold War: From Stalin to Khrushchev* (Cambridge: Harvard University Press, 1996), pp. 48-49.

⁴⁶ Kenneth W. Condit, *The History of the Joint Chiefs of Staff: The Joint Chiefs and National Policy, Vol. 2, 1947-1949* (Wilmington, Michael Glazier, Inc., 1979), pp. 191-212, *passim*.

⁴⁷ Harris, “March Crisis,” p. 19.

1. Will the Soviets deliberately provoke war in the next 30 days?
2. In the next 60 days?
3. In 1948?⁴⁸

After some debate, the IAC drafted the following answers, consolidating (1) and (2) and deferring (3):

- I. An examination of all pertinent available information has produced no reliable evidence that the USSR intends to resort to military action within the next 60 days.
- II. It is not believed that the USSR will resort to military action within the next 60 days.⁴⁹

Theodore Babbitt, CIA's chief of current intelligence, hand-carried the answers to the White House in the form of a CIA estimate while discussion continued in the IAC meeting. At this point, the G-2 raised again the issue of universal military training, but further delay was avoided by agreeing to deal with the issue in a separate document.⁵⁰ On 16 March, a fuller statement—allowing for the possibility that “some miscalculation or incident” might result in war—was issued as Intelligence Memorandum 21.⁵¹

A series of escalating Soviet provocations, culminating in the blockade of Berlin and the Allied airlift, kept the ad hoc committee alive until the end of the year. It produced a series of estimates, beginning with ORE 22-48, *Possibility of Direct Soviet Military Action During 1948* (2 April 1948), followed by two supplementary updates.⁵² The gist of all three estimates was that the Soviet Union was unlikely to deliberately initiate war in the foreseeable future, despite its military preponderance in Europe. A further supplement, ORE 58-48, expanded this argument with a careful evaluation of the risks, advantages, and disadvantages conquest of Western Europe would bring to the Soviet Union. This estimate concluded that the potential risks of such an action were so great that the Soviet leaders “would be unlikely to undertake this operation...unless they anticipated an attack or became involved in military action through accident or miscalculation.”⁵³

⁴⁸ *Ibid.*, p. 20.

⁴⁹ *Ibid.*, p. 21.

⁵⁰ *Ibid.*, pp. 16, 21.

⁵¹ *Ibid.*, p. 21.

⁵² ORE 22-48, Addendum: *Possibility of Direct Soviet Military Action During 1948-49* (16 September 1948); ORE 46-49 *The Possibility of Direct Soviet Military Action During 1949* (3 May 1949). For a full text of all these documents, see Donald P. Steury (ed.), *On the Front Lines of the Cold War: Documents on the Intelligence War in Berlin, 1946-1961* (Washington, DC: CIA, 1999), pp. 136-57.

⁵³ ORE 58-48, *The Strategic Value to the USSR of the Conquest of Western Europe and the Near East (to Cairo) Prior to 1950* (30 July 1948), p. 3.

Although the process was attended by considerable difficulty, in the end the ad hoc committee served its purpose. The analyses it prepared began with a short-term projection of Soviet intentions but rapidly evolved into an effort to place Soviet actions into the much broader context of the strengths and weaknesses of their overall strategic posture. The result was a much more balanced estimate that gave due weight to the restraints operating on Soviet military power, while acknowledging the undoubted military superiority the Soviets enjoyed in Europe. The Cassandra-like tone of the Army's "Estimate of the World Situation" shows what could have been expected had the departmental intelligence agencies been allowed to function without the benefit of a "national" consensus.

As the Berlin crisis deepened, the ad hoc committee Estimates proved to have both immediate and long-term relevance for both policymakers in Washington, and those stationed in Europe. Thus, when Marshal Sokolovskiy's deputy notified his Western counterparts on 30 March that, effective the following midnight, all Allied traffic through the Soviet zone would be forced to submit to inspection, both Washington and the Office of the US Military Governor in Germany were reasonably sure they faced a political challenge, not an effort to provoke a war. By the same token, when all ground access to Berlin was severed three months later, Truman could be reasonably certain that the city could be supplied by airlift without deliberate interference from Soviet air defenses. That confidence was no doubt shaky at first, but by winter the confrontation over Berlin was clearly a struggle of endurance that, barring accident, was not expected to escalate into war. Thus it was that, when the Dulles-Jackson-Correa Survey Group reported to the National Security Council, they singled out the actions of the ad hoc committee as "the most significant exception to a rather general failure...in national estimates.... This case illustrated that, when properly used, the existing interdepartmental arrangements can, under the leadership of the Central Intelligence Agency, provide the President and top policymakers with an authoritative intelligence estimate."⁵⁴

The key to the success of the ad hoc committee was CIA's ability to exert intellectual authority over a process that closely involved the departmental agencies. That Van Slyck was able to do so was less due to CIA's position inside the Washington national security hierarchy than to the circumstances under which he assumed chairmanship of the committee. The Berlin crisis was so obviously a *national* intelligence problem that it transcended the bureaucratic lines that had divided the Intelligence Community for the previous two years. It was at once a crisis that was developing daily—even hourly—and an enduring confrontation with profound implications for national security policy and the survival of the Western alliance. Understanding Soviet intentions meant anticipating their actions on a daily basis, while comprehending their behavior in the context of a long-term national strategy. The alternative to a "national" approach to the intelligence problems

⁵⁴ Harris, "March Crisis," p. 13.

presented by Berlin was, quite simply, paralysis. Even so, as the Dulles-Jackson-Correa survey noted, the event was “largely fortuitous,” and quite dependent on the statesmanlike judgment of the Director of Naval Intelligence, Admiral Inglis; CIA just happened to be there.⁵⁵

The fuller implications of the estimates prepared over 1948 did not become apparent until 1950. In moving to implement the recommendations of the Dulles-Jackson-Correa report, Hillenkoetter's successor, Lt. Gen. Walter Bedell Smith, adopted the workings of the ad hoc committee as an example to be replicated in the organization of CIA.⁵⁶ The 1950-51 “Smith reforms” dissolved ORE and replaced it with a Board of National Estimates, headed by William L. Langer and then Sherman Kent, both of whom brought to bear considerable authority from their experience in the Office of Strategic Services. The Board of National Estimates was given analytical support by an Office of National Estimates, with the intention that it would rely exclusively on the departmental agencies for research support, although, perhaps inevitably, it became a major research organization in its own right. In January 1952, both were made part of a newly established Directorate of Intelligence (DI).⁵⁷ CIA's own particular contribution derived from analyses performed by the Office of Scientific Intelligence (OSI), which produced intelligence on weapons research and long-term scientific developments, and the Office of Research and Reports (ORR), responsible for analysis of the Soviet economy. This latter responsibility was assumed from the State Department in exchange for acknowledging State's primacy in political analysis.

In theory, CIA assumed responsibility for the Soviet economy as one of those national topics for research and analysis “not being presently performed” by other departments. In fact, both ORR and OSI gave CIA considerable analytical depth, completely independent of the national intelligence process. Officers in ORR quickly demonstrated that they interpreted their mandate for economic intelligence in the broadest possible terms. As the founding head of ORR, MIT's Max Millikan, noted somewhat wryly, “The distinction between economic and military or political, or scientific intelligence is wholly arbitrary.”⁵⁸ To Millikan, the degree to which a country was able to mobilize its economy for military purposes was a profound indicator of likely intentions. The first function of economic

⁵⁵ Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950* (University Park, PA: Pennsylvania State University Press, 1990), p. 338.

⁵⁶ DeForrest Van Slyck saw things rather differently. As he later reported to DCI Hillenkoetter, “It was ‘virtually impossible’...to get a ‘completely objective’ estimate from the ‘Service departments;’ they were ‘unable to free themselves from the influences of departmental policy and budget interests.’ It was their tendency ‘too readily to translate capabilities into intentions’ without giving due weight to political, economic, and psychological considerations of wide range. These points [he wrote] were equally ‘applicable to the State Department.’” D. Van Slyck to R.H. Hillenkoetter, 23 December 1948; quoted in Darling, *Instrument of Government*, pp. 339-340.

⁵⁷ Leary, *CIA*, p. 31.

⁵⁸ Max Millikan, “The Nature and Methods of Economic Intelligence,” *Studies in Intelligence* (Spring 1956), p. 4. Although published in *Studies* in 1956, this article actually reprints a memorandum written by Millikan during his tenure as D/ORR.

intelligence was “to estimate the magnitude of possible present or future military or other threats to ourselves and our allies,” a task that included estimating “the *character* and *location* of possible present or future military or other threats...[and]...the *intentions* of the USSR or any other potential enemy.” “A potential enemy can undertake successfully only those military operations which its economy is capable of sustaining,” he wrote in 1951. In the short run, operations might be determined by the manpower available and stocks of weapons and materiel, but in the long run, “the military potential for anything but the briefest campaign...[depends]...upon the total economic resources available to a nation, including those necessary to support the civilian economy as well as those necessary to produce and operate the instruments of war.”⁵⁹

With a mandate this broad, ORR was able to build a comprehensive picture of Soviet war potential that provided a constant, reliable check upon analyses prepared in the departmental agencies. In effect, ORR institutionalized and provided a sustainable intellectual base for the authority wielded by DeForrest Van Slyck in 1948.

Discussant Comments

A panel moderated by **Frederick P. Hitz**, Lecturer in Public and International Affairs at Princeton University and former Inspector General at CIA discussed Donald Steury’s paper and provided views on CIA’s early analytic efforts on the Soviet Union. The panelists were R.M. Huffstutler, Chief Operating Officer of the Aegis Corporation and former Executive Director and Director of the Office of Soviet Analysis at CIA; Dr. Melvyn Leffler, Edward Stettinius Professor of History at the University of Virginia; and former Dean of the College of Arts and Sciences at the University of Virginia; and Jack F. Matlock, former US Ambassador to Moscow and currently the George Kennan Professor at the Institute for Advanced Study at Princeton University.

Commentator **Rae Huffstutler** discussed the development of CIA’s analytical capabilities in the late 1950s through the early 1980s. Huffstutler agreed with Steury that neither CIG nor CIA were capable, in the early Cold War period, of preventing another Pearl Harbor. He contrasted CIA’s analysis in the 1950s with the far more detailed and sophisticated estimates of the 1970s. Huffstutler described four major developments that shaped CIA’s analysis over that 20 year period: (1) the revolution in technical collection and analysis; (2) the change in Department of Defense force-planning guidelines in the early 1960s under Secretary of Defense Robert McNamara; (3) the emerging preeminence of the national estimates process; and (4) the growth of a cadre of analysts at CIA and elsewhere in the Intelligence Community.

⁵⁹ *Ibid.*, p. 2.

According to Huffstutler, the development of an extraordinary national technical collection and processing capability allowed the CIA and other agencies to address key questions regarding Soviet strategic capabilities. Secretary of Defense McNamara's demand that the threat portion of force-planning documents be based on National Intelligence Estimates (NIEs), changed strategic military assessments from departmental edicts to debates chaired by CIA's Board of National Estimates. It also changed the scope and the depth of the strategic estimates, Huffstutler argued. The unconstrained "military requirements approach" to estimating prevalent during the 1950s, Huffstutler also claimed, gave way to a multidimensional and more integrated approach during the 1960s. Thus, CIA analysts were drawn into an area that was once the province of the military services. Huffstutler further argued that just as the Board of National Estimates was drawn into the strategic assessments process by McNamara's directive, it also emerged gradually as the arbiter of assessments on Soviet political behavior in the fields of foreign policy, domestic Soviet policy, and arms control.

Finally, Huffstutler briefly commented on the analytical skills of the CIA. Although in the 1950s, CIA had a diverse set of analytical experts in a wide range of fields, they were relatively small in number. Some 200 analysts worked Soviet issues in the 1960s according to Huffstutler. By the early 1980s, there were over 1,600 analysts in CIA's Directorate of Intelligence alone; half of them working on Soviet issues. In addition, the Agency sought expertise from industry and from American universities. Moreover, the turnover of CIA analysts was also extremely low, running less than 3 percent during the 1980s.

Looking at the overall performance of the CIA during the early Cold War, **Melvyn Leffler** argued convincingly that, despite shortcomings, the Agency built a comprehensive picture of the Soviet state and of the communist system and of the threats they posed to American society. Although the Agency did not predict the timing of the Soviet atomic bomb, the North Korean attack, or China's intervention in Korea, Leffler said that the Agency's analysis was far more nuanced, far shrewder than popular or even scholarly accounts currently suggest. According to Leffler, CIA defined security in terms of correlations of power, and power was defined in terms of control of energy resources, industrial capacity, and raw materials production. Thus, the rivalry between the United States and the Soviet Union was—for the CIA—not primarily military, but was a competition over aggregations of power potential.

According to Leffler, CIA saw three basic problems for American security: (1) to keep the still widely dispersed power resources of Europe and Asia from being drawn together into a single Soviet power structure with a uniformly communist social organization; (2) to persuade the people and political authorities of states in the intermediate regions that their political aspirations and security interests could be satisfactorily identified with the United

States; and (3) to maintain the social fabric and structure of the United States. Leffler asserted that CIA's analysis sought to establish a larger strategic framework for assessing Soviet intentions, Soviet threats, and more importantly, American security interests.

Agreeing with Steury's analysis, Leffler said that the intelligence assessments produced during the 1948 Berlin crisis were basically sound. The Soviet Union wanted to avoid war, because it was weaker than the United States and knew it could not win a protracted war. CIA analysts concluded that the Soviets would, nevertheless, try to exploit economic hardship and revolutionary nationalism. Hence, revolutionary nationalism in the Third World had to be dealt with effectively. According to Leffler, CIA grasped the virulence of revolutionary materialism, grasped its indigenous roots, and worried about the Kremlin's ability to harness it for its own ends. The CIA also perceived the roots of the Sino-Soviet split before most other observers, and it understood that the key to Soviet power was a strong economic base.

All of this, Leffler claimed, did not translate into clear policy choices. CIA's nuanced assessments created problems of their own for US policymakers. Leffler argued that since "reality is always messier, grayer, and blurrier, than we would like," we need to focus attention not only on intelligence assessments, but, on how policymakers have used intelligence.

The final commentator, **Jack Matlock** focused his remarks on the question of how policymakers have used intelligence. Speaking from his own experiences, he stated that usually one could discount the assessments from the military intelligence services because "they never make an assessment that would, in any way, undercut their service's requests for funds." Matlock went on to say that in making political decisions you wanted an unbiased analysis, so you looked to CIA or to the State Department, depending on the subject. The biggest advantage Ambassador Matlock saw in creating CIA was in moving the thrust of intelligence analysis out of the Defense Department into a more neutral body.

Referring to former Senator Patrick Moynihan's criticisms of the Agency's analysis, Matlock argued that the purpose of intelligence is not necessarily prediction. For Matlock, the only solid basis for prediction is what happened in the past, and this can lead to shaky assumptions because inevitably there comes a time when people react differently than in the past. Matlock, in general, agreed with Leffler's assessment that CIA's analysis of the Soviet Union, particularly from the late 1960s through the 1980s, was much more accurate than most critics are willing to admit.

Chapter II

CIA's Analysis of the Soviet Economy

James Noren

Fifty years ago Max Millikan, the first director of CIA's Office of Research and Reports (ORR), set a course for the Agency's economic analysis of the Soviet Union; one that proved to be remarkably prescient over the next 40 years—*The Role of ORR in Economic Intelligence* (August 1951). He wrote that foreign economic intelligence serves at least five purposes:

- To help estimate the magnitude of present and future military threats by assessing the economic resources available to a potential enemy—now and in the future.
- To estimate the character and location of possible military threats—how potential enemies have invested their resources.
- To assist in divining the intentions of potential enemies in the conviction that how they act in the economic sphere is likely to reveal intentions.
- To help policymakers decide what can be done to reduce possible or probable military threats by impairing an enemy's capabilities.
- To assist in establishing and projecting relative strengths of East and West.

Clearly, at first there was a laser-like focus on potential enemies. At that time and throughout the Cold War, these potential enemies were the USSR and other Soviet Bloc countries. Approximately two-thirds of ORR's economic and geographic analysts were assigned to the Soviet target; most of the remaining one-third covered Eastern Europe and the Asian communist countries. Before long, however, CIA's economic analysis was extended to cover much of the rest of the world. Developments in the international arena in the 1960s and 1970s such as the spike in raw-material prices, the Vietnam War, the oil crisis, and unsettled monetary markets siphoned off analysts from work on Soviet Bloc countries. A number of economic analysts also were transferred to military analysis as CIA expanded its role in this area, first as a Military Research Area within ORR and then in a newly formed Office of Strategic Research (OSR).

As a consequence, the resources devoted to economic analysis of the Soviet Union shrank appreciably. For example, whereas eight or nine analysts followed Soviet Bloc chemical industries in the 1950s, two had that responsibility in the 1980s. Overall, the

number of analysts assigned to Soviet economic topics declined sharply between 1953 and 1991. Nonetheless, for those analysts on the Soviet economic account, Millikan's broad set of objectives still guided their work. This paper reviews CIA's analysis of the Soviet economy as it relates to these objectives.

We need to begin with a reminder of how obsessed the Intelligence Community and policymakers were in the 1950s with the prospect that the Soviet Union would overtake the United States in terms of national output and military production. As Millikan put it:

Patient and thorough examination and analysis of the mass of detailed information available to us as to the present status and prospects of the Soviet economy...is ORR's main job. It may well be the most important research job there is in the country today.

Further, a distinguished Princeton historian and CIA consultant, Joseph Strayer, declared that "Some of the most valuable intelligence papers ever written [are] those projecting the future economic growth of the USSR."

Building a Framework for Analysis

To assess Soviet economic potential, ORR first had to develop its own economic measures. Soviet macroeconomic statistics were too few and too flawed. Beginning in the 1950s and periodically thereafter, CIA constructed national accounts for the Soviet Union. This entailed a laborious search for bits of the puzzle in Soviet statistical handbooks, economic journals, and newspapers. The path had been pioneered by Professor Abram Bergson and his colleagues at Columbia, Harvard, and the RAND Corporation.

The national accounts provided estimates of Soviet gross national product (GNP) by sector of origin and end use. As explained by a 1958 ORR publication, *Soviet National Accounts for 1955*, they served "several specific requirements of the Intelligence Community." Deflated by appropriate price indexes, national accounts series measure the growth of the Soviet economy. End-use and sector-of-origin breakdowns of GNP yield information on the structure of the economy and economic policy directions. Elements of the national accounts such as the urban wage bill, agricultural incomes, household consumption, and capital formation are of significant intelligence interest. Finally, national accounts, with the help of appropriate purchasing power (ruble/dollar) ratios, provide the basis for international comparisons of levels of GNP and its major components.

After a mostly abortive attempt to measure real growth in Soviet GNP by estimating price indexes in order to deflate GNP by end use in current prices, CIA turned to estimates of the real growth of GNP as the sum of the estimates of the real growth of the various

sectors of origin—industry, agriculture, transportation and communications, etc. Two of the papers in the collection for this conference—*Trends in Industrial Production in the USSR, 1955-63* (December 1964) and *Trends in Output, Inputs, and Factor Productivity in Soviet Agriculture* (May 1966)—describe the estimating procedures and report some significant results. The report on industrial production found that the average annual growth in Soviet industrial output had decelerated from 8.6 percent in 1956-59 to 6.7 percent in 1960-63. Soviet official claims were about two percentage points higher. The paper on agricultural output, inputs, and productivity explained why independent estimates of farm output were necessary and, like the paper on industrial production, reported a substantial drop in the growth of agricultural production. The paper's agricultural statistics showed that between 1950 and 1965 production had increased by 70 percent, but that two-thirds of the increase had occurred in 1954-1958, the five years following Stalin's death. Per capita output in 1965 was less than in 1958.

Since the industrial and agricultural sectors drove the Soviet economy, CIA's measures carried over to GNP. The deceleration in GNP growth reported by CIA did a great deal to ease concerns that the USSR would soon overtake the United States, as Soviet party leader Nikita Khrushchev had boasted it would at the twenty-second Congress of the Communist Party of the Soviet Union (CPSU) in 1961. When the CIA reported that the increase in Soviet GNP in 1963 was only 2.5 percent, President Lyndon Johnson dispatched a delegation to brief the findings in West European capitals. The Agency also held a formal press conference after the news had appeared in the *New York Times*. The press, however, seemed more interested in CIA's motives in going public than in the decline in Soviet economic fortunes (see Fig. 1, the Herblock cartoon).

Over the years, CIA's estimates of GNP growth were refined to take advantage of new information released by the Soviet Union and to adjust the



Figure 1. Herblock cartoon.

measures for divergencies between Soviet established prices and the costs of the resources used in producing a given product. Successive publication of portions of Soviet input-output tables allowed Duke University Professor Vladimir Treml and his colleagues to compile partial reconstructions of the 1959, 1966, 1972, 1976, and 1982 tables. These tables proved a great help in improving the sector weights for CIA's measures of GNP growth and the adjustments designed to convert GNP in established prices to GNP at factor cost.

Measures of the productivity with which resources were used in the Soviet Union were essential in assessing the USSR's economic potential. The focus here was on discovering the sources of economic growth rather than measuring its extent. In the 1950s, CIA papers on labor productivity wrestled with the problem of matching output with inputs of labor. They concluded that half of the increase in industrial production in 1951-55 could be attributed to a rise in labor productivity.

CIA's productivity analysis took a major step forward in 1954 in *Long-Run Soviet Economic Growth*. At a time when production-function analysis was in its infancy in the West, the paper developed measures of combined factor productivity—the efficiency with which labor, capital stock, and land were used—for the Soviet Union. Especially noteworthy was the paper's treatment of labor quality, economies of scale, and the possibility of diminishing returns to increases in the Soviet capital stock. Factor-productivity analysis became the backbone of CIA's analysis of Soviet economic trends. Thus, *Trends in Factor Productivity in Soviet Industry, 1951-63* (November 1964) found that more than half of the growth in industrial output from 1950 to 1963 was due to the “employment of additional labor and capital” and the remainder to an increase in factor productivity—output per unit of labor and capital combined. From 1961 to 1963, however, the rate of growth of factor productivity fell to about 2 percent per year compared with nearly 5 percent per year from 1954 to 1960. The paper's analysis suggested that the decline was not a short-run phenomenon “but is also, in part, a trend that is likely to persist over the near future.” Estimates of factor-productivity growth in the several branches of industry showed substantial variations but broadly similar trends. The paper put forward several possible causes of the slowdown in factor-productivity growth: the immediate postwar recovery as a nonrecurring event; the rapid increase in defense spending and its claim on scarce science and engineering resources; the effect of declining rates of growth in investment on the average age of capital stock; and a lessening of the pressures on Soviet managers to maintain output that prevailed during the reduction in the work week from 1956 to 1959.

CIA's *Trends in Factor Productivity* paper concluded that because the USSR could not continue to increase inputs to industry at past rates, the slowdown in industrial growth could not be halted unless the efficiency with which resources were used could be

improved. The prospects for raising factor-productivity growth through administrative measures or partial economic reforms were central to subsequent macroeconomic analyses of the Soviet economy. The paper on agriculture cited above reached a similar conclusion—that factor-productivity growth in agriculture had slowed abruptly in the early 1960s and that future growth in farm output depended on a reversal of this trend.

A 1970 CIA paper offered an even more pessimistic view of the Soviet economic future. The Cobb-Douglas production functions used in earlier reports had a particular form: a given percentage increase in labor or capital resulted in a specified constant increase in output. Thus a one percent increase in labor might increase output by 0.75 percent and a 1-percent increase in capital might increase output by 0.25 percent. The paper, *Investment and Growth in the USSR* (March 1970), investigated a different production function, one in which the returns to capital declined as the ratio of capital to labor increased. This 1970 paper concluded that this type of function, when fitted statistically to Soviet postwar experience, indicated that returns to new investment were “strongly diminishing.” Thus a change in leadership priorities favoring a higher rate of capital formation would “not insure even a continuation of present rates of economic growth.” In any event, controversy in CIA and in the academic community over the appropriate form of a production function for the Soviet economy and Soviet industry proved inconclusive. CIA’s production function analysis continued to be based on the more familiar and simpler Cobb-Douglas form.

Industry Studies

While CIA’s resources allocated to macroeconomic analysis of the Soviet Union were considerable, they were decidedly less than those devoted to specific sectors of the economy. As an indication, the CIA publications declassified and released to the National Archives by spring 2001 include 215 on civil industry, 152 on agriculture, 219 on transportation and communications, and 155 on energy. Many of these responded to requests from other government agencies. The Department of the Interior wanted information on Soviet mineral production, the Maritime Administration required periodic reports on the status of lend-lease ships in Soviet hands and occasional reports on Soviet ports and port regulations, US delegations to the Soviet Union meeting with their Soviet counterparts asked for briefings and background information on specific industries, and the list goes on.

CIA’s analysis of individual industries, agriculture, energy, and transportation and communications assessed the strengths, weaknesses, and prospects of these sectors in detail and on a continuing basis. These studies generally had a special focus on the technological level of the given industry. They supported not only intelligence objectives but, as contributions to publications of the Joint Economic Committee of Congress, contributed to

the general pool of knowledge on the Soviet economy. Some examples of the depth of the research are a 315-page study of the coal-mining equipment industry (May 1953) and a 410-page paper on iron and steel plants in Ukraine (August 1954).

In addition to shedding light on areas of ignorance regarding Soviet industry, ORR's research program in the 1950s sought to uncover vulnerabilities that might slow Soviet economic growth. Thus, a paper on the Soviet tire industry reported a persistent deficit in the availability of tires, inferior tire quality, and a technologically backward industry. But it concluded that the USSR could produce modern tire-making equipment, probably by copying equipment readily available in the West. On the other hand, an industry given a higher priority—the electro-technical industry—was increasing production rapidly, in general had the personnel and materials it needed, and was supplied with relatively modern equipment (mainly of Soviet design). This sector could supply all the electronic and telecommunications equipment necessary to meet current needs, as well as support a general war in the future. A series of papers on other branches of industry recorded similar results in the sense that no important vulnerabilities were uncovered.

After the 1950s, ORR's research became more narrowly focused on a relatively few industries: the iron and steel industry was followed closely and in great detail. A 1957 paper covered the organization of the industry, planning and control, production of steel and raw materials used in steel production, trade, technology, costs, prices, investment, employment and wages, distribution and consumption, and the usual “capabilities, vulnerabilities, and intentions.” Although Soviet steel production had far surpassed US production in the 1970s, Soviet requirements increased even faster: steel shortages constrained fulfillment of the 1971-75 national economic plan. Production of precious metals also was covered carefully with the help of the full range of intelligence sources. The Soviets reported almost nothing in this area, and demand for information on production and reserves of gold (especially from Washington policymakers) was high throughout the Cold War.

When a given industry was essential to a major Soviet planning initiative, ORR's research program reacted accordingly. For example, when Khrushchev and later Soviet party boss Leonid Brezhnev put forward their ambitious farm programs, they called for huge increases in the production of mineral fertilizer. A 1954 CIA report, *The Mineral Fertilizer Industry in the USSR* (April 1954), took stock of the industry's position—the investment required and the lack of supporting infrastructure—and concluded that the production goals could not be met in the time frame specified. Then a 1962 paper, *The Soviet Fertilizer Industry: Great Plans, Little Progress* (March 1962), reported that producers were indeed falling behind the plan's goals because of insufficient investment and the “unhappy lot” shared by other branches of the chemical industry—defective equipment, shortages of equipment, and tardy receipt of more modern technical designs.

The growth of Soviet industrial production slowed markedly after 1975. To uncover the reasons for the slump, CIA's Office of Soviet Analysis (SOVA) commissioned several papers looking at steel, nonfuel minerals and metals, machine tools, fertilizers, cement, and the timber industry. A 1983 paper *The Slowdown in Soviet Industry, 1976-82* (June 1983) considered the findings of these publications and concluded that several key factors were at work as well as many lesser ones. First, the paper noted the planners' decision to cut the rates of growth planned for new fixed investment and output—a "planned temporary retreat turned into a rout." Second, three critical constraints on industrial production had emerged: growing shortages of raw materials; slower growth in energy supplies (especially coal and electric power); and developing bottlenecks in rail transport. Third, industrial performance suffered from the continuing priority given to the military, changes in the rules by which industrial managers operated, growing difficulties in planning, and foreign trade rigidities.

The analysis concluded that these factors would be at work throughout the 1980s, exacerbated by a "greatly reduced availability of labor, accelerated pressure on industry to economize on all inputs simultaneously," and overly complex incentive schemes. While Soviet party leader Yuri Andropov's discipline campaign could have some short-run impact on productivity, it would not last. Major systemic reforms, although not on the agenda, could provide a solution down the road. But the road would be long. Reforms, even if introduced, "would be unlikely to boost industrial growth and productivity for many years."

The CIA's coverage of Soviet agriculture featured periodic reports on crop prospects and analysis of successive attempts to boost farm production. In the early 1950s, the desperate condition of agriculture throughout the Soviet Bloc led CIA to undertake its own forecasts and estimates of crop production. As in industry, independent indexes of agricultural production had to be compiled to overcome devious official statistical practice. Several attempts were made to develop statistical relations between crop yields and weather, the earliest in 1952—*Weather-Crop Yield Correlations as Applied to Crop Yield Estimates for the European USSR* (May 1952). When the USSR began to import grain following poor harvests, the search for a predictive model intensified. By the 1970s, a well-funded effort to employ meteorological data, agronomic expertise, and satellite images to monitor the progress of the grain crop was in place. In a particularly provocative paper, *Soviet Climate Change: Implications for Grain Production* (May 1985), a few Office of Global Issues analysts suggested that a general improvement in climate since the 1960s, rather than improved agro-technology, had accounted for most of the rise in Soviet grain yields. They then projected what yields might be if the gradual increase in precipitation levels came to a halt while average temperatures continued to climb because of the greenhouse effect. The "most likely" estimate was that grain production would average about 60 million tons below target from 1986 to 1990. On balance, the models tracked actual yields fairly well. The problem was that the range of error around the point

predictions was still large enough to make estimates of import requirements uncertain in most years. The principal contribution of the crop-monitoring reports was to signal large changes in Soviet grain production and therefore possible Soviet purchases in the world market.

In following Soviet agricultural progress, CIA's analysis first centered on the post-Stalin program to increase livestock production as part of a more consumer-oriented policy thrust, and the "New Lands" program, which was intended to provide the feed base for the livestock program. A 199-page report in 1957 (*The New Lands Program in the USSR*) reviewed developments in the new lands. The work already accomplished was striking—in less than two years, the area introduced to cultivation had exceeded total wheat acreage in the United States by 25 percent. The initial yields were high, but after comparing the soil and growing conditions with the Canadian spring wheat belt and looking at sixteen years of yields grown in similar Soviet regions, the paper concluded that yields would average little more than half of the yields implied in official statements. The program, according to the paper, displayed the major strengths and weaknesses of the Soviet system. It could marshal resources quickly, but it appeared to have been "developed without a sound preliminary analysis" of how best to proceed and without a realistic estimate of the production levels that could be achieved.

According to CIA's analysis, Khrushchev's initiatives often made the agricultural situation worse. Organizational changes giving party officials a greater role in agricultural administration were counterproductive. His decision to plow up grassland and fallow land to plant corn, sugar beets, peas, and beans seemed wrong headed, especially in the case of corn. Even if some short-run gains might materialize, in the longer-run soil moisture and nutrient levels would decline, as reported in *Recent Developments in Soviet Agriculture* (November 1962).

Economic Projections

To give a quantitative dimension to the future economic potential of the Soviet Union, CIA tried various approaches over the years. An early paper titled *Long-Run Soviet Economic Growth*, published in December 1954, experimented with projections based on past trends in labor productivity for agricultural and nonagricultural production separately. The projection of choice, however, was based on projections of labor, capital stock, and land (for agriculture) together with the efficiency of factor inputs: a slight increase for both agriculture and the rest of the economy based on past trends. The "final projection" had GNP increasing by 4.2 percent or 5.2 percent per year from 1953 to 1975. The higher rate of GNP growth was associated with a slower rate of growth of consumption and therefore a higher rate of growth for investment. For what it's worth, the CIA estimate of GNP growth during this period was 5.1 percent per year according to a 1982 report.

A leading example of production-function-based projections was published as an unclassified paper, *Soviet Economic Problems and Prospects*, in July 1977. It considered the policy choices available to the Soviets in dealing with the labor force, productivity, and energy constraints discussed above. Because many of the solutions were interrelated (e.g., importing oil would reduce purchases of Western machinery and equipment), the paper attempted to sort through the combination of policies that showed the most promise. The result was a set of **policy-conditioned** forecasts. In the best case, GNP might grow at 4 percent per year through 1980, then at 3 to 3.5 percent per year from 1981 to 1985. Still, chances were good that growth would be slower.

In the late 1970s, CIA began to build a large-scale, macroeconomic model of the Soviet economy. *Sovsim: A Model of the Soviet Economy*, produced in February 1979, reported on a fifteen-sector model that used production functions for the projection of output in individual sectors but imposed the inter-industry ties found in Soviet input-output tables as constraints on potential growth. It was able, therefore, to deal with a wider range of policy scenarios than the much more aggregative framework employed in the 1977 *Soviet Economic Problems and Prospects*. In the 1979 model, a baseline scenario assumed that Soviet economic policy would remain frozen in its pre-1977 pattern. Then it examined a series of options that the Politburo might adopt to improve the Soviet economic future. The model's baseline projection of growth in GNP was 2.5 percent per year from 1981 to 1985. The "what if" analysis of various policy scenarios and differences in underlying conditions—oil production, Western demand for Soviet exports, and the like—showed little difference from the baseline projections. Seemingly, the Politburo could not "stave off a reduction in rates of economic growth by simply exercising the traditional policy levers under its control."

CIA's analysis of the prospects for Soviet oil production provoked a good deal of controversy. An unclassified paper in 1977 predicted a decline in production and a potential shift for the USSR from a net export to a net import position. CIA's position had shifted abruptly. A paper prepared for the Joint Economic Committee (JEC) *Outlook for Soviet Energy* (June 1976) had noted that the USSR was the only major industrial nation self-sufficient in energy and was likely to remain so, although future growth in the Soviet energy supply depended on the development of resources in a hostile Siberian environment. It predicted that oil production in 1980 would reach 590 million metric tons compared with the plan of 620 to 640 million metric tons (mmt). Nine months later, another Office of Economic Research (OER) paper *The Impending Soviet Oil Crisis* (March 1977) declared that "the Soviet oil industry is in trouble," and that oil production would peak as early as 1978 and "certainly" no later than the early 1980s at a level of 550 to 600 mmt per year. The 1977 paper continued, "maximum levels are not likely to be maintained for long, however, and the decline, when it comes, will be sharp." Two basic problems confronted

the industry: first, acceptable reserve-to-production ratios could not be maintained unless a massive new field was found and, second, existing wells were experiencing severe water encroachment.

Oil production, however, climbed to 603 mmt in 1980 and 616 mmt in 1983. It then fell to 595 mmt in 1985 before rebounding to 624 mmt in 1987 and 1988. As it turned out, CIA was right about the fundamental problems that eventually brought about a fall in production. However, CIA's estimate of oil reserves was low—even though it was derived from open Soviet literature, which was not prone to understate Soviet potential—and CIA did not take sufficient account of Soviet willingness to shift resources to Siberian development in the middle of a five-year plan.

In a 1982 paper, the baseline projection for GNP growth in the 1980s had dropped to less than 2 percent per year. Moreover, the projections assumed that defense spending would increase at 4.5 percent per year, pushing growth in consumption and investment down to the lowest levels in the postwar years. In fact, per capita consumption would fall after 1985. CIA presented the model and a series of conditional forecasts *USSR: Economic Projections Through 1990—A New Look* (February 1984), at a meeting with academics in February 1984. The new forecasts took into account a more optimistic assessment of the Soviet energy situation contained in a 1983 CIA paper, the recently revised (lower) estimates of the growth of defense spending, and the probable effects of Andropov's accession to power. Nevertheless, the projection of GNP growth was only marginally better—roughly 2 percent per year. Again, the differences from the baseline projection resulting from a range of policy choices were small

No model—and certainly not the CIA's as it had evolved in the 1980s—could reflect all the complexities and possibilities in the Soviet economy. But beginning in the 1950s and continuing into the 1980s, CIA's model-assisted predictions of medium- and long-term growth were remarkably accurate—at least as compared with CIA's estimates of real GNP growth. More complex models had the principal virtue of forcing analysts to consider the trade-offs involved in policy decisions. Ultimately, however, their use highlighted the fundamental problem underlying declining rates of Soviet economic growth—the erosion in the efficiency with which labor and capital were employed. As the 1984 paper reported, “our results suggest that, without a fundamental reform of the economic system or a combination of very favorable circumstances bringing back pre-1975 productivity relationships, the Soviets probably can do little to alter the economic growth trend through 1990 as is indicated in our baseline.”

Analysis of Intentions

CIA's analysis of Soviet intentions in the economic sphere centered on plans and policies and how those plans and policies would work out. Of the hundreds of Agency publications reporting on economic plans and plan fulfillment, this author can discuss only some that were representative of Agency thinking at particular points during the Cold War. Having invested heavily in measures of the growth and distribution of GNP, Agency economic analysts then had the responsibility of identifying and assessing how changing economic conditions in the Soviet Union had affected or would affect resource allocation and/or stimulate economic reforms.

After Joseph Stalin's death, Washington policymakers wondered whether Soviet Premier Georgi Malenkov's announced economic policy really meant that improving the lot of the consumer had taken priority over industrial development. CIA concluded that Soviet leaders were serious. In particular, the growth of defense spending would be "drastically reduced in 1953-55," *The Implications of the New Soviet Economic Policy* (December 1953). In fact, CIA estimates showed a fall in defense expenditures during this period. The increment to consumption, according to the paper, could not come at the expense of investment because consumption goals could not be met without additional investment in consumer-goods industries. Before long, Khrushchev had deposed Malenkov and the emphasis had switched to agriculture instead of industrial consumer goods. But defense spending continued to decline with the demobilization of millions of Soviet servicemen.

In November 1958, Khrushchev presented theses on the 1959 to 1965 economic plan to the Central Committee of the Communist Party. He boasted of past economic progress and said that in the coming period—the period of large-scale building of a communist society—the main tasks would be "creation of the material-technical basis of communism; the further strengthening of the economic and defensive might of the USSR; and simultaneously, the fuller satisfaction of the growing material and spiritual requirements of the Soviet people," *Khrushchev's Theses on the Seven-Year Soviet Economic Plan, 1959-65*. In other words, all the major claimants of GNP—investment, defense, and the consumer—would be winners. Indeed, Khrushchev asserted that by 1970, or even earlier, the Soviet Union would lead the world in both absolute and per capita output, providing its population with the highest living standards in the world. CIA's paper dissected the plan as outlined by Khrushchev and pronounced it both infeasible and inconsistent with hopes of overtaking the United States, even if plan goals were met. The major plan features on the production side were a pronounced shift in the energy balance to oil and gas at the expense of coal, and a much larger share of investment assigned to chemicals. Still, Allen Dulles, in JEC testimony, maintained that the seven-year goals could be met with certain exceptions,

notably the agricultural targets. For US policymakers, Dulles's message was that meeting the goals of the seven-year plan was such a high priority for the Soviet leaders that they wanted a period of coexistence. In any event, the 1959-65 goals were badly under-fulfilled.

A little more than three years after the Dulles testimony, a major CIA paper, *Trends in the Soviet Economy* (February 1963), recognized the falloff in the rates of growth in industry and agriculture. In particular, agriculture had been hit by a series of poor or indifferent harvests. As a result of an acceleration in defense spending, resources were over-committed and the consumer suffered. In 1962, meat prices were raised by 30 percent, scheduled reductions in personal income taxes were deferred to restrain consumer demand, and housing construction was cut. The paper questioned whether the Soviet leadership would countenance an "inclusive military buildup" for very long, given the "fundamental" long-term Soviet policy of overtaking the United States economically. Furthermore, consumers were becoming more insistent on having "better quality food, decent housing, and more consumer durables." Finally, Soviet leaders were increasingly aware that the arms and space races were hurting economic growth much more in the USSR than in the United States. Nonetheless, as it did so many times in the future, CIA said that economic considerations would not move Soviet leaders to scale back defense programs.

Soviet policy did change markedly following a near disastrous wheat harvest in 1963. Apparently deciding that they could not permit the population to take the full brunt of the shortfall, the Soviet leadership ordered the purchase of 11 million tons of wheat and flour. From that point forward, CIA focused considerable effort on improving forecasts of the Soviet grain crop and the potential for Soviet imports of grain and meat. A 1964 Agency review, *Soviet Economic Problems in Mid-1964* (April 1964), noted that even before the harvest failure, Khrushchev had begun a review and revision of the 1959 to 1965 plan with emphasis on "chemicalization" of the economy in support of agriculture and industry. After the harvest, planned support for agriculture was increased. Meanwhile, the continuing slowdown in economic growth aggravated the competition for resources needed for industrial modernization, defense-space programs, and improvement of the population's diet and housing. A new Politboro, however, seemed to be marking time; no new decisions to change the allocation of resources were evident.

Beginning in the 1950s and continuing until the Soviet Union dissolved, other CIA assessments responded to requests of US policymakers. These were designed to judge Soviet interest in arms control. For example, a 1957 paper given to Harold Stassen, President Dwight Eisenhower's special assistant on arms control, *Estimated Effect on the Soviet Economy of the Level of Disarmament Implied by Recent Soviet Proposals* (May 1957), found that 2.5 million men could be released from military service and that alternative scenarios for procurement cuts could result in reductions of 11 and 42 percent, compared with the procurement implied in current national estimates. The resources freed

up “could cause a significant impact on non-military production.” A memorandum for the Arms Control and Disarmament Agency’s (ACDA) Archibald Alexander, *Economic Consequences of Reduction in Soviet Military Expenditures Under ACDA Planning Assumption* (August 1966), reported that realization of ACDA’s scenario would reduce Soviet military spending by 13 percent between 1965 and 1970. The overall effect on economic growth was relatively small, but the benefits for the consumer were larger. As in almost all of the papers of this kind, the findings stressed that at the margin the pressures on the economy would be reduced markedly.

CIA’s estimates of Soviet defense spending were used extensively in the 1950s and 1960s to test the plausibility of projections of Soviet military programs in National Intelligence Estimates (NIEs). An ORR contribution to an NIE on Sino-Soviet military air defense programs held that the NIE’s production and deployment numbers for fighter aircraft and missiles were unrealistically high; their production would reduce the rate of growth of heavy industry and require the Soviet Bloc’s electronic equipment industries to be “expanded to a far greater extent than is currently estimated.” Fred Kaplan, in his book *The Wizards of Armageddon*, describes the Pentagon’s use of CIA’s dollar estimates of the cost of Soviet defense programs, during Pentagon deliberations over a damage-limiting strategy to employ against Soviet strategic forces. The Agency estimates indicated that all US combinations of civil defense, ABM systems, and anti-bomber defense systems were losing propositions. As Kaplan put it, the studies showed that for each extra dollar that the Soviets added to the attack forces, the United States would have to spend \$3 to protect 70 percent of its industry, \$2 to save 60 percent...and the same \$1 to defend a mere 40 percent.

Until the end of the Cold War, the Department of Defense continued to be an eager customer for CIA estimates of the dollar equivalent of Soviet military programs. In 1977, Secretary of Defense Harold Brown, in a memorandum to the Director of Central Intelligence (DCI), declared that the reports and analysis being produced on military economics were “the basis of the comparative economic analysis employed by Defense.” He added, “The dollar estimates provide the best, single aggregated measure of US and Soviet defense efforts.” (CIA’s defense spending estimates are discussed in detail in a book sponsored by the Center for the Study of Intelligence titled *Soviet Defense Spending: A History of CIA Estimates, 1950-1990*, written by Noel Firth and James Noren and published by the Texas A & M University Press in 1999.)

The rapid growth in Soviet military programs as reflected in CIA estimates of defense spending in constant prices led to questions in policymaking circles as to whether it would or could continue. DCI Richard Helms told Congress in January 1968 that the Soviet Union had introduced substantial changes in resource allocation favoring defense and, to a lesser extent, consumption, while slighting investment in both industry and agriculture.

Furthermore, he said, Soviet-announced plans suggested that these policies would be in place for the time being. "Ultimately, however, the cutback in investment is bound to affect economic growth adversely," he concluded, adding that this was a development that some Soviet leaders recognized. How to "allocate the USSR's limited resources seems to be a hot issue in the Kremlin at the moment." Nonetheless, as the DCI said in his 1971 Congressional briefing, problems in the economy would not force the Soviet leadership to forgo specific military or foreign initiatives because the Soviet economy is "now large enough so that even low rates of growth mean a very substantial increase in output."

In May 1976, CIA published the findings of a major reassessment of Soviet ruble defense spending in classified and unclassified papers. Intended as interim reports on the impact on the ruble estimates of "an unusually large body of new information," the papers reported:

- Soviet defense spending (as the USSR might define it) had increased from 40-50 billion rubles in 1970 to 55-60 billion rubles in 1975, measured in constant 1970 prices. (A year earlier the comparable figures were 29 billion rubles for 1970 and 34 billion rubles for 1975.)
- Over the same period, the rate of growth of defense spending in 1970 prices was now thought to be 4 to 5 percent per year instead of the 3 percent per year reported in previous estimates.
- Since 1970, defense requirements had been absorbing 11-13 percent of GNP (instead of less than 8 percent) depending on whether defense was defined narrowly (US definition) or broadly (Soviet definition).

At the same time, the papers emphasized that because about 90 percent of the increase in ruble estimates resulted from "changes in our understanding of ruble prices and costs" rather than "discovery of larger programs," the revision did not affect CIA's appraisal of the size or capabilities of Soviet military forces or change appreciably the estimated dollar cost of reproducing Soviet defense programs. The real significance of the revision was that the Soviets were devoting more resources to defense than had been thought earlier.

The consternation sparked by the revision reverberated in the administration and in Congress. Appearing before a CIA advisory panel of outside experts chaired by Ivan Selin—hereafter referred to as the Selin panel—David Chu, Assistant Secretary of Defense for Programs Analysis and Evaluation, spoke of the increasing distrust of the spending estimates, "particularly its relationship to Soviet GNP." Also in testimony before the panel, James Locher, a staff member of the Senate Armed Services Committee, highlighted the problem caused by major shifts in the estimates ("as in 1976") in his summary of criticisms of CIA's estimates by senators on his committee. Unfortunately, confidence in the defense estimates waned just as advances in technical collection had markedly improved CIA's

estimates of the size and composition of Soviet forces, military construction, and the physical and technical characteristics of Soviet weapons systems. Almost all Soviet weapons had been re-costed, research on Soviet maintenance practices had raised the spending estimates, and a study of military manpower had raised estimates of military manning substantially.

Agency publications did identify a fundamental shift in Soviet intentions in the early 1970s when General Secretary Brezhnev announced that the USSR hoped for a “new epoch” in relations with the West. CIA explained the new policy as follows: “Faced with slower economic growth and a commitment to meet rising consumer expectations and having experimented unsuccessfully with economic reform, Moscow has turned to the West to help relieve its economic problems” (*Implications of the Present Soviet Economic Problems*, February 1973). Brezhnev’s program to supply more meat to the population had created a demand for grain that could not be satisfied from domestic production, and the USSR had decided to buy large quantities of machinery and equipment from the West to raise the productivity of fixed capital. The ensuing détente spawned a great many CIA appraisals of the economic benefits to the USSR from expanded commercial relations with the West and how US firms might be affected.

In the 1977 paper cited earlier, (*Soviet Economic Problems and Prospects*) and later distributed by the JEC, CIA adjusted its stance with respect to Soviet intentions in the defense area. Citing the various causes of the slowdown in the economy, the 1977 paper argued that “long-standing problems are likely to intensify” and be aggravated by a sharp decline in the growth of the working-age population and a “looming oil shortage.” Analysis of a series of possible leadership attempts to deal with the situation suggested that a “marked reduction” in economic growth was “almost inevitable,” perhaps sparking sharp debate in Moscow over future levels and patterns of military spending. The paper expected the rise in defense spending to continue to increase for the present time “at something like recent annual rates of 4 to 5 percent because of programs in train.” Mentioning that with slower economic growth, ways to reduce the growth in defense spending could be increasingly attractive for “some elements” of the Politburo.

CIA’s analysis of Soviet intentions regarding defense missed the boat in the late 1970s. Whereas a second look at its estimates in 1982 found that outlays for military procurement had leveled off since 1975 and the growth in total defense spending had slowed significantly in real terms, the Agency’s assessments in the intervening period continued to maintain that defense spending would rise at the historic rate of 4-5 percent per year. A massive interoffice study taking advantage of more than 40 individual research projects surveyed the evolution of Soviet forces during the Brezhnev era, looked at the ongoing research and development programs, considered Soviet military requirements, and concluded that military spending would have to rise through the 1980s to support all of the

ongoing activities. Moreover, "current evidence" suggested that they intended to do just that, *The Development of Soviet Military Power: Trends Since 1965 and Prospects for the 1980s* (April 1981). A year later, another review reported continued growth in defense spending with the expectation that it would continue at its historical rate through at least 1985, or at even higher rates in view of "what the Soviets may perceive as an accelerating arms competition with the West."

Then in 1983, CIA announced that its estimates of Soviet defense spending had changed: first in a paper comparing Soviet and US expenditures in dollars, then in *Soviet Defense Spending: Recent Trends and Future Prospects*, issued in July 1983. Instead of rapid growth in procurement, the papers said a "procurement plateau" had existed since 1976 and that growth in overall defense spending had also slowed substantially, largely because of the flat procurement. The new estimates were issued only after careful internal review within CIA's Office of Strategic Resources of the physical estimates underlying the spending estimates. They encountered a great deal of resistance in the upper levels of CIA and in the Department of Defense, coming as they did when President Ronald Reagan's US defense buildup was gathering momentum. The possible reasons advanced in the estimates for the procurement plateau were eclectic: technical delays in production, bottlenecks in transportation and in the supply of energy and raw materials, and perhaps a policy decision to reduce defense spending. A subsequent draft paper suggested that the most plausible interpretation was that the slower growth was built into the 1976-80 economic plan and into at least the first few years of the 1986-90 plan. The draft never saw the light of day.

CIA addressed the implications of a slowdown settling into stagnation in a major paper in 1984, *Policy Implications of the Slowdown in Soviet Economic Growth* (July 1984). Analyzing a range of policy alternatives, it suggested that the USSR would try to salvage its military programs while striving for at least some growth in living standards and spending on new plants and equipment. The Soviet policy response would also likely include heightened propaganda to convince the population of the need to tighten belts in the face of the growing military threat from the United States, while redoubling efforts to divide the West over trade policies. To increase hard-currency earnings, Moscow would attempt to expand its commercial relations with the Middle East and its arms sales to the Third World. Despite a GNP growth rate of 2 percent or less, the paper went on to predict that "We believe that the chances are low" that, by 1990, the economic slowdown will lead to "widespread popular unrest, pave the way for significant liberalization or a militarization of the regime," or "bring to power a leadership with significantly different foreign policy aims." In most respects, the paper's predictions were off the mark.

It is instructive to review what CIA's defense spending and GNP estimates, as they matured in the late 1980s, suggest about the relation between defense and the civilian economy in the postwar USSR. The first things to look at are the estimates of Soviet

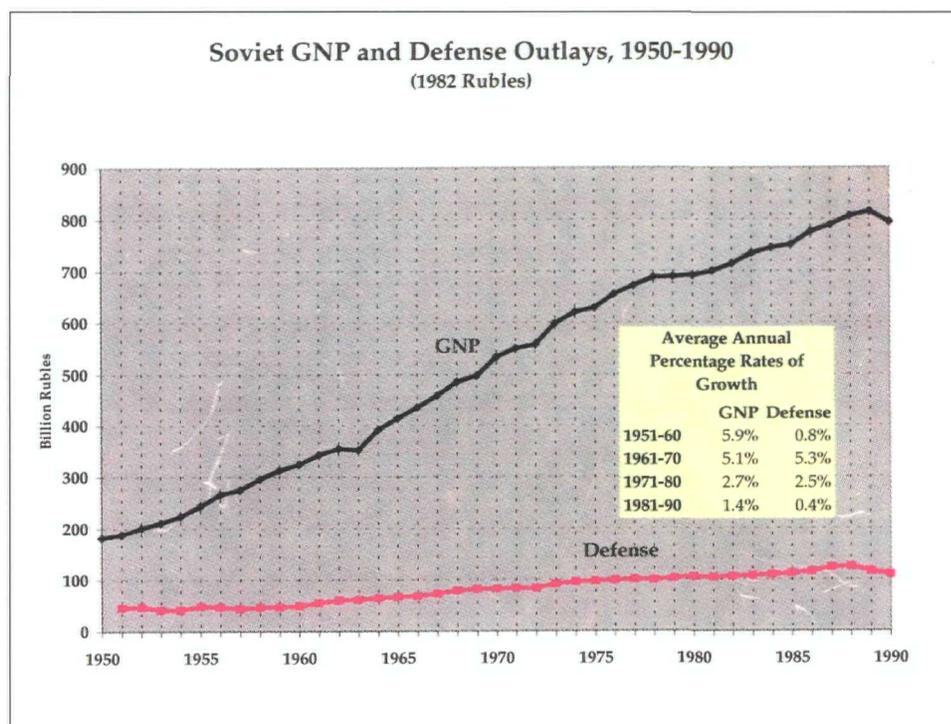


Figure 2.

defense spending and GNP in 1982 rubles (Fig. 2). If prices of an earlier year are used, the rates of growth of both defense spending and GNP would be marginally higher and the ratio of defense spending to GNP a bit lower, but the overall picture would be much the same. In constant 1982 prices, the share of defense in GNP declined from 24 percent in 1951 to 14 percent in 1959. It then varied within the range of 14 to 16 percent between 1960 and 1990. The calculation provoked a good deal of controversy over the years, as it was taken to represent the burden of defense on the Soviet economy.

One can also isolate different stages in the growth of Soviet defense spending and relate them to developments in the economy generally. CIA's estimates set out in considerable detail the changes in the composition of GNP or defense spending. This detail permitted analysis of changes in the USSR's economic policy—the third of Max Millikan's objectives for US foreign economic intelligence. The average annual rates of growth shown for defense in Figure 2 certainly do not reflect the monotonic, monotonous, rapid growth that was, and perhaps still is, the prevailing public perception. Meanwhile, the continuous decline in the rate of growth of GNP suggests the underlying forces that led Soviet leaders to constrain defense spending and finally caused General Secretary Mikhail Gorbachev to introduce his ill-fated reforms and cut military outlays.

Tracking Changes

The immediate explanation of the changes in the growth of defense spending are complicated, but a few of the prime movers can be identified. In the 1950s, Khrushchev's manpower demobilization was the major factor. In the 1960s, defense spending grew rapidly, propelled by growth in procurement of missiles, ships and submarines, space vehicles, and aircraft as well as by the post-Khrushchev buildup in general purpose forces. Thereafter, the growth of defense subsided as procurement increased less rapidly from 1970 to 1974 and leveled off from 1975 to 1984. Outlays for operations and maintenance and research and development continued to rise, although at a slower pace than formerly. After Gorbachev came to power, there was a three-year acceleration in defense spending marked by a spurt in outlays for aircraft and missiles, then a sharp decline in defense procurement, spurred by a downturn in outlays for aircraft, land arms, and space-related equipment.

At a minimum, the trends described in Soviet defense spending suggest some questions for historical research on Soviet military policy during the Cold War. For example:

- Were the slower growth in real defense spending after 1975 and the plateau in procurement the result of conscious policy decisions? If so, what were the underlying reasons?
- What role did the US defense buildup beginning in the late 1970s play in the spurt in Soviet defense spending in 1985-87?

CIA's economic analysis of Gorbachev's economic program traced its evolution from reliance on the human factor to dependence on industrial modernization, and finally, to a recognition that basic reforms were necessary. A 1987 paper, *Gorbachev: Steering the USSR Into the 1990s* (July 1987), reviewed the adjustments the Soviet leadership would have to make in the economic plan to cope with emerging shortfalls and to correct imbalances. Judging the reforms introduced thus far as a "set of partial measures," it assessed the guidelines for additional reforms approved by the Central Committee of the CPSU in June 1987. With the industrial modernization program failing, Gorbachev would have to decide whether still more investments were needed and defense programs should be cut back. But time was growing short. "Developments during the past years have increased the chances that he [Gorbachev] will act boldly to sustain the momentum of his program" by seeking arms control agreements and pushing through more radical political and economic reforms. The paper concluded with some thoughts on the consequences of failure:

Gorbachev has already asked the military and the population to curb their appetites in return for more later. If his programs do not work out, other leaders could appeal to these constituencies. The risks in a more radical

reform and a rewrite of the social contract are that confusion, economic disruption, and worker discontent will give potential opponents a platform on which to stand. Gorbachev's position could also be undermined by the loosening of censorship over the written and spoken word and the promotion of limited democracy. If it suspects that this process is getting out of control, the party could well execute an abrupt about-face, discarding Gorbachev along the way.

From the beginning of Gorbachev's rule to the end, CIA tracked *perestroika's* policies and assessed the results. A 1985 paper, *Gorbachev's Economic Agenda: Promises, Potentials, and Pitfalls* (September 1985), set out his program in a skeptical vein. The abortive attempt to modernize the machine-building sector while leaning on it to produce more civilian goods was described in *The Soviet Machine-Building Complex: Perestroika's Sputtering Engine* (April 1988). Loosened controls over the economy led to financial imbalances and inflation, *USSR: Sharply Higher Deficits Threaten Perestroika* (September 1988). By 1989, the economy was nearly out of control, *Soviet Industry in 1989: Falling into Disarray* (March 1990); and *The Soviet Economy Stumbles Badly in 1989* (May 1990).

Was the economic slide of the 1980s inevitable? Was it preordained by the systemic flaws of the Soviet economy? In CIA's view, the demise of the system—although perhaps inevitable at some point—was brought forward in time by a particularly unfavorable constellation of developments.¹ Gorbachev's plans were dogged by bad luck in several respects. The downturn in world energy prices after 1985, the Chernobyl disaster in 1986, and the Armenian earthquake in 1988 did substantial damage to the economy in addition to inflicting a terrible loss of life. The weather from 1984 to 1987 also was uncommonly poor for agriculture in the USSR. Using regression analysis to estimate weather-related harvest losses, Robert Kellogg found that the Soviet Union sustained 30 billion rubles of farm losses from worse-than-average weather in the 1984 to 1987 period, or 6 percent of reported production, *Modeling Soviet Agriculture: Isolating the Effects of Weather* (August 1988).

More important, in many respects *perestroika's* policies were ill-conceived and Gorbachev's partial economic reforms contributed to the collapse of the traditional system. The initial emphasis on investment—to the neglect of the population's desire for higher living standards—was a costly mistake. To make matters worse, by launching his anti-alcohol campaign, Gorbachev simultaneously dealt a blow to production of a major

¹ This section is extracted from James Noren and Lauri Kurtzweg, "The Soviet Economy Unravels, 1985-91," in *The Former Soviet Union in Transition*, Vol. 1, Study Papers Submitted to the Joint Economic Committee, Congress of the United States (Washington DC: US Government Printing Office, 1993).

consumer good and cut state budget revenues sharply. The population, which had always experienced shortages of particular goods and services, found the shortages becoming more general as income growth outstripped the supply of consumer goods.

To explain the popular discontent that flourished in the 1980s, however, one also has to take into account the much greater freedom of expression in printed and spoken dialogue and even in demonstrations and strikes. *Glasnost* served as a powerful amplifier for the dissatisfaction that lay under the surface before Gorbachev. *Perestroyka's* failures in improving living standards and reforming the economy could not be endured silently as previous campaigns had been. The gulf separating promise and performance now was discussed openly, with fairly obvious consequences for perceptions of well-being.

The sudden shift in resource priorities in mid-plan added to the confusion and disruption in the economy. Because enterprises were not equipped to change gears so suddenly, production dropped, especially in the machine-building sector. While the lost production of military hardware was not serious, the methods employed in restructuring the economy set back reform and hurt key industries. The reorientation of the economy toward the consumer was carried out in campaign fashion, by issuing state orders and strengthening central planning. In the hurry to limit state-financed investment, the crucial energy sector was short changed. Within a year or two the effect on production, domestic supplies, and export earnings became evident.

When Gorbachev decided to pursue economic reform, moreover, its implementation proved to be partial and contradictory. Central control over the economy was lost, and market forces were slow to emerge. Just as economic reforms began to force enterprises out of their accustomed reliance on central plans and orders, the loss of control of the state budget and the disruptions caused by ethnic unrest and republic rivalries wreaked havoc with the traditional distribution system. In addition, reform coupled with the rapid demoralization of the party removed one of the traditional elements of economic administration.

The breakup of the Soviet multinational empire proved to be the final blow to economic activity in the former Soviet economic space. Beginning with ethnic conflicts on the periphery, the desire for autonomy spread to almost all republics. Moscow's belated attempts to reduce the budget deficit, which probably achieved some success in 1990, were overwhelmed by republican refusal to support the union budget in 1991. By the end of that year, no monetary or fiscal control worthy of the name remained, and the rate of open inflation accelerated. Republican, and even local governments struggled to protect their citizens by limiting exports of food and scarce industrial supplies. The ruble lost its value as a medium of exchange, and factories and workers alike resorted increasingly to barter to sustain commerce. The economic linkages built up in the postwar years were substantially

destroyed in a relatively short time. Perhaps only the powerful inertia of the system and the long-standing personal and business relationships that surmounted republican and regional boundaries prevented the economic collapse that many observers predicted or reported.

Organization and Management

The Princeton conference collection of CIA documents on the Soviet Union includes a great many papers assessing earlier Soviet attempts to improve economic organization and management. CIA's skepticism about the worth of the successive "reforms" mounted as experience with them accumulated.

From the perspective of the post-Soviet years, a 1956 paper on the Soviet industrial enterprise, *Management of the Soviet Industrial Enterprise* (November 1956), seems an outlier. It found elements of flexibility in plan implementation that indeed were present throughout the Soviet period, while offering a thorough explanation of how the system of industrial management operated. Surprisingly, however, the paper declared that the "strong points of the Soviet system of centralized control over enterprises appear to be of greater significance than its weaknesses."

When Khrushchev pushed through his 1957 industrial reorganization plan, creating more than 100 regional economic councils in order to relax the Moscow ministries' grip on local decision-making for industrial and construction enterprises, CIA appraisals were decidedly negative. At the beginning of the reform, a CIA paper, *The Political and Economic Effects of the 1957 Industrial Reorganization* (October 1958), held that the reorganization promised no significant devolution of economic decision-making and that its effect on industrial growth would be small. In particular, the reform had not changed the focus of decision-making regarding the allocation of resources.

Three years later, another paper reviewed developments under the territorial system of economic organization and planning—*Developments in the Organization and Planning of Soviet Industry* (August 1961). It pointed out a persistent problem confronting Soviet planners as they alternated between ministerial and regional-based managerial principles: neither system was able to "encompass simultaneously and with equal effectiveness both departmental and regional considerations." After inspecting Soviet claims made for the 1957 industrial reorganization, the paper said the advertised achievements were for the most part either unsubstantiated, or not due to the reorganization, and that local managers had not much more freedom of maneuver than under ministerial subordination.

The story was much the same in agriculture. A 1963 paper reviewed the many administrative changes in farm management—*Vacillations in the Organization of Soviet Agriculture* (August 1963). It could find no noticeable improvement in efficiency whether

the turn was toward greater centralized control or more decentralized control. At the same time, the influence of the party apparat seemed to be expanding. Other measures, such as increasing incentives and devolving decisions to the farm level, would be of more help and the paper noted that greater price-based incentives had boosted production between 1953 and 1958.

In the evolution of economic reforms, Premier Alexei Kosygin's 1965 program was the next big step. It gave somewhat greater authority to the enterprises and revised the measures by which enterprise performance was judged, with more emphasis on profits and return on capital. The reform also called for a revision in wholesale prices and allowed enterprises to accumulate cash for employee bonuses and investment. An early assessment of the program, *The Soviet Economic System in Transition* (May 1966), argued that the proposals were too "timid" and that their results could be "forecast in advance"—small positive and negative effects. In short, the "new system cannot operate as long as the old one remains on the job in full strength." However, the paper did stress the distance Soviet economic thought had traveled since Stalin's time. Elements not included in the Marxist theory of value—charges for the use of land and capital, the role of demand in price formation, and the "pivotal role of profits"—could be discussed openly. The paper concluded that evolutionary reform would not work in the Soviet Union and that "If growth rates continue to decelerate the pressure for further reform will build up again."

The titles of two papers expressed CIA's evaluation of Soviet economic reforms as they had solidified by the late 1970s: *Organization and Management in the Soviet Economy: The Ceaseless Search for Panaceas* (December 1977); and *Soviet Economic "Reform" Decrees: More Steps on the Treadmill* (May 1982). The 1977 paper systematically reviewed developments in organization and management from 1965 to 1977. It found that the Kosygin reform had eroded and that its beneficial effects "have been minimal at best." Reforms in research and development had foundered on managerial resistance to innovation and new technology, and the revision of enterprise success indicators had confronted managers with conflicting pressures. In any case, unrealistic prices sent the wrong signals. While seeing little prospect for more radical reforms in the near future, the 1977 paper suggested a reform involving market arrangements might be tried later on. It would have to abolish directive plans for enterprises, replace rationing of most producer goods with wholesale markets, set most prices free, and introduce profit-based incentives. All of these elements were featured in Gorbachev's 1987 economic reform. The "Treadmill" paper discussed and dismissed a July 1979 decree and its July 1981 amendments designed to improve planning, reform industrial wholesale prices, encourage enterprises to economize on material inputs, expand enterprise self-financing, and restrain the proliferation of investment projects. It concluded:

The changes in working arrangements do not constitute a genuine reform

of the economic system. Rather they reinforce the traditional features that have wasted resources on a grand scale. Because planning is now more centralized, rigid, and detailed than ever before, the producing unit is more fettered. Producer goods are more tightly rationed; administratively set, average cost-based prices are retained, and Byzantine incentive systems tie rewards and punishments to meeting plan targets expressed in physical units. The modifications of the past two and a half years are no panacea for the Soviet economy. Rather, they move the system away from the decentralization, flexibility, and introduction of market elements, which most Western (and some Soviet) critics believe are needed.

Intensified research on the defense planning process provided the basis for two 1988 papers and summarized our knowledge in a highly secret area—*USSR Forecasting and Planning Weapons Acquisition* (January 1988); *Preparing the Soviet Five-Year Defense Plan: Process, Participants, and Milestones* (October 1988). The papers' findings are too rich to summarize, but they underline how tightly defense planning was tied to national economic plans and how plans for weapons acquisition were guided by information and intelligence on Western plans for weapons acquisition.

Foreign Economic Policy

By the mid-1950s, interest in Washington concerning Soviet intentions and capabilities in the foreign economic arena had triggered a very substantial research and reporting program in CIA—one that continued until the last days of the Soviet Union. By the late 1950s, concern over the Soviet “economic offensive” in the Third World was extremely high in Washington. In perhaps the best CIA discussion of the topic *External Impact of Soviet Economic Power* (October 1962), the author noted that by the mid-1950s the USSR had achieved basic economic independence and was ready to shift to an active and aggressive international economic policy. Soviet foreign trade with the West climbed, and in 1962, 45 percent of that trade was with the less-developed countries (LDCs). As an important part of Soviet determination to extend the USSR's influence into new regions, the trade and aid programs in LDCs were intertwined with propaganda, subversion, and political support to favored local leaders. As of 1961, the USSR had established positions of influence in the economies of Egypt, India, Afghanistan, Indonesia, and Cuba. In the communist world, Moscow employed its trade weapon to punish China by suddenly calling its technicians home and by easing the conditions of its trade with Eastern Europe in the wake of the 1956 uprisings there.

Hundreds of CIA research papers, memoranda, and short responses to questions from Washington departments or agencies described the status of Soviet economic and military aid programs. Periodic reports related what was known about the programs, country-by-

country and project-by-project. Other papers covered the training of foreign nationals in the USSR, the presence of Soviet economic and military technical experts in LDCs, and the USSR's attempts to penetrate and manipulate foreign labor organizations.

In the mid-1960s, a midstream assessment of the Soviet aid program was made—*Soviet Foreign Aid to the Less Developed Countries: Retrospect and Prospect* (February 1966). The LDCs' demand for Soviet aid flowed in part from their proclivity to fashion overly ambitious development plans they could not finance themselves. The USSR offered aid in the hope of nurturing future leaders who would be sympathetic to the Soviet Union. Striking a balance, the paper noted that the USSR had established a presence in the LDCs consisting of men, equipment, and ideas and had made progress in displacing Western powers, in part through Soviet support for the nationalization of Western properties. On the other hand, there had been some notable failures. LDCs often grumbled at the slow implementation of aid agreements. Soviet failure to assume responsibility for individual projects frequently had meant they were done badly, with the blame attached to the Soviets. Moreover, a decline in Western influence did not necessarily lead to an increase in Soviet influence, as evidenced by the fall from power of a succession of Soviet-supported strongmen.

A May 1976 CIA study, *Organization of Foreign Military and Economic Aid*, found that a hierarchical institutional structure forced resolution of all important aid issues to the top. Nevertheless, the aid programs were run by experienced bureaucrats who could wield considerable influence over less informed policymakers. But their recommendations were subject to the conflicting goals and rivalries of the numerous institutions involved in administering the programs. Finally, the Soviet leadership tended to favor military over economic aid, believing that it promised to have a bigger political payoff.

In 1985, a CIA contract study, *USSR-LDC Trade: An Economic and Quantitative Analysis* (February 1985), investigated Soviet-LDC trade in-depth with the help of some laboriously constructed statistics previously unavailable. This study suggests that "some common perceptions of the nature and importance of the trade are mistaken." First, Soviet exports of nonmilitary goods to LDCs had increased slowly since the early 1970s, while the terms of trade with the developing countries had deteriorated. Second, the Soviet Union had not proved to be a substantial market for LDC manufactures. Third, the prices paid by the USSR for imports of raw materials from the LDCs were no more stable than the prices paid by Western market economies. All in all, few LDCs except those in the Soviet political sphere of influence depended heavily on trade with the USSR, and economic interdependence between the USSR and the LDCs probably had grown more slowly than perceived by many in the West and claimed by the Soviets.

Reducing Military Threats

The contributions of CIA's economic analysts to Max Millikan's fourth purpose of foreign economic analysis consisted of support for trade controls, assessments of the effectiveness of other trade restrictions, and evaluations of the impact of technology transfer on Soviet economic and military strength.

In the 1950s, ORR published dozens of encyclopedic industry studies intended to shed light on areas of Western ignorance and to identify possible sources of vulnerability to Western embargoes and other trade controls. By the mid-1950s, however, a contribution to a briefing for President Eisenhower reported that while controls had some "retarding effect" on Bloc economies, the internal supply position for many of the commodities on control lists had "improved markedly." Thereafter, CIA support for export controls centered on the gradually shorter list of strategic commodities. For example, a memorandum for the Department of Commerce's Director of Export Control, *USSR and Eastern Europe: Semiconductors* (April 1973), stated that solid-state technology was quite backward in the USSR, and provided a list of inferior equipment for which the Soviets were trying to find foreign substitutes.

As early as 1962, ORR was commenting on Soviet capacity to produce large-diameter pipe in connection with a possible embargo. And in a memorandum for the Commerce Department's Advisory Committee on Export Policy, OER advised in May 1970 that Soviet persistence in trying to buy Gleason gear-cutting machines was understandable given the state of technology in the USSR's automotive industry. Gleason tools were "crucial" to modernizing Soviet truck production, and an increase in production of all-wheel-drive vehicles—best suited for army tactical operations—was part of the plan for every plant wanting Gleason gear cutters. In contributions like these and in technical support to the advisory committees concerned with specific areas of export control, CIA analysts reported on the state of Soviet technology and on the availability of equipment in countries not participating in export controls.

Sanctions and Trade Restrictions

When Khrushchev began his chemicalization campaign, the USSR requested larger Western credits and longer repayment terms. ORR reported that the credits would prevent the diversion of resources from other high-priority programs and, using various assumptions, ran a number of scenarios before concluding that the Soviet Union could repay the credits if it were able to increase its exports to the West by 5 percent per year. In the 1980s, the question of the effectiveness of credit restrictions was central to policy discussions. Two National Intelligence Council (NIC) memorandums were issued in 1982, *The Soviet Bloc Hard Currency Problem and the Impact of Western Credit Restrictions*

(March 1982); and *The Soviet Bloc Financial Problem as a Source of Western Influences* (April 1982). The first reported that the financial bind facing the USSR and Eastern Europe provided an “unusual opportunity to use economic measures to influence Moscow’s behavior.” Even limiting new credits to recent levels—the most that Western Europe and Japan might agree to—“would significantly constrain Soviet policy choices.” Curiously, the second NIC memorandum stressed the difficulty of gaining international cooperation in limiting credits, reported that a possible agreement on capping the volume of new credits would have little effect on Soviet import capacity, and it down played the influence that even stronger restrictions would have on Soviet defense or foreign policies.

The subsiding of official interest in credit restrictions was partly due to briefings CIA’s SOVA gave to high-level departmental representatives—*USSR: The Role of Western Credits* (January 1982). Using a financial model, SOVA stipulated various levels of credit drawings to see what Soviet import capacity would be. To the dismay of those who supported pushing Western Europe and Japan to clamp down on new credits to the Soviet Union, the briefing pointed out that, after 1985, differences in debt service among the scenarios began to offset differences in volume of new credit drawings. Thus, Soviet import capacity was much the same over a range of assumed new credit drawings.

Over the years, CIA was consistently bearish with respect to the effectiveness of Western embargoes on exports to the Soviet Union and the Soviet Bloc. Two reasons for skepticism were usually advanced: the difficulty of getting other countries to join in an embargo, and the ability of the Bloc to adjust internally to an embargo. A 1961 paper, *Estimated Impact of Western Economic Sanctions Against the Sino-Soviet Bloc* (July 1961), is illustrative. It pointed out that a unilateral US embargo would be ineffective because the volume of US-Soviet trade was so small. Enlisting NATO and Japan, would, under generous assumptions, deny about \$4 billion of Western goods, but the effect would be mainly in the first six months. Thereafter the Bloc could turn to alternative suppliers. In 1980, the United States restricted exports of grain to the Soviet Union following Soviet intervention in Afghanistan and secured the agreement of other major grain exporters not to replace the US grain. A paper from OER tried “to clarify” the embargo’s impact—*USSR: Adjusting to the Grain Embargo* (February 1981). It reported that the embargo reduced Soviet imports by 6 million tons in the year ending September 1980, but its impact “was substantially lessened by the fact that other exporters sold more grain to the USSR than was contemplated when the embargo was announced.” Moreover, the Soviets were able to replace some of the lost imports by drawing down domestic stocks.

The US attempt to interfere with the construction of the Siberia-to-Europe gas pipeline ran into similar constraints. Western Europe welcomed the gas and refused to deny compressors and large-diameter pipe for the pipeline. For its part the USSR, for technical reasons and through internal adjustments, was capable of doing without US compressors.

A paper jointly produced by SOVA and the Office of European Analysis, *Outlook for the Siberia-to-Western Europe Natural Gas Pipeline* (August 1982) summarized the results of intense investigation, some of which responded to DCI William Casey's questions. The paper stated, "We believe that the USSR will succeed in meeting its gas delivery commitments to Western Europe through the 1980s" by relying on excess capacity in existing pipelines, the contributions of West European and Soviet equipment, and the fact that the USSR could push through about two-thirds of the gas using only about one-third of the compressor power ultimately intended for the pipeline. Moreover, Western Europe was "deeply angry" over the US decision to try to control compressors manufactured in Western Europe under US license. These findings were briefed extensively to Washington policymakers and supported by US industry experts in February and March 1982. Nonetheless, on 18 June 1982, President Ronald Reagan extended the pipeline sanctions to prevent foreign subsidiaries and licensees of US companies from supplying equipment for the pipeline.

Monitoring Technology Transfer

Washington officials had an enormous appetite for assessments of the role of technology transfer in Soviet economic and military development. Usually CIA's response was (a) virtually all Soviet technology was relatively backward, creating a demand for more advanced Western technology; (b) the contribution of this technology was likely to be concentrated in small areas because the acquisitions Moscow could buy or steal constituted only a small share of total investment; and (c) systemic constraints on the assimilation and diffusion of new Western (or Soviet) technology further limited its impact. Still, CIA papers found a great many instances where the Soviet Union copied or adapted Western designs, a form of technology transfer not subject to measurement or easily denied.

After Western controls on the export of machinery and equipment were relaxed in the 1950s, the flow of technology to the USSR increased. The burst of Soviet buying of chemical installations attracted particular interest—*Acquisition of Chemical Equipment and Technology by the Soviet Bloc From the Free World, 1957 Through Mid-1963* (April 1964). Soviet Bloc purchases of 234 installations worth \$1.3 billion "clearly" would make a major contribution to Bloc chemical industries, although there would be problems in getting them on line, the paper noted. Two papers on agricultural technology, *Soviet Efforts to Introduce US agro-technology* (November 1975), and *Agricultural Machinery Technology in the USSR and Eastern Europe* (May 1976), pointed to the difficulty the Soviets were having in assimilating Western agro-technology and maintained that even successful adaptations of Western designs resulted in poor quality products because of shortcomings in planning and incentives.

In the documents supporting the Princeton conference, there are a great many comprehensive surveys of the role of technology transfer in Soviet economic development. A few of the more prominent examples are *The Technological Gap: The USSR vs. the US and Western Europe* (June 1969); *Transfer of Technology from the United States to the USSR: Problems and Prospects* (December 1973); *Significance of Soviet Acquisition of Western Technology* (June 1975); *Soviet Economic Dependence on the West* (June 1975); and *Soviet Microelectronics: Impact of Western Technology Acquisitions* (December 1986). In broad terms, the papers argued that the technological gap was large and probably widening even though the USSR had borrowed extensively from the West. The Soviet system of planning and management retarded the assimilation and diffusion of new technology, and the volume of imports was too small relative to total investment to have a substantial effect in macroeconomic terms.

When attention turned to specific sectors, the findings were different. In just one of many examples, Soviet oil and gas development benefited considerably from imports from the West—*The Role of Western Equipment in Soviet Oil and Gas Development* (September 1984). The Soviet focus on acquisition of technology for more militarily-significant sectors stimulated a large body of research. In addition, CIA aggressively sought to alert Western countries to the scope and successes of legal and illegal Soviet acquisition of technology for the defense industry. An unclassified paper, *Soviet Acquisition of Western Technology* (April 1982), received wide dissemination abroad. One of the more startling examples was the microelectronics industry where, according to a 1986 paper—*Soviet Microelectronics: Impact of Western Technology Acquisitions* (December 1986), Western equipment had “radically advanced the quality and quantity” of production. The USSR now lagged in advanced integrated circuit development by eight to nine years; without Western assistance it might have been 18 to 19 years. “Successful, and in most cases illicit, “acquisition had filled critical military electronic requirements. As an illustration of how important Western technology could be to a small industry, the report estimated that the Western equipment on hand would provide about one-third of the “critical equipment for all production areas.”

Assessing Relative Strengths of East and West

Max Millikan's fifth objective of foreign economic intelligence perhaps attracted more interest and provoked more controversy than any other facet of CIA's economic analysis of the Soviet Union. In the 1950s, many worried that the balance of relative strengths of East and West—or at least the USSR and the United States—was going to tip in favor of the East. CIA research produced estimates of the dollar value of Soviet GNP and each of its components—consumption, investment, defense, and government administration.

The procedure for determining the estimates, with some exceptions, was to start with CIA's estimates of the ruble values of the components of Soviet GNP and convert these values to dollars. This was done by applying appropriate dollar-ruble ratios to express what it would cost in dollars to buy a ruble's worth of goods and/or services in a particular segment of Soviet GNP. Then the components of US GNP were converted to ruble values by applying ruble-dollar ratios expressing what it would cost in rubles to buy a dollar's worth of goods and/or services in a particular segment of US GNP. The result of this exercise was a set of comparisons of US and Soviet GNP expressed alternatively in dollars and in rubles. When presented in a publication, a single-valued comparison was usually reported—the geometric mean of the dollar and ruble comparisons.

The research required to derive the appropriate conversion ratios was enormous and has been described in large part in a series of unclassified publications. Some representative examples are *Ruble-Dollar Ratios for Prices of Machine Tools, Metal-Forming Machinery, Textile Machinery, and Abrasive Products* (October 1956); *1955 Ruble-Dollar Ratios for Construction in the USSR and the US* (August 1964); *A Comparison of Consumption in the USSR and the US* (January 1964); *USSR and the United States: Price Ratios for Machinery, 1967 Rubles-1972 Dollars*, Volumes I and II (September 1980); and *Consumption in the USSR: An International Comparison* (August 1981). In deriving the ruble-dollar conversion ratios the Agency consulted extensively with US firms—even to the extent of buying Soviet goods and having them appraised by US manufacturers of similar products.

The Comparisons

One of the first CIA publications dealing with US-Soviet comparisons estimated physical output per worker in the branches of industry and transportation where data permitted such comparisons—*Comparative Levels of Labor Productivity in the US and the USSR, 1951* (December 1954). It found that labor productivity in the USSR varied from 15 percent (spinning of cotton textiles) to 73 percent (blast furnaces) of the US level. The paper attributed the differences in productivity to differences in natural conditions in mining sectors and to differences in technology and investment in other sectors. Systemic differences, so prominent in later comparisons of productivity, were not mentioned.

Research in the mid-1950s under the guidance of Morris Bornstein led to a comparison of GNP and its components in the United States and the USSR in 1955. Many of the ruble-dollar ratios employed in the comparisons paper, *A Comparison of Soviet and United States*

National Product, submitted to the Joint Economic Committee, Congress of the United States, 1959, were drawn from RAND Corporation studies. The results are expressed as Soviet percentage of US:

	Comparisons in 1955 Rubles	Comparisons in 1955 Dollars	Geometric Average
Consumption	20.8	39.0	28.5
Investment	48.8	68.3	57.7
Defense	75.3	94.3	84.3
Administration	152.5	152.1	152.3
GNP	26.8	53.4	37.8

Most CIA comparison papers presented both ruble and dollar comparisons as well as the geometric mean comparisons, but the comparison most generally quoted was the geometric mean of the ruble and dollar comparisons. This “short cut” is commonly used in international comparisons but obscures some important information. Thus, the dollar comparison can be interpreted as giving a rough appreciation of the relative ability of the USSR and United States to produce the Soviet mix of goods and services. Conversely, the ruble comparison can be interpreted as approximating the relative ability of the two countries to produce the US mix of goods and services. Given their respective resource endowments and production history, it would be expected that the Soviet Union would look better in a dollar comparison (the relative ability to produce the Soviet mix) than in a ruble comparison (the relative ability to produce the US mix).

In subsequent years, as new estimates of the ruble value of Soviet GNP and ruble-dollar ratios were developed and assimilated, the geometric mean comparisons showed the USSR in varying positions. A 1966 ORR paper, *US and USSR: Comparisons of Size and Use of Gross National Product, 1955-64* (March 1966), said that the main reason for the lower USSR/US comparisons was a series of adjustments made to ruble/dollar ratios to take account of the lower quality of Soviet durable goods and the lower productivity of Soviet workers in health and education. Later, however, a CIA comparison published in a congressional JEC compendium in 1979, *US and USSR: Comparisons of GNP*, presented new comparisons “based on [new] US-Soviet purchasing-power-parity ratios covering consumption, machinery, construction, and defense.” The ratios drew on a much wider sample of goods and services and a United Nations comparison of national products, which helped in sample selection and product specification. According to the CIA comparison,

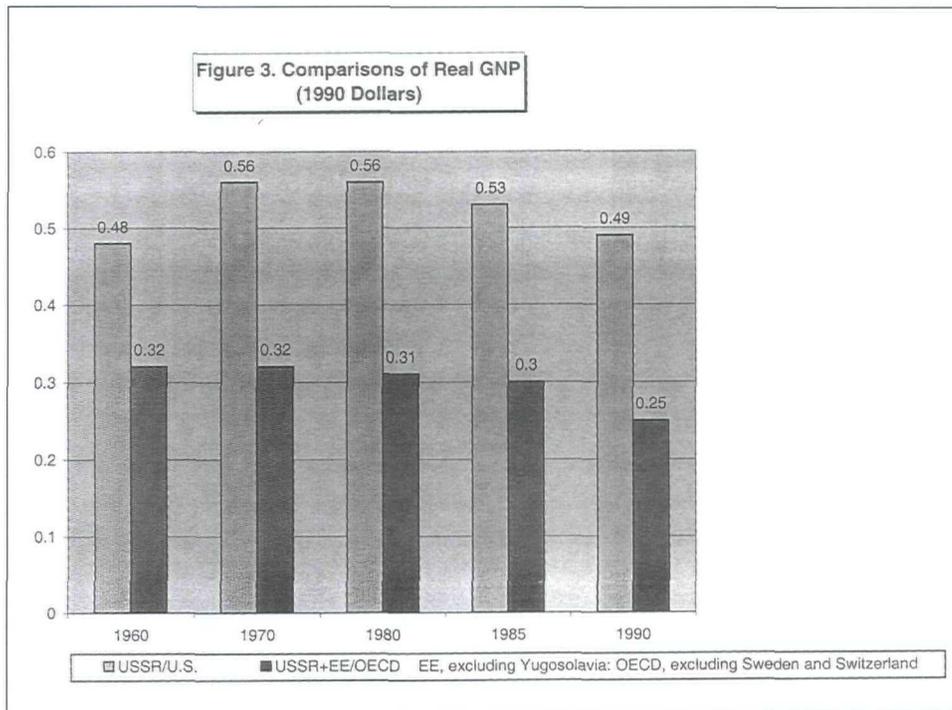
Soviet GNP in 1976 was 60 percent of US GNP (geometric mean), per capita consumption 37 percent of US per capita consumption, and outlays for defense and space 136 percent of the US level.

In 1981, the JEC published a CIA paper that revised downward the estimates of the dollar value of Soviet consumption—*Consumption in the USSR: An International Comparison* (August 1981). It found that, since 1960, Japanese living standards “caught up with, and raced ahead of the USSR’s, while France, West Germany, and Italy extended their leads.” The study put Soviet per capita consumption at 34 percent of the US level in 1976, but its major contribution was a wide-ranging discussion of international differences in the structure of consumption and a thorough exposition of the methodology underlying the estimates.

The next general comparison of GNPs appeared in 1984—*A Comparison of Soviet and US Gross National Products, 1960-83* (August 1984). This paper reported Soviet GNP as 49 percent of US GNP in 1960 and 55 percent in 1983. Soviet per capita consumption in 1983 was one-third of the US level. As in previous comparison papers, the authors declared that these numbers “trace the upper bound of ratios of Soviet to US GNP.” And, as in previous studies, the ratios for machinery and equipment were not adjusted for quality differences beyond those reflected in the original product matches, and the consumption ratios did not take into account the advantage the American consumer has in terms of convenience, variety, and availability. Moreover, the ratios for consumer services were probably too low because they could not adjust adequately for the higher qualifications of American workers in health and education.

Employing the Agency’s basic ruble-dollar ratios and estimates of Soviet GNP growth, the last comparison paper, *The Soviet Economy in a Global Perspective* (March 1989), tried to put Gorbachev’s concerns about the Soviet economy in context by comparing it to a wide range of other economies. CIA purchasing-power-parity estimates for the Soviet Union were linked to those of the UN’s International Comparison Project. The CIA paper reported that the Soviet economy was in many respects like that of a developing rather than a developed country—more like Mexico or Brazil. In terms of the share of agricultural output in GNP, the USSR resembled Turkey and the Philippines. The paper also tested CIA’s comparisons using a model relating GNP statistically to a collection of physical indicators. The physical indicator approach produced a value for Soviet GNP in 1980 of \$5,360 per capita while the purchasing-power-parity method equivalent was \$5,600.

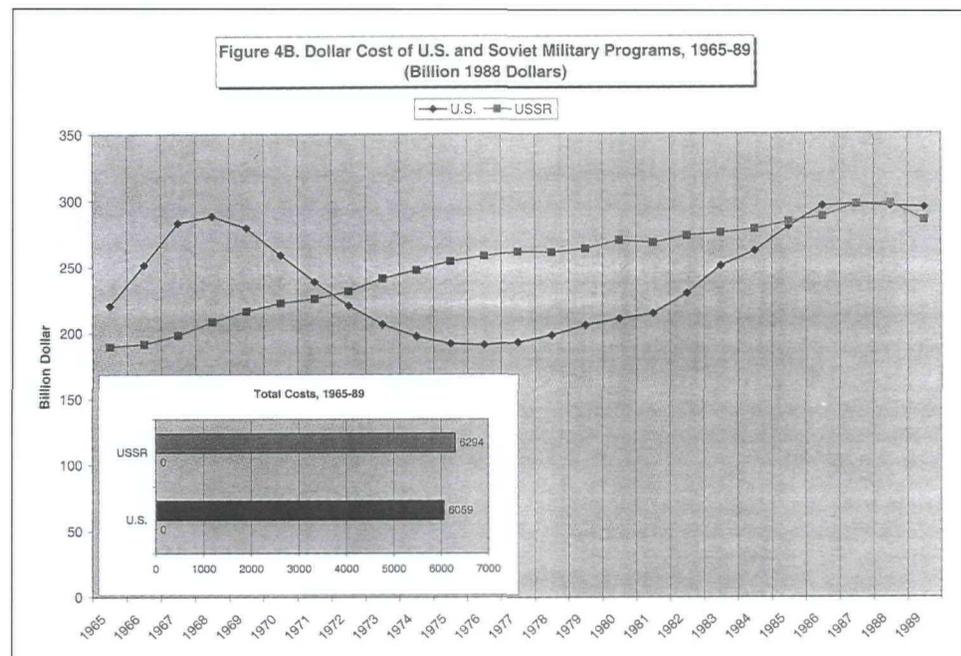
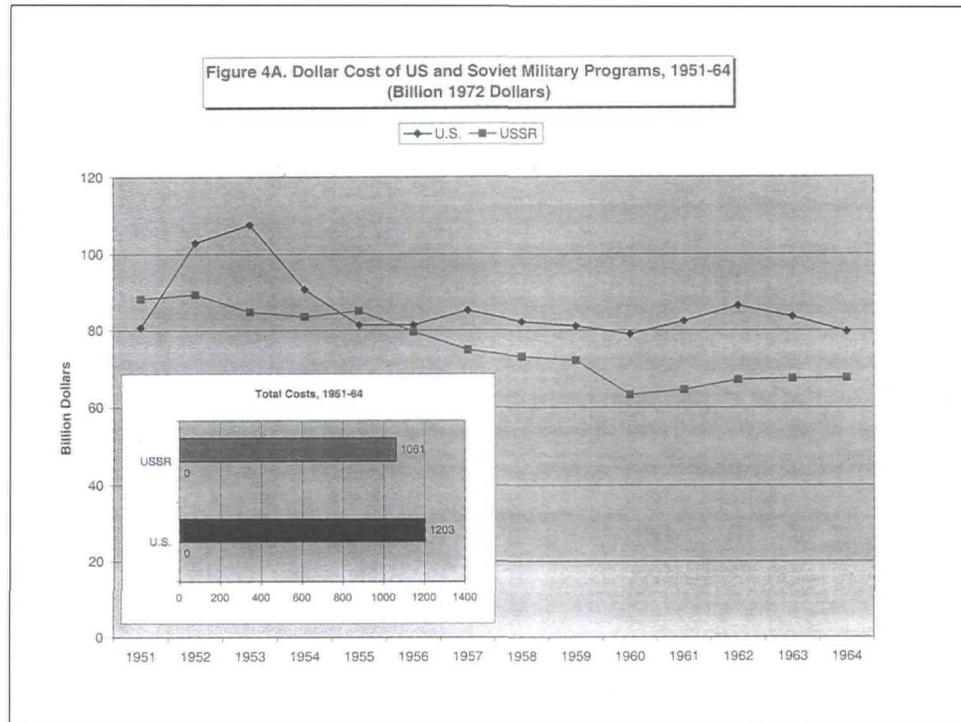
For the general public, CIA’s annual unclassified publication *Handbook of Economic Statistics* provided a window on CIA estimates of the East-West balance and the relative size both of US and Soviet GNP. The 1991 edition showed the comparisons depicted in 1990 dollars (see figure 3). The USSR-US ratio peaks around 1970, levels off in the 1970s,



and falls steadily in the 1980s. If Eastern Europe (excluding Yugoslavia) is added to the Soviet potential and compared with the Organization for Economic Cooperation and Development (OECD) countries (excluding Sweden and Switzerland), the USSR and its allies had only about 30 percent of the GNP of the OECD nations in the 25 years from 1960 to 1985. As for the Soviet Union overtaking the United States, these handbooks showed an absolute gap between them, widening steadily in the 1960s and more rapidly in the 1970s.

Interest in CIA's estimates of Soviet defense outlays within the US government and in Congress centered on the dollar comparisons. Unfortunately, the records necessary to put the defense comparisons on a single-dollar price base are no longer available. Figures 4A and 4B show the comparison of the dollar cost of Soviet and US defense programs in 1951-64 expressed in 1972 dollar prices and in 1965-89 in 1988 dollar prices. According to these comparisons, the cost of US defense programs exceeded the dollar equivalent of Soviet programs by about 13 percent in the earlier period, while the dollar cost of Soviet military programs in 1965-1989 was slightly greater than US spending.

These comparisons are dollar comparisons, not the geometric mean of comparisons in ruble and dollar prices that underlie the GNP comparisons. Critics have rightly noted that a comparison in dollars shows the USSR to a greater advantage than a comparison in rubles. For example, a comparison of Soviet and US defense and space programs in the 1970s showed the Soviet programs 36 percent larger in dollar prices and 29 percent larger in ruble



prices. A proper ruble comparison required Soviet prices for American defense procurements, but Soviet estimates of these prices were not available. Further research widened the gap between comparisons in dollar and ruble prices. The most recent calculations of ruble comparison based on indirect calculations, suggests that over the period 1973 to 1987 Soviet defense activities exceeded the US equivalents by 21 percent in the dollar comparisons and by 7 percent in the ruble comparisons.

In the 1980s, some variants of these comparisons were constructed—one to take in a broader definition of national security outlays and another to construct a NATO-Warsaw Pact comparison. The comparison, expanded to include the so-called “cost of empire,” civil defense, and the like, pushed up Soviet spending relative to US outlays by a couple of percentage points in the 1980s, but the NATO-Warsaw Pact comparisons showed the dollar-equivalent cost of NATO defense programs to be 15 percent larger than Warsaw Pact programs over the period 1976 to 1986.

Perhaps the most visible contribution of the defense spending estimates was to the debates over US defense budgets. The US-Soviet comparisons figured heavily in the presentations that successive presidential administrations made to Congress and the country. For example, Secretary of Defense James Schlesinger at the beginning of his 1975 annual report said that “The Soviets now devote more resources than the United States in most of the significant categories of defense” and showed a chart comparing US and Soviet defense spending. He emphasized even more strongly the adverse trends embodied in the spending estimates by telling the armed services committees, “If they continue to grow at 5 percent or 7 percent per annum, and we continue to shrink, then it is plain that sooner or later the divergence will become so great that we will be in very substantial trouble.” Under Democratic administrations, the pitch was much the same. William Kaufman, a consultant to the Department of Defense (DOD) through most of the 1970s, said that, beginning in 1973 and 1974, he “turned very strongly to the CIA estimates as a basis for indicating why the US defense budget ought to be increased.”

Thus, the US-Soviet defense comparisons were featured in DOD congressional testimony, defense posture statements, and in the DOD publication *Soviet Military Power*. The comparisons, however, lost their popularity when the dollar-equivalent cost of Soviet defense programs began to fall below the cost of US programs in the 1980s. Robert Gates, as Deputy Director for Intelligence and later as Deputy Director of Central Intelligence, had long been skeptical of the dollar estimates and tried to abolish them in the early 1980s; pressure from consumers in the Pentagon and Congress, however, forced a resumption of the dollar costing. When Soviet military spending moved downward in the late 1980s, consumer demand for the dollar estimates weakened, and Agency managers decided the time was right to drop them.

The estimates of the ruble and dollar costs of Soviet defense programs were controversial, but they were the only ones that reflected the Intelligence Community's best estimates of the physical quantities underlying these programs. Moreover, the trends displayed by the latest CIA estimates seem consistent with recent interpretations of Soviet policy shifts and fit quite well with post-1985 statements by Soviet leaders regarding the defense burden and the production of military hardware. Finally, in the absence of CIA's estimates, the field would have been left to alternative calculations that had Soviet real defense spending increasing at double-digit rates. Had such calculations been believed, the US national debt might have been appreciably higher than it was because of the pressure that would have been exerted to raise US defense spending to match what the USSR was thought to be spending.

The Agency's inquiries into the relative strengths of the Soviet Union and the United States proceeded down a number of other paths as well. For example, in the 1960s, papers dealt with population, manpower, and professional manpower—*Comparison of US and Soviet Population and Manpower* (November 1960); and *A Comparison of US and Soviet Professional Manpower* (May 1963). The demand for comparisons of the US and Soviet space programs never wavered. A 1966 paper estimated US civil and military funding for space programs at \$7 billion in FY 1964 and FY 1965 while the estimate for the USSR was in excess of \$5 billion in FY 1965. It was a tricky exercise since the requirements for the USSR had to be reconstructed from both identified and inferred components. *Comparison of US and Soviet Procurement of Major Weapons Systems* (November 1975), provided annual figures for 1953-74. Perhaps the best treatment of a particular sector appeared in 1989—*A Comparison of the US and Soviet Industrial Bases* (May 1989). It described the many quantitative, qualitative, and structural differences between Soviet and US industry.

How Good Were the Dollar Comparisons?

The dollar comparisons of US and Soviet GNP have been criticized—correctly—for not taking sufficient account of quality differences in the product matches that formed the basis for the ruble-dollar ratios used in converting Soviet GNP to dollars and US GNP to rubles. Certainly CIA struggled with the problem over the years as it introduced some fairly arbitrary adjustments to the ratios while warning readers that the comparisons were at the “upper bound” of reality. In my view, a combination of realistic adjustments would not take a Soviet-US GNP ratio of 50 percent below 40 percent. That such a change would have changed perceptions of the relative strengths of East and West seems doubtful. (Any adjustments should also include an allowance for the “second economy” activity not fully reflected in CIA's estimates of Soviet GNP.)

What the comparisons measured is not obvious. CIA argued that they were more valid as measures of real income than of production potential, although they fell short of the theoretical requirements for a real income measure (see *US and the USSR: Comparisons of GNP* [1979], pp. 388-89). Fundamentally, the comparisons provided an indication of the relative volume of goods and services produced in the two countries and to a lesser extent, a sense of relative production potentials and real incomes. If one were to be more demanding regarding these requirements, however, the structure of international comparisons built up over the years (e.g., in the *UN International Comparison Project*) would collapse and with it much of the statistical analyses of the sources of economic growth based on these comparisons. For the Soviet Union, just as for much economic analysis, the requirements for theoretical purity conflicted with the demand for policy relevant analysis. CIA's economists attempted to provide relevant analysis while recognizing the limitations inherent in Soviet statistical reporting.

The Analysis in Perspective

Over the years, CIA's analysis of the Soviet economy fulfilled, I believe, all of Max Millikan's objectives for economic intelligence. In the process, CIA learned a great deal about the Soviet economy and aspects of Soviet military forces not discovered earlier. It shared most of these findings with the public and academia in hundreds of unclassified papers and dozens of contributions to Joint Economic compendia.

CIA's support for US policymakers expanded as its research base grew and other agencies came to know the capabilities of the analysts following the Soviet Union. Most of their work responded to requests from a wide range of consumers; the examples cited in this paper can only suggest the diversity and extent of these contributions. In terms of Millikan's first objective, CIA did, over the decades, measure and forecast the erosion in the USSR's economic vitality, calming the fears of "overtaking" arguments so prevalent in the 1950s. The estimates of the cost of Soviet defense programs helped to shape US policy in various ways. To repeat a view expressed above, Noel Firth and I opined in our book that, in the absence of the defense-spending estimates, "the prevailing view of Soviet military programs would have been more alarmist and US defense spending during the Cold War would have been much higher." In its support for policymakers, CIA had the advantage of not having to defend a particular policy. It tried to offer impartial assessments without worrying about the sour receptions they sometimes received.

Much of the controversy over CIA's economic analysis has centered on the accuracy of the GNP and defense measures. This is unfortunate to the extent that it overshadows the large volume and vast range of the Agency's economic work as suggested by the records released to the National Archives. I would say that CIA's measures relied on the best evidence available and were compiled according to standard national accounting practice.

They were reviewed by a series of external panels that generally gave the ruble measures high marks. The dollar comparisons elicited greater skepticism, but there were no credible alternatives. Therefore, CIA's ruble and dollar estimates are still the estimates of choice for scholars researching the economic history of the Soviet Union or investigating the sources of international differences in production and productivity.

Many lessons have been learned during the years of studying the Soviet economy, but I will cite two major ones. They are (1) the need to be willing to take new evidence aboard without delay and entertain an unconventional view of the world, and (2) the difficulty of interdisciplinary analysis. These played a part, for example, in CIA's delayed call on the slowdown in Soviet military spending in the late 1970s, the exaggeration of the Soviet oil crisis, and the reluctance to believe that conditions in the economy would lead to dramatic changes in the way the Soviet Union was governed.

Discussant Comments

A panel chaired by **Dr. Laurie Kurtzweg**, from the Office of Russian and European Analysis in CIA's Directorate of Intelligence, discussed James Noren's paper and provided additional views on CIA's analysis of the Soviet economy. The panelists were Dr. Abraham Becker, Senior Economist Emeritus at RAND; Dr. James Millar, Professor of Economics and International Affairs at George Washington University; and Dr. Charles Wolf, Senior Economic Advisor at RAND.

Abraham Becker attempted to explain the "extraordinary explosion of hostile reaction" to CIA's economic analysis that took place in the late 1980s and early 1990s. He cited several reasons for it. One reason, according to Becker, was the highly complex nature of the economic issues that were debated, such as the international economic comparisons done by CIA and the Agency's use of dollar and ruble estimates of Soviet defense spending. These issues were, according to Becker, difficult for policymakers to understand. Further complicating the analysis were the significant differences between the US and Soviet economic and political structures, Soviet secrecy and disinformation efforts, and Marxian concepts that found their way into Soviet economic issues and statistics. Becker implied that a lack of understanding of some of the economic concepts used by CIA contributed to considerable skepticism about the Agency's analysis.

Becker also maintained there was confusion over the use of CIA's GNP estimates of the size and growth of the Soviet economy as a measure of welfare in the USSR. In his view, economic practitioners understand that GNP statistics are not a measure of a nation's welfare. Still, according to Becker, CIA was accused of passing off its GNP series as welfare indicators.

A third reason cited by Becker was what he labeled the “disastrous impact” of the changes in Soviet military expenditures announced by CIA in the mid-1970s and again in the early 1980s, and the release of the controversial oil estimate in 1977. The public, according to Becker, interpreted these events as multiple, serious intelligence failures and the politicizing of intelligence estimates.

A fourth factor undermining CIA's economic analysis was, according to Becker, the contradictory message given to policymaking authorities, particularly during the later Reagan years. He cited, in particular, former DCI William Casey's effort to provide policymakers with his view of the Soviet Union. Unfortunately, that view sometimes varied significantly from what CIA's analysts were saying. Becker pointed out that Casey and his assistant, Herbert Meyer, who Becker claims misunderstood what CIA was saying about the rate of economic growth in the USSR, did a lot of maneuvering behind the scenes, effectively undermining the CIA's message.

The fifth factor, according to Becker, was a dilemma the Kremlin faced that made the forecasting of economic events in the Soviet Union difficult, if not impossible. The Soviets desperately needed to reform the Soviet economy but realized that implementing meaningful reform measures could lead to political upheaval and chaos. How to implement meaningful reform without bringing down the system was a difficult problem even for a more enlightened leader such as Gorbachev. In Becker's view, there was no way to predict when and if someone would come along who would be able and willing to implement significant reform.

Finally, Becker asserted that US analysts erred in failing to adequately take into account what Soviet émigrés were saying about the state of the Soviet economy. According to Becker, this unfortunate occurrence resulted from the development of a “climate of mistrust between émigrés and the US Sovietological establishment.”

James Millar, who served as the chairman of a committee formed in the late 1980s at the request of the House Permanent Select Committee on Intelligence to evaluate CIA's record in measuring Soviet economic performance, gave the Agency high marks for its economic assessments. Millar said the committee concluded, in general, that the work of the Office of Soviet Analysis, and its predecessors in the CIA, has been “professional and appropriately reasonable and cautious.” Most reports through 1988 on the course of Soviet GNP and on general economic development were found to be “accurate, illuminating, and timely.” Finally, Millar opined that the committee concluded that the CIA “did in fact provide the kind of information that policymakers needed to make reasonable judgments about policy with respect to the Soviet Union.”

According to Millar, however, the committee was critical of the Agency's estimates of Soviet defense expenditures and its estimates of the defense burden as being based on slender data sources and on questionable methodologies. Moreover, it found CIA's dollar estimates of Soviet GNP and defense spending misleading, and it criticized the Agency for publishing geometric mean averages of its dollar and rubles GNP and defense estimates that were without meaning.

The next commentator, **Charles Wolf**, used three criteria to assign numerical grades to CIA's work on the Soviet economy:

Grading Criteria	Grade
Scholarship and Academic Quality	Strong B
Validity and Accuracy	Strong C
Effect on Policy	A-

Under his first category, "Scholarship and Academic Quality," Wolf praised the Agency's work in constructing national income accounts as equal to the very high standard set by Simon Kuznets and the National Bureau of Economic Research (NBER) in compiling accounts for the US economy. In fact, Wolf opined that it was a standard that was met under circumstances that were more difficult than those faced by the NBER because of the secretive nature of the Soviet Union and the "peculiarities" of Soviet published economic data. According to Wolf:

The industry studies, including defense industries, agriculture, energy, foreign aid, and international comparisons, I think, provided major insights into the structure of the Soviet economy, into the input/output relations in the system, and so forth, and conformed to the average for the National Bureau.

At the same time, however, Wolf was critical of the Agency for, in his view, being too optimistic about the viability of the Soviet planned economy—what he termed "within the box thinking," based on the work of economists Oskar Lange and Abba Lerner who believed in the perfectibility of market socialism. Rather, he opined that Agency analysts should have done more "outside the box thinking" based on the work of economists Frederic Hayak, Ludwig Von Mises, and Milton Friedman who felt that socialist economies were unworkable and doomed to collapse under their own weight. As an example, Wolf cited the failure to take into account the poor quality of manufactured goods in the USSR.

In other words, according to Wolf, CIA should have looked deeper and in different ways “at the corrosive effect of the Soviet political system on human capital, that is on morale, on entrepreneurship, on innovativeness, the work ethic, and so forth.”

In his category of “Validity and Accuracy,” which he graded as little better than average, Wolf concluded that CIA overestimated the size of Soviet GNP—that is, in his view, it was no more than 30 percent of US GNP compared with the geometric mean estimate of around 50 percent that the Agency claimed. Analysts persistently overestimated the Soviet economy’s growth rate by “at least a couple of percentage points,” and underestimated the military burden. The latter, according to Wolf, was closer to 25 percent than the 11 to 15 percent range posited by CIA.

Finally, Wolf addressed the effects of the Agency’s analysis on the Administration’s policies. Wolf disagreed strongly with Senator Moynihan’s publicly stated view that the United States overspent on defense during the Cold War period because of the Agency’s overblown analyses. Wolf, in effect, characterized such thinking as wrong headed. Rather, he opined, “The Soviets, if faced with the choice of using it or losing it, might well have used it had we [the United States] not prepared with medium-range ballistic missiles (MRBMs) and the prospect of the Strategic Defense Initiative (SDI) and Star Wars.”

Chapter III

Analyzing Soviet Politics and Foreign Policy

Douglas F. Garthoff

The task of describing in a single essay CIA's analysis of Soviet politics and foreign policy for the entire Cold War period leads inevitably to a broad survey. With respect to domestic politics in the USSR, this account deals only with the high points of top-level leadership politics and policies. In light of this broad-brush approach, there is much of interest to specialists regarding CIA's analysis that is necessarily left out and awaits future attention. With respect to Soviet foreign policy, only the main lines of the basic East-West competition are examined throughout the lengthy period covered. Unfortunately, but necessarily, even major issues such as Moscow's efforts through the years to deal with the German question or to gain influence in the Middle East are left for more detailed examination in the future. Finally, it should be noted that the availability of declassified CIA studies is uneven throughout the period under study, although there are National Intelligence Estimates (NIEs) from all years, which help to fill in what otherwise would be major gaps.

Earliest Efforts

From the outset, much of the analytic work of the CIA revolved around assessing the intentions and capabilities of the USSR. By the time CIA was created (its official birthday is 18 September 1947), the Soviet Union was generally viewed in Washington as hostile to US and Western interests. The wartime image of the USSR as an ally that the United States had willingly aided and as a potential postwar partner in assuring peace had been superseded by a growing concern in the United States over Soviet behavior in the emerging Cold War. It is worth noting, in fact, that the initial reporting to the President by CIA's predecessor, the Central Intelligence Group (CIG), began in the middle of February 1946. One week earlier, Joseph Stalin had delivered a notable speech explaining to the Soviet populace that hard times would continue because of the international situation. One week later, George Kennan sent his "long telegram" from the US Embassy in Moscow exploring the reasons for Soviet behavior. Three weeks later, Winston Churchill delivered his famous "iron curtain" speech in Missouri. These tocsins set the stage for what would become forty-five years of analytic labor by CIA. In a world increasingly seen as threatening and at times even dangerous because of Moscow's

ambitions and actions, Agency analysts sought to understand and explain Soviet behavior to a US policymaking community anxious to make the right moves to ensure US national security.

The Soviet Union was the topic of CIG's first major analytic paper, produced in the summer of 1946 by CIG's new Office of Research and Evaluation (ORE) in response to a White House request.¹ ORE 1, *Soviet Foreign and Military Policy*, placed its sober but non-alarmist main analytic judgment about the top question of the day—Soviet military intentions—in its first four sentences: The USSR is determined to increase its power relative to its adversaries and anticipates an inevitable conflict with them, but it is also intent on avoiding a conflict for some time to come and on avoiding provoking strong reactions from its adversaries. It struck a tone of circumspection by asserting that world domination “may be” an ultimate Soviet objective but should be viewed as a “remote and largely theoretical” aim.² (This caution about ultimate Soviet objectives was dropped from future analyses as a number of unwelcome Soviet actions were seen by analysts and policymakers alike as threatening to the West and as evidence that ambitious goals—animated by both ideology and *realpolitik*—guided Soviet foreign policy.)

Six months later, in January 1947, ORE produced ORE 1/1, titled *Revised Soviet Tactics in International Affairs*, advising its readers that the USSR had adopted “more subtle tactics” in pursuing its unchanged aims, citing actions such as Soviet concessions on the Trieste issue. The paper credited the change to Western firmness and also to domestic factors, which received more attention in this paper than in ORE 1. The internal economic situation and morale in both civilian and military sectors were cited as conditions inducing Soviet leaders to seek a “temporary breathing space for the purpose of economic and ideological rehabilitation at home and the consolidation of positions abroad.” The paper even ventured that, while basic aims remained as described in ORE 1, they would now be sought “by methods more subtle than those of recent months,” particularly by a range of political warfare methods, including economic and ideological penetration. It continued to stress that the USSR wanted to avoid attempting military conquests while building up its military strength.

¹ An essay about how CIG and CIA depicted Soviet policies during the 1946-50 period and copies of representative CIA analyses from the period are available in Woodrow J. Kuhns, ed., *Assessing the Soviet Threat: The Early Cold War Years* (Center for the Study of Intelligence, CIA, Washington, DC, 1997). A particular value of that volume's collection is that it contains current intelligence items as well as longer research and estimative analyses and thus provides a basis for a more fine-grained discussion of, for example, Soviet policies in various regions of the world than is possible for the broader time period covered in this volume. In fall 1946, ORE's name was changed to Office of Reports and Estimates.

² The paper, dated 23 July 1946, was written in a few days time by a single analyst, Ludwell Montague, and was not coordinated with the heads of the US intelligence agencies. The DCI assured them that this had occurred because of time pressure and that he would normally seek coordination for such important products. As for its circumspection, it may have been lost on the paper's recipients in the White House. One study of this period states that “According to Clifford and Elsey, the Soviet Union sought world domination.” See Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford, CA: Stanford University Press, CA, 1992), p. 131.

The first major political analysis of the new CIA, produced on 26 September 1947, was CIA 1, *Review of the World Situation as It Relates to the Security of the United States*. It continued the basic line of thinking laid out in ORE 1 and 1/1 that the USSR wanted to avoid war while building its strength.³ Yet it took a broader stance, asserting on the one hand that the USSR was capable of overrunning Western Europe and some other adjacent areas (while pointing out some reasons why this option would probably not be chosen by Moscow), and on the other hand that the chief threat to US security was the economic collapse of Western Europe and the opportunities that such a development would open up for expanded Soviet influence.

It should be pointed out that CIA's earliest analysis hardly led Washington thinking on Soviet affairs. The papers cited above were compatible with the analytic direction laid out in the "long telegram" and other contemporary expressions of concern about Soviet behavior and with already set lines of US policy such as the Marshall Plan. At the same time, it is probably also fair to say that CIA addressed issues of real concern to senior policymakers and buttressed their thinking by pointing out limits as well as potentialities affecting Soviet behavior. George Kennan, in reflecting back on the earliest efforts of CIA's analysts, commended the items he reviewed from the 1946 to 1948 period, "particularly the realism and restraints shown in the judgments of Soviet military intentions and capabilities."⁴ He then observed a "deterioration" on this point, in his view, beginning in late 1948, when an overrating of aggressive Soviet military commitments, divorced from political restraints and economic weaknesses operating upon Stalin and other Soviet leaders, occurred. Indeed, other analysts have observed that CIA predictions of when the Soviets would acquire the atomic bomb and whether South Korea would be invaded were more "accurate" from 1946 to 1948 and got worse closer to the actual times of the events. (No wonder many CIA analysts are ready to join a few scholars who argue that predictions of specific events should not be considered a key measure of the quality of intelligence analysis.)

One paper produced by CIA in July 1948 shows an effort to help policymakers think about a situation by going beyond the general atmosphere of concern about Soviet military intentions caused by events such as the coup in Prague, General Lucius Clay's "war scare" telegram, and the onset of the blockade of Berlin. The paper, ORE 58-48, was titled *The Strategic Value to the USSR of the Conquest of Western Europe and the Near East (to Cairo) Prior to 1950*. Its avowed purpose was to determine whether such a conquest would in fact place the USSR in a stronger strategic position.

³ All three of these early major analyses can be found in Michael Warner, ed., *The CIA under Harry Truman: CIA Cold War Records* (History Staff, Center for the Study of Intelligence, CIA, Washington, DC, 1994).

⁴ These words are taken from comments he sent to a conference held at CIA headquarters on 24 October 1997 on the subject covered in the Kuhns volume cited above.

The paper failed to achieve its aim. It could not get beyond the problem of what assumptions to make (e.g., if Soviet actions caused a war, would it escalate or end in a negotiated peace?), and it presented as its main conclusion that the Soviets would be unlikely to attempt such a conquest, thereby earning a justified US Air Force dissent claiming that, by estimating intent, the paper had gone beyond its announced purpose. It thus became just another estimate rather than a “think piece” that might have provoked additional research, analytic effort, or policy thinking. The paper could be regarded, however, as a bellwether of future CIA efforts to provide “what if” analyses to enrich and broaden the contributions intelligence can make to policy planning.

Internal Soviet Politics

CIA analysts believed that politics inside the USSR was an important subject for study, but they enjoyed no special information advantage in the 1940s. ORE 9, *The Succession of Power in the USSR*, 13 January 1948, speculated that a single person, probably senior Politburo member Vyacheslav Molotov, would be more likely to succeed Stalin than a collective. It concluded that uppermost in the successor’s mind would be maintaining regime stability and that therefore the immediate effects of a transition would be insignificant. The paper mentioned Stalin’s absence from some recent public events and ventured that perhaps a deliberate effort was being made to condition the Soviet populace for Stalin’s retirement. Surprisingly, it then swung to the other end of the spectrum and speculated that if the USSR were confronted with enough domestic and foreign adversities at a time of transition, “the absence of Stalin’s prestige and personality might give rise to manifestations of personal rivalry among Politburo members, which could result in the rapid disintegration of the Soviet regime.” It was as though CIA’s analysts accepted uncritically Stalin’s own notion that his colleagues would not be up to the job of ruling once he was gone, and at the same time rejected any possibility of a leadership model for the Soviet Union other than a one-for-one replacement for Stalin. Analysts actually did consider a triumvirate of Molotov, Andrei Zhdanov, and Lavrenti Beria but seemed to lean to the idea that Stalin would be able to foreordain the passage of power to a single person rather than to a committee. CIA noted that it had no unique evidence on which to base its analysis but was attempting to “analyze the thought processes” of Soviet leaders.

Stalin’s Foreign Policy

The question of Soviet military intentions continued to be addressed in CIA’s analytic work into the 1950s. Three key events heightened the sense of urgency even after the Berlin blockade ended: the initial Soviet test of an atom bomb, the communist victory in China, and the North Korean invasion of South Korea. The first of these occasioned a paper that sought to explore the event’s implications for US policy with special reference to Soviet willingness to use force.⁵ The paper ran through previously presented reasons why the

Soviets were unlikely to initiate use of military force to achieve their goals and stated that the reasons remained valid. It foresaw a greater willingness for an atom-bomb-armed USSR to run risks and to use threats and intimidation, however, and concluded that Soviet achievement of a decisive advantage in atomic power—an ability to cripple the United States and limit damage to the USSR—could lead to possible attack.

The paper probably is most noteworthy for its inability to reach consensus. In the foreword, it was noted that the paper had been in the works for six months and still should be regarded as an “interim” product because of continuing disagreement on the issues. Indeed, there were four dissents published along with the main text—one of which said the paper was “dangerous”—and it seemed clear that only CIA wanted it published at all. The main point of disagreement seemed to be that the State Department and the military services believed there was more danger for the United States in the implications than CIA would abide.

This paper was published around the time of the adoption of NSC 68, the national security directive officially spelling out the US foreign policy of containing Soviet expansionism. Two months later, just weeks before the North Korean attack on South Korea, a second attempt to describe the impact of Soviet atomic capability was disseminated.⁶ This time a “joint ad hoc committee” of intelligence representatives was given a narrower scope to examine, and agreed—with only a mild dissent from the Navy—that the maximum threat was a single surprise attack on US forces that could limit US offensive capacity “possibly to a critical degree.” They added that it was also possible the USSR could do more to weaken the US position in the world “without resorting to direct military action.”

Two observations can be made in retrospect about this pair of papers. First, it almost seems the subject—surprise attack and US vulnerability—was seen to be of such critical importance that intelligence was frozen into inaction, unable to agree on a set of useful observations to assist policymakers. Second, it can be taken as perhaps a low point of the troubles of CIA’s estimate-making during the late 1940s. These had already been pointed out in the previous year’s “Dulles Report,” and they were regarded as solved only with the advent of Walter Bedell Smith as Director of Central Intelligence (DCI) in October 1950 and the creation the next month of the Board and Office of National Estimates, first under William Langer and soon thereafter under Sherman Kent. Smith abolished ORE and replaced it with an Office of Research and Reports, which built up capabilities for economic

⁵ ORE 91-49, *Estimate of the Effects of the Soviet Possession of the Atomic Bomb upon the Security of the United States and upon the Probabilities of Direct Soviet Military Action* (6 April 1950). Excerpted in Kuhns, ed., *Assessing the Soviet Threat*, pp. 366-379.

⁶ ORE 32-50, *The Effect of the Soviet Possession of Atomic Bombs on the Security of the United States* (9 June 1950). Reproduced in Warner, ed., *CIA under Truman*, pp. 327-333.

and other nonpolitical analysis, and an Office of Current Intelligence, which housed mainly political or country analysts and was the principal locus of political analysts in CIA until the 1970s. In 1950, it should be recalled, “political intelligence” was seen as the proper province of the Department of State, whereas producing “current intelligence” in the form of a daily summary had specifically been assigned to CIA by the President, and disseminating “national intelligence” was increasingly acknowledged as an appropriate role for CIA.

Soviet foreign policy toward various areas of the world was described in the papers from this period generally in terms of Soviet willingness to seek to expand the USSR’s presence and influence and to undercut the US position.⁷ Predictions of specific major Soviet moves, such as the coup in Prague early in 1948, are lacking in CIA’s analysis, although of course such events fit with CIA’s general characterization of Soviet aims and tactics. Europe was the main theater of concern, and by 1950 CIA was contemplating the possible eventual incorporation of the Eastern European satellite countries into the USSR. The Soviet decisions to forgo Marshall Plan aid and to “sovietize” regimes in Eastern Europe were taken as evidence of Stalin’s preoccupation with political control of the region above all other considerations.⁸ The exception, of course, was Tito’s Yugoslavia. CIA noted that while the Soviets might harbor hopes of someday recapturing that country in their orbit, their minimal and more practical aim was to prevent Tito’s stabilization of power. CIA’s analysts also believed that as long as Tito stood as an exemplary alternative to Soviet domination, Moscow’s claim to ideological supremacy could be challenged.⁹

The other main area of concern was the Far East. An early paper on Soviet views of the civil war in China showed considerable thought about the relationship between the communists in Moscow and those in China. Whereas ORE 1 in July 1946 had referred to the Chinese Communist Party (CCP) as an “unusually effective instrument of Soviet foreign policy,” ORE 45, *Implementation of Soviet Objectives in China*, published in September 1947, offered more cautionary observations. It noted that the Soviets could count on Chinese communist cooperation “so long as the CCP itself is engaged in a struggle for power” and that a China dominated by communists would serve long-range Soviet interests “assuming that [the CCP] remained closely allied to the USSR.” In fact, the analysis went on to state more directly that the USSR might prefer “a continuation of instability and regionalism in China...to the final achievement of central power by the CCP,” and that Moscow might find that Chinese communists in power would display the same degree of nationalism and xenophobia as the Chinese Nationalists, “bearing little resemblance to the puppet governments found in the European communist satellites.” Beyond China itself, the Far East was depicted in CIA analyses as an area of geostrategic

⁷ These are described in more detail in Kuhns, *Assessing the Soviet Threat*.

⁸ See ORE 17-50, *Soviet-Satellite Drive Against Western Influence in Eastern Europe* (2 June 1950).

⁹ See ORE 8-50, *Evaluation of Soviet-Yugoslav Relations* (11 May 1950).

importance to the Soviets that needed to be denied to them in order to protect the island chain that included the Philippines and Japan and to prevent them from seizing control of resources that could be decisive in an ultimate world conflict.¹⁰

Analysts of foreign intelligence are supposed to avoid attempting to do “net assessments” involving US as well as foreign data. As CIA sought to understand Soviet behavior and the opportunities that might tempt Moscow to take offensive actions, however, it could not avoid on occasion noting Western capabilities or actions as important factors in Soviet thinking. For example, an April 1948 assessment of whether the Soviets would attack that year, done a month after General Clay’s telegram, concluded that they probably would not. It did not exclude the possibility, however, that they might do so, “particularly if the Kremlin should interpret some US move, or series of moves, as indicating an intention to attack the USSR or its satellites.”¹¹

Korean War

With the outbreak of the Korean War, CIA offered within days of the invasion an opinion that the Soviets were not seeking a global conflict although they might exploit other areas of the world. Even if South Korea was “picked off,” CIA estimated the USSR would be content to remain quiescent in such areas as Iran, Yugoslavia, Turkey, and Germany so long as US policy did nothing to require Soviet reactions. A second conflict, or “another Korea,” could occur, but only if local conditions mirrored those in the real Korea. CIA also offered the view that the Soviets might use Chinese troops in Korea if hostilities were prolonged, but probably not Soviet forces.¹² Two months later, CIA saw signs of Soviet preparations for major hostilities (e.g. aircraft production, airfield construction, processing of petroleum) and warned of the risk of general war, but noted that it possessed no evidence of Soviet plans for initiating additional conflicts. It estimated the Soviets could deliver 25 atomic bombs on the United States, but not “large-scale” bombardment.¹³

The arrival of a new DCI and a new estimates process and the intervention of the Chinese in the Korean conflict late in 1950 brought a new sense of urgency to CIA’s analysis of possible Soviet actions, and a flurry of estimates were prepared for Washington policymakers. In November (just after William Langer’s arrival to chair the Board of National Estimates), a Joint Intelligence Committee paper from the Pentagon was adapted

¹⁰ See ORE 17-49, *The Strategic Importance of the Far East to the US and the USSR* (4 May 1949) and NIE-43, *The Strategic Importance of the Far East to the USSR* (13 November 1951).

¹¹ ORE 22-48, *Possibility of Direct Soviet Military Action During 1948* (2 April 1948) excerpted in Kuhns, *Assessing the Soviet Threat*, p. 187.

¹² These views are in Intelligence Memorandum No. 301, *Estimate of Soviet Intentions and Capabilities for Military Aggression* (30 June 1950). In fall 1950, when the issue of possible use of Chinese forces was the focus of intense interest in Washington, CIA in its current intelligence did not judge such use to be likely. See Kuhns, ed., *Assessing the Soviet Threat*, pp. 18-19.

¹³ Intelligence Memorandum 323-SRC, *Soviet Preparations for Major Hostilities in 1950* (25 August 1950).

to produce an estimate that said the Soviets would be relentlessly aggressive because of their immutable and dynamic objective of world domination and because they could not satisfy their offensive goals without war. "In the belief that their object cannot be fully attained without a general war with the Western powers, the Soviet rulers may deliberately provoke such a war at a time when, in their opinion, the relative strength of the USSR is at its maximum." This time was judged to be between 1950 and 1954, with the maximum danger in 1952. The war in Korea was seen as a significant step forward in fulfilling the Kremlin's overall strategy.¹⁴

In December 1950, several more papers continued the new vigor. NIE-11, *Soviet Intentions in the Current Situation*, speculated that the Kremlin might now want general war. Soviet leaders were judged to have opted for aggressive attacks on US positions, additional direct or indirect aggression was deemed likely, and Moscow surely saw a Sino-American war as good for their interests. No sense of tentative calculation or concern over miscalculation was attributed to Stalin and his colleagues. NIE-15, *Probable Soviet Moves to Exploit the Present Situation*, concluded that Soviet leaders thought the USSR's international position was one of great strength. It repeated the judgment that Moscow may now have decided on general war, warned of various violent options it might exercise in Berlin or even West Germany, and guessed that the Soviets would not be satisfied in Korea short of ousting UN forces completely.

By 1952, with the Korean war locked in stalemate and no dramatic Soviet reactions to Western plans to strengthen NATO militarily, CIA's judgment about Soviet aims had shifted to a less dire viewpoint. The analysts now saw the balance of power moving against the USSR, not enough to make Soviet leaders desperate but enough to lessen the likelihood of Soviet military action. NIE-48, *The Likelihood of the Deliberate Initiation of Full-Scale War by the USSR Against the US and Its Western Allies Prior to the End of 1952*, published in January 1952, estimated that the Soviets, concerned about risks to their own system and country and mindful of US power, would not undertake a frontal military attack. Rather, they would seek advantages in former colonial areas such as the Middle East and Southeast Asia. The next month saw another estimate published, NIE-53, *Probable Soviet Courses of Action Regarding Germany during 1952*, which indicated that the Kremlin would seek to weaken the Western position in Berlin but would not resort to another blockade or to military attack. It judged that Moscow was more interested in retaining control of East Germany than in accepting a united, independent, and disarmed Germany, and would be careful not to provoke rearmament of West Germany.

¹⁴ The estimate was NIE-3, *Soviet Capabilities and Intentions* (15 November 1950), and the notion—that the Soviet path to international change lay via war—brought into the main text of CIA's estimates (without dissent) what had been expressed only in the US Air Force dissent to the April 1950 paper about Soviet possession of atomic bombs, namely that "no major revolution is feasible without war."

NIE-58, *Relations Between the CPR and the USSR: Present and Future*, published in September 1952, foresaw that while mutual interest would prevail over the next two years, Soviet efforts to extend control over China would weaken the Sino-Soviet alliance. It cited conflicts in border areas and separate Chinese efforts to assist communist parties in Asia, as well as Mao Tse-tung's special role as leader of a party that had seized power independently and had a seemingly stable leadership, as factors that would tug at the ties binding the two powers. In all three of these papers from 1952, CIA continued to wrestle with how best to understand and depict what it saw as the most important aims of Stalin's USSR. How did its ultimate objectives relate to its proximate intentions? What factors did Soviet leaders most take into account? Illuminating these issues, CIA analysts believed, would be the best contribution they could make to US policymaking.

In December 1952, no doubt to assist the new Eisenhower administration as it organized its transition to power, NIE-64, *Probable Soviet Bloc Courses of Action Through Mid-1953*, repeated many of the basic points covered in the estimates put out earlier in the year. It stressed Soviet political warfare and declared that Moscow would support rebellions in Indonesia and Malaya. A broader memorandum prepared in November titled *Estimate of Soviet Intentions over the Forthcoming Decade* emphasized the ideological component of Soviet thinking. It predicted that Cold War hostility would persist throughout the 1950s, that coexistence and relaxation of tensions were temporary and tactical, and that the Kremlin would continue to pursue its objective of a communist world dominated by Moscow. Eastern Europe would remain firmly in Soviet control, and the Chinese communists could continue to work "in close accord" with the USSR. The world political chess match was in stalemate. But as this condition continued, CIA argued, both sides would work to correct their deficiencies. Thus, the Soviet stockpile of nuclear weapons would grow, as would its capacity for delivering them and for defending against US capabilities. The possibilities of a Sino-Soviet split (which, if it occurred, would "profoundly alter the world power situation") and of war (which, if it occurred, would come through error, misinterpretation, or unexpected power shifts, not deliberate planning) were acknowledged, but both were seen as unlikely.

Post-Stalin Period

The lack of any significant inside knowledge of Kremlin politics did not absolve CIA's analysts of the task of explaining the implications of Stalin's death. Within days of the event they had produced SE-39, *Probable Consequences of the Death of Stalin and of the Elevation of Malenkov to Leadership in the USSR*. This "special estimate" foresaw no immediate challenge to Georgi Malenkov since he had been at senior levels for years and the transition had seemed smooth, but it warned that "A struggle for power could develop within the Soviet hierarchy at any time." It also declared that "The USSR is politically more vulnerable today than before Stalin's death." It followed that not self-evidently clear

statement by declaring that difficult policy decisions and rivalry for personal power could lead to reduced Soviet strength and reduced cohesion in the international communist movement. Perhaps its best prediction was about Sino-Soviet affairs. It declared that Mao's stature and influence in Asia would inevitably increase and that Soviet failure to deal "cautiously" with him would "almost certainly" lead to serious bilateral strains.

As for the impact of Stalin's death on foreign policy, the report predicted continuity — that is, unremitting hostility — but expressed concern about the ability of Stalin's successors to manage the Cold War peacefully. Stalin, it averred, "while ruthless and determined to spread Soviet power, did not allow his ambitions to lead him into reckless courses of action in his foreign policy." It warned that "it would be unsafe to assume that the new Soviet regime will have Stalin's skill in avoiding general war." The new leaders might have more difficulty abandoning positions and might react more strongly to Western moves, the estimate continued, as well as be less sure in handling new developments, including new Western proposals.

The unease CIA analysts must have felt in trying to fathom the loss of Stalin's sure hand on the helm of the Soviet state proved well founded. One month later, they were back at the drawing board. In an 8 April 1953 memorandum prepared for a National Security Council (NSC) meeting, they confessed up front that "recent Soviet moves belie many of [CIA's earlier] predictions" of cautious policy continuity. The unexpected moves abounded: a repudiation of the alleged doctors' plot to kill Soviet leaders, the scrapping of Stalin worship, an amnesty, and no fewer than nine steps marking a "peace offensive" on the international front (e.g., relaxing Berlin traffic controls and accepting a UN proposal for exchanging sick and wounded in Korea). Motives for the new stance were depicted as lessening the danger of war and gaining a breathing space for the new leaders, stopping US rearmament and the European Defense Community initiatives, and encouraging the eventual neutralization of Germany and Japan and removal of US troops from Europe and Asia. The analysts found the internal changes more difficult to understand. They speculated that the succession problem was not solved after all and that "an abrupt change in Soviet tactics, comparable only to that in 1939, may be impending." Thus emerged the first instance of a troublesome problem that would bedevil CIA's analysts throughout the Cold War years: "soft-line" Soviet flexibility was in some ways tougher for them (and their policy customers) to deal with than "hard-line" Soviet hostility.

In reaction to the surprising political events in Moscow, CIA's Office of Current Intelligence formed a small group of political analysts who were separated from current intelligence reporting duties and assigned to do in-depth studies of various episodes of the late Stalin and early post-Stalin period. The initial spur to this action was actually the doctors' plot unveiled in the fall of 1952, but Stalin's death caused the reports done by this group to be called the "CAESAR" series.¹⁵ Eight lengthy reports were issued in summer

1953, and two others followed the next year. They covered political developments from the Zhdanov-Malenkov relationship in the postwar period to the purge of Beria, including the doctors' plot and its reversal, Stalin's death, and party-military relations through 1953. They drew on a variety of intelligence reporting, including reports of CIA's operations directorate (then called Directorate of Plans) and communications intelligence (which was made available to only a limited number of CIA analysts at the time because codewords limited dissemination). They are essentially "Kremlinological" assessments, however, relying heavily on Soviet official announcements and media output and thoughtful interpretation.

The studies were quite detailed, retrospective, not formally coordinated, and devoid of any attempt to spell out implications of their conclusions for US policy. They stand as testament to the importance CIA was willing—early in its existence—to place on devoting analytic resources to understanding the "main threat" that faced the United States and to the belief of at least some in CIA that intensive study of Soviet politics and policies needed to be protected from the time-consuming tasks of current intelligence and policy support activities. These studies were in effect building blocks that assisted general understanding of Soviet affairs, not attempts to deliver "bottom line" messages of immediate utility to CIA's customers in the policy community.

One of the first of these studies, published in July 1953, stated that "it is the author's contention that Stalin was unable to contemplate anyone succeeding him." This is not a surprising conclusion, but it is precisely opposite the reasoning that had guided the estimates done in 1952 and at the time of Stalin's death, which had imagined that Stalin had carefully positioned an individual to succeed him smoothly (and even that he had a will prepared and might retire). So these studies testify to another CIA practice of the day: a willingness to permit the publication and dissemination of uncoordinated views by individual analysts that did not accord with the company line as expressed in authoritative National Intelligence Estimates.

Twentieth Party Congress

This impulse to develop deep analytic expertise and devote it to study of the communist threat led, around 1956, to the formation of a Senior Research Staff (SRS) on International Communism subordinated directly to CIA's Deputy Director for Intelligence (head of all CIA analysis but not in charge of the production of NIEs). This staff did in-depth studies of Soviet and Chinese political affairs and a wide range of international communist matters. Probably the Staff's best contribution was its exhaustive ongoing treatment of the course of

¹⁵ This information was supplied to the author in fall 2000 by James Hanrahan, a CIA veteran of this period and leader of this group. CAESAR 10A, a paper that summarizes the conclusions of the first nine CAESAR reports, was released by CIA to the National Archives and Records Administration in conjunction with the Princeton conference.

Sino-Soviet relations, which was pathbreaking in nature and a model of exemplary research and analysis (and, it should be remembered, on a topic about which there were passionately held differing views in Washington). According to a CIA Inspector General (IG) report on the SRS done two years after it was created, the Staff originated in part because of counterintelligence concerns about international communism and was to assist in operational work countering communism. It developed, however, as an entity devoted to academic-style inquiry with an emphasis on the role of ideology in animating communist thinking and policy.

Like the CAESAR work, SRS products were detailed, usually retrospective, scholarly, largely self-generated, and not of immediate utility to policymakers. They often lacked even an introductory abstract or summary, and they were frequently denoted as “speculative” in nature. One complaint stated in the IG report was that the Staff’s work was sometimes at odds with other CIA products (an example cited referred to differences between SRS and James Angleton’s Counterintelligence Staff, which of course was not a Directorate of Intelligence analytic unit producing finished intelligence for outside consumers). Another was that the Staff’s product was not going to policy-level officials. The report’s conclusion that the Staff should be removed from CIA and that kind of work be performed at a research foundation or university was, in a sense, apt. Research was exactly the kind of work it did, and some of its members went into university teaching and research positions after leaving the US government. This recommendation was not acted upon, however, and CIA kept the staff intact until 1973. It continued, until its demise, to do pathbreaking work and to live up to the reputation for analysis of “good intellectual quality” cited in the IG report.¹⁶

The first paper published by SRS was an examination of the momentous twentieth congress of the Communist Party of the Soviet Union (CPSU). CIA/SRS-1, *The 20th CPSU Congress in Retrospect: Its Principal Issues and Possible Effects on International Communism*, was published in June 1956 (just after the *New York Times* published Khrushchev’s “secret speech” at the meeting denouncing Stalin and before the impact of that publicity was felt). It clung solidly to the idea that the basic Soviet goal of world domination had not been altered and went to some length to argue that “mellowing” tactics in foreign policy and less dictatorial regime practices did not bode well for US interests. Although the Soviet system now had the party rather than an individual in charge, it was still a dictatorship. “Revolution,” the paper argued, “can become more gradual and respectable.”

¹⁶ One indicator of the dedication and intensity of the specialists in SRS is an urgent plea contained in an SRS think piece done just before the twenty-first party congress was to take place in 1961 to adopt the first new Communist Party of the Soviet Union (CPSU) program since 1919: “It is essential that all experts, whether in the intelligence, academic, or other public communities, gird themselves for a searching study of this program.”

At the same time, the paper noted that a purposeful domestic tension, the demands placed on both the populace and the economy for an unending struggle, and the concept of an inevitable death struggle between two camps had served useful purposes for the regime. Because the new party platform called for relaxing these tensions, the paper reasoned, “The question naturally arises whether the leaders of the CPSU and other parties can dispense with permanent tension without at the same time undermining their monolithic dictatorship.” And since these leaders are surely not unaware of this risk and “would reject a ‘mellowing’ process,” SRS concluded, “their reasons must have been weighty indeed, and their confidence great.” This theme of questioning whether Soviet leaders could pull off the kind of “inducements-instead-of-force” policy shift they seemed to be attempting was raised frequently by DCI Allen Dulles in forums such as lectures at the National War College. Also stressed was the theme that greater subtlety in Soviet foreign policies probably posed more danger for the West than Stalin’s confrontational but non-reckless approach.

The Soviet doctrinal shift on the non-inevitability of war was clearly attributable, this CIA analysis believed, to the recognition by the Soviet leaders of the significance of nuclear weapons. Stalin, the paper asserted, had not understood this in the immediate postwar period before the USSR had successfully tested atomic bombs, and the new leaders “surely must realize that the atom knows no ideological preferences.” The shift to allowing peaceful and varying roads to power for communists in other countries was seen by SRS as indicating that Moscow would allow “considerably more leeway to the satellite parties,” and would seek advances in other regions via its new strategy, which the paper judged to be “realistic and ingenious.”

Khrushchev Era

The issue of change in the USSR was much on the minds of CIA analysts in the 1950s. A January 1957 Office of National Estimates memorandum titled *Forces of Ferment in the USSR* outlined two phenomena that the author felt were insufficiently appreciated in the formal estimates: the role of the intelligentsia and Great Russian chauvinism. Dostoyevsky, the memo asserted, “wrote a better ‘estimate’ of the future of Russian society” than any statesman of his day. There was evidence of discontent in the USSR at this time, and the writer ventured that “one of the first key prerequisites for a revolutionary situation” was coming into being and that “a disaffected intelligentsia living within an absolutist state has been, historically, almost impossible to conciliate with piecemeal reforms.” SRS wrote a lengthy (130 pages) study on the eve of the 1957 Moscow youth festival about both internal and international aspects of the event.¹⁷ The staff’s analysts clearly saw the new inquisitiveness and openness as potentially of critical importance for the USSR and cited

¹⁷ CIA/SRS-5, *International Communism and Youth: The Challenge of the 1957 Moscow Festival* (6 June 1957).

their own director, Allen Dulles, as having said in a December 1956 speech at Princeton University that “The leaven of education has begun its work; the men in the Kremlin have a hard task ahead to hold this process in check.”

By the late 1950s, CIA had passed through the “shake-down” period of its first ten years, and its political analysts were both regularly contributing to the formal estimates that supported the well-oiled NSC process and grappling with the exciting changes of the post-Stalin “thaw.” Some of their best work on Khrushchev-era politics and the emerging Sino-Soviet split lay just ahead. We might pause at this juncture and look at a 1958 retrospective assessment of how well the Office of National Estimates (ONE) had done in covering the Soviet Union in its first seven years.

The author of the assessment, Abbott Smith, a senior ONE officer who later headed the office, noted dryly how NIEs had grown in size during the period. He was struck by the development of the economic section, which he felt “reflected the maturing capabilities of ORR (the Office of Research and Reports).” “Political sections, both on domestic and foreign affairs,” he noted, “have grown luxuriantly.” Inclusion of these now lengthy “learned disquisitions,” he perceptively observed, had the effect of reducing the proportion of the estimate language that referred to the threat posed by the USSR. As for political forecasting, however, he felt that NIEs “wholly failed to foresee” events connected with post-Stalin policy changes such as the June 1953 Berlin riots, the Austrian peace treaty, the Soviet arms deal with Egypt in 1955, and the convulsions in Eastern Europe in 1956.

The grand charge was that “our most important wrong estimates, all of which were in the political field, arose out of resistance to the idea that change and development would occur in the Soviet bloc.” ONE had failed to recognize that Stalin’s death was a critical event that ended an era, he contended, and the complications of running the Eastern Europe empire had been underappreciated. Perhaps it was a lack of imagination, he thought. (The basic US policy of containment was predicated on inducing change inside the Soviet system by denying it external successes, however, and one might therefore think that change would be the *most* logical target of estimative work.) He identified analytic mindset (without using the term) as a key problem: “We had constructed for ourselves a picture of the USSR, and whatever happened had to be made to fit into that picture. Intelligence estimators can hardly commit a more abominable sin.”

At the same time, he balanced his critique by noting that many of the main points of political analysis of the USSR had turned out to be valid: emphasis on the continuing strength of party rule, the importance of heavy industry and the military, and the emergence of problems with communist China. If the main fault was not foreseeing change, perhaps the cautious emphasis on continuity for a regime retaining its basic shape and aims was not so bad. “It is better for us to err on the side of conservatism and immobility,” he concluded,

than to bend in every breeze. (This viewpoint is a surprising conclusion for a professional intelligence officer, who should avoid slant of any kind. It was widely held throughout the Cold War, however, by analysts and policymakers alike.)¹⁸

Certainly this assessment was right in complimenting CIA's coverage of Sino-Soviet affairs. In 1954, one estimate described China as more an ally than a satellite, and another mentioned the potential for worse conflict between the states while stating that cohesion was at that time far more dominant.¹⁹ The threat posed by both nations as they sought to advance their influence in the Third World was followed diligently in the 1950s. By 1958, estimates described the bilateral relationship as "more nearly one of equality."²⁰ Apart from estimates, SRS was producing a series of papers that focused on the details of Sino-Soviet differences (they were called the ESAU series of studies since they dealt with a troubled "fraternal" relationship). These and other studies tracked carefully the various meetings, communications, and actions between the two countries and their impact on other key areas such as Soviet policy toward Eastern Europe or the West.

Study of Sino-Soviet relations was a major subfield of CIA analytic inquiry. Differing points of view were expressed in a number of uncoordinated papers. Some stressed the areas of unity and cooperation, others put more emphasis on the growing signs pointing toward possible rupture. Ideology was of course a constant field of battle, and much of the SRS analysis involved interpretations of ideological disputes and their practical meaning. Estimates tended to stress geopolitical factors. Sherman Kent, in a 1961 memorandum to a new DCI (John McCone), described the Sino-Soviet dispute as one of national interest and offered the opinion that a full break was coming.²¹ The subject took up more than a third of the memorandum, which was about the full range of Soviet intentions, and Kent forecast that a rupture might cause harsher Soviet policies in Eastern Europe, but perhaps a willingness to ease tensions with the West.

On Eastern Europe, an estimate in early 1956 predicted no active resistance to firm communist control in the area although nationalism and dissidence would be factors with which regimes would have to deal.²² A special NIE done during the Hungarian revolt foresaw that the Hungarian leadership could not bridge the gap between nationalist aspirations awakened there and Soviet security requirements.²³ The NIE calculated that events in Hungary and in Poland had clearly weakened the Soviet position in the region,

¹⁸ For an excellent treatment of the dangers of various kinds of conscious and unconscious bias in intelligence analysis, see Raymond L. Garthoff, "On Estimating and Imputing Intentions," *International Security*, Vol. 2, no. 4, (1978), pp. 22-32.

¹⁹ NIE 10-2-54, *Communist Courses of Action in Asia Through mid-1955* (9 March 1954); NIE 11-4-54, *Soviet Capabilities and Probable Courses of Action Through mid-1959* (14 September 1954).

²⁰ NIE 11-4-58, *Main Trends in Soviet Capabilities and Policies, 1958-63* (23 December 1958).

²¹ ONE, Memorandum for the Director, *An Appraisal of Soviet Intentions* (21 December 1961).

²² NIE 12-56, *Probable Developments in the European Satellites Through 1960* (10 January 1956).

²³ SNIE 12-2-56, *Probable Developments in East Europe and Implications for Soviet Policy* (30 October 1956).

rendering the communist military alliance less reliable. A month later, estimators tried to think through what kind of control the Soviets could devise and offered the view that the looser model provided by the Polish case might be applied elsewhere.²⁴ After another year had passed and Khrushchev had consolidated his power, CIA reversed course and saw Moscow going slow in bloc relations and trying to avoid the Polish example.²⁵ By 1958 Soviet policies in Eastern Europe were seen to have worked in terms of reestablishing control, and no political innovations, let alone revolts, were foreseen, although internal ferment (and potential for influence from the West) was expected to continue.

As Khrushchev shifted to more confrontational tactics after the initial Soviet ICBM tests and Sputnik's precedent-setting satellite launch, NIEs dutifully registered the change. NIE 11-4-58, *Main Trends in Soviet Capabilities and Policies 1958-1963* (23 December 1958) described the "new tendencies" in Soviet policy, including pressures on Berlin.²⁶ Militancy and external assertiveness seemed based, the NIE stated, on a new confidence felt in Moscow owing to a more favorable balance of international power. "We think that the substance, as distinguished from the style, of Soviet policy is likely to be little affected by Khrushchev's idiosyncrasies," the estimate intoned. Yet Khrushchev the person could not help but loom large in the analysts' thinking, and the energy evident in Soviet actions was at another point in the same paper explicitly linked to the now clearly number one Soviet leader.

Early 1960s

How to relate judgments about Khrushchev's position or about general, internal conditions to policy was difficult for CIA's analysts. They assessed Khrushchev's political success as being dependent on the success of policies he supported, a marked change from the kind of power Stalin had held. Political controversy within the Communist Party and the top leadership was clearly recognized. In substantiating the argument that Khrushchev was under some political restraints, the Sherman Kent memo of late 1961 cited earlier and an early 1962 estimate (NIE 11-5-62, *Political Developments in the USSR and the Communist World*, 21 February 1962) pointed out that old-line Communist Party leaders were hardly the kind of people likely to be capable of or enthused about carrying out some of the reforms pushed by Khrushchev. Remaking the party in his image, Kent asserted, will "be a long and difficult process," and will even then perhaps be inadequate to the task of maintaining party supremacy in a society that has been told of Stalin's excesses. Analysts also carefully examined such factors as the role of the military in Soviet politics.²⁷ But as

²⁴ SNIE 12-3-56, *Probable Developments in Soviet-Satellite Relations* (27 November 1956).

²⁵ NIE 11-4-57, *Main Trends in Soviet Capabilities and Policies 1957-1962* (12 November 1957).

²⁶ See Donald P. Steury, *On the Front Lines of the Cold War: Documents on the Intelligence War in Berlin, 1946 to 1961* (History Staff, Center for the Study of Intelligence, CIA, Washington, DC, 1999), for more detailed documentation and discussion of Berlin, including, but not limited to, the 1958-61 crisis period.

Allen Dulles noted in a lecture to the National War College in 1960, even a general judgment that dictatorships either degenerate or mellow over time or that Soviet society suffers certain liabilities does not mean analysts can assure policymakers about a leadership that seems to be striving mightily in international affairs and building or maintaining a lead in some measures of military power.

A Special National Intelligence Estimate (SNIE), done in summer 1960 just as US reconnaissance satellites began operations, was unsure whether Moscow would press publicly against such capabilities or remain silent while building countermeasures.²⁸ It predicted that the Soviets would try to block them from acquiring some data and be ready to destroy them with anti-satellite capabilities as soon as possible. There was no discussion of Soviet use of such satellites themselves. That they spelled the end of the period of Khrushchev's exaggerated boasting about Soviet missiles was not yet evident.

On Sino-Soviet relations, a 1960 estimate noted growing Chinese power and predicted China would increase its weight in Communist Bloc affairs over the next five years.²⁹ In general, it judged that the cohesive forces between the two powers outweighed the divisive ones but noted that a break between them could still come. It noted Soviet help to China on nuclear weapons and predicted a Chinese nuclear bomb by 1964 if Soviet assistance continued. CIA wrestled with the impact Sino-Soviet differences had in various respects: on internal affairs within the Soviet and Chinese communist parties, on Eastern Europe, and on Soviet foreign policy generally. On the latter point, the line generally adopted was that it did increase militant tendencies in Soviet policy, for example, regarding the national liberation struggle in the Third World, but would not necessarily lead Moscow to take risky actions. (The Berlin actions involved threats but arguably in a way that controlled risks; the Cuban missile deployment, famously not foreseen by CIA, clearly was much riskier).

When the wall went up suddenly in Berlin in 1961, an estimate done within two weeks of the event warned that stanching the refugee flow might not be enough and that further efforts to obtain a separate treaty for East Germany and to expel the West from Berlin might occur.³⁰ At the same time, it judged that further drastic action in Germany or elsewhere was not likely once this step had been taken. A unique follow-up paper issued less than two months later cited information recently supplied by a source, "judged at this time to be reliable," warning of Soviet military plans and a planned sudden signature of a peace treaty with East Germany (it credited the information regarding plans but cast doubt on the

²⁷ An ONE staff memorandum dated 6 June 1960, *The Marshals and the Party: The Role of the Military in Current Soviet Politics*, delved deeply into the past to illuminate career experience connections between various political and military leaders.

²⁸ SNIE 100-6-60, *Probable Reactions to US Reconnaissance Satellite Programs* (9 August 1960).

²⁹ NIE 100-3-60, *Sino-Soviet Relations* (9 August 1960).

³⁰ SNIE 11-10-61, *Soviet Tactics in the Berlin Crisis* (24 August 1961).

signature story as source speculation).³¹ Other 1961 papers cast the Berlin action as part of a general policy of intimidation that would be felt in areas such as Iran (e.g., SNIE 11-12-61, *The Soviet Threat to Iran and CENTO*, 5 October 1961).

NIE 11-9-62, *Trends in Soviet Foreign Policy*, 2 May 1962, judged that Soviet leaders still believed the Soviet system would prevail but did not want to run risks in pursuing their international aims. It was published about the time Khrushchev was secretly hatching his Cuban missile gambit, and may have reflected the new confidence felt in Washington with the collapse of the “missile gap” fears in 1961. It took a long view, looking back to the initial post-Stalin opening up of Soviet foreign policy in the mid-1950s and to Khrushchev’s post-Sputnik rhetorical aggressiveness and imagining how Soviet leaders assessed their gains as against their earlier hopes. It concluded that the “mood of exuberant confidence” in Moscow had “sobered somewhat,” leaving an “expectation of slower advance” internationally despite apparent favorable gains in Cuba, Laos, and elsewhere. Notably, it pointed to the importance of the United States to Khrushchev as a measure of Soviet advance. It depicted Soviet leaders as wanting to have an equal voice with Washington’s in world affairs and acknowledgment by the United States that this was warranted. It also declared that peace and economic gains were now more important to Soviet leaders and that therefore relations with the West might become less ideologically intense and possibly even more valued than ties to their communist colleagues in China. Domestic economic goals drove them to want to reduce the burden of military spending, the estimate judged, but military strength remained the foundation for their policy.

In the wake of the Cuban missile crisis, a CIA memorandum of March 1963 titled *Soviet Policies: The Next Phase* drew the logical conclusion from the outcome of the event that Soviet leaders would now want to build military strength (although this reasoning did not carry over to estimates of future Soviet strategic military power, which in the next few years understated the Soviet intercontinental ballistic missile buildup).³² The memorandum quoted Khrushchev’s frank public acknowledgment that this policy “diminishes, and cannot but diminish” the prospects for Soviet consumers and went on to speculate that there now existed “an internal stress for sacrifice [that] will militate against any resumption of détente.” “A further decline in confidence and expectations” was foreseen for foreign affairs generally, and a possible nuclear test ban was seen as unlikely.

By 1964, on the eve of Khrushchev’s ouster, the Soviet acceptance of the limited nuclear test ban and hot line agreement led CIA’s analysts to conclude that Moscow’s post-Cuba period of indecision was over. NIE 11-9-64, *Soviet Foreign Policy*, 19 February 1964, envisioned continued Soviet emphasis on the Third World but avoidance of confrontation

³¹ SNIE 11-10/1-61, *Soviet Tactics in the Berlin Crisis*, Supplement to SNIE 11-10-61 (5 October 1961).

³² For some CIA analyses of the Cuban missile crisis, see Mary S. McAuliffe, ed., *CIA Documents on the Cuban Missile Crisis, 1962* (History Staff, CIA, Washington, DC, 1992).

there as well as in Germany. NIE 11-4-64, *Soviet Military Policy* 22 April 1964, stated that Moscow recognized US strategic superiority and judged that both sides were deterred from nuclear weapon use. It held out hope that Soviet leaders would try to hold down military spending.³³

Brezhnev Comes to Power

Some months after Khrushchev's ouster in the fall of 1964, CIA portrayed more continuity than change in Soviet policies, asserting that the differences had been more about style than substance.³⁴ There were still pressures to ease military spending, it asserted, as agricultural and other policies seemed to anger the defense lobby. The leaders were still seen as looking for popular support in a more modern Soviet society, and their political struggle continued "to revolve around specific issues of policy." In foreign policy, the new collective leadership was seen as wanting to repair the fissures within the socialist camp and willing to accept a deterioration in Soviet relations with the United States.

By 1966, however, after the twenty-third party congress, Leonid Brezhnev was seen as leading a return to a more orthodox party role, and the military was getting a better hearing for its claims on resources. A major issue facing the renamed Politburo was increased demands for greater intellectual and other freedoms, which were being met with resistance, and so greater chances for internal political conflict in this arena were foreseen.³⁵ NIE 11-4-66, *Main Trends in Soviet Military Policy*, 16 June 1966, noted a sharp increase in military spending although it did not conclude that this meant more aggressive policies. (The US Air Force dissented on this point.)

A series of studies from ORR in 1965-67 (just before it split in mid-1967 into an Office of Economic Research [OER] and an Office of Strategic Research [OSR]) followed the important changes taking place in Soviet military policy at that time. They noted the rise in defense spending signaled at the end of 1965 and cited Brezhnev's complaint that this was "a great burden for the budget, for our national economy." They explored the rethinking of Soviet strategists of modern military requirements that had been neglected under Khrushchev and that justified more military investment. By mid-1967, these papers asserted that there had been a "marked change in the Soviet Union's strategic situation over the past year" and that the USSR was "approaching maturity in the nuclear missile age."

³³ In the 1950s, the "11-4" NIEs were comprehensive and annual, addressing military capabilities and both domestic and foreign affairs, and were fitted into the NSC policy machinery of the Eisenhower administration. In the early 1960s, new series of separate estimates on strategic and conventional military capabilities were created (to handle the volume of data presented), and from the 1960s into the 1980s the "11-4" estimates, no longer annual, covered overall Soviet military or political-military policy with somewhat varying titles and areas of emphasis.

³⁴ NIE 11-65, *Soviet Politics After Khrushchev* (1 July 1965).

³⁵ NIE 11-7-66, *Main Trends in Soviet General Policies* (28 April 1966).

If the internal building of military strength was going well for the Soviets, other areas of policy were not. In the Middle East, an Arab defeat in 1967 left Moscow having to take actions (e.g., rearm clients) to maintain its hard-won position in the region, but—in CIA’s view—choosing not to seek new commitments (e.g., bases) there. In the Far East, CIA charted a worsening of the Soviet relationship with China that caused Moscow to build up forces on the border and to compete with China in the Third World. In Eastern Europe, the situation in Czechoslovakia in 1968 brought Soviet leaders new evidence of unreliability on the part of the communist regimes there, new fears of the effects of the Prague Spring within the USSR itself, and a temporary setback in the budding dialogue with the United States on strategic arms (though, CIA argued, Moscow’s invasion of Czechoslovakia in August did not mean a general hardening of policy toward the West).

Brezhnev and his colleagues were portrayed in CIA analysis in the late 1960s as a colorless, cautious group devoted to committee rule among themselves over the central apparatuses of control, and to party rule over the country.³⁶ Whereas Khrushchev had spoken to the party, one memorandum observed, Brezhnev spoke *for* it. Their domestic prospects were seen as “not especially bright,” and the rebirth of neo-Stalinism and vigilance were seen as reactive policies that might or might not cope well with the internal pressures faced by the regime.

In the first months of the new administration of President Richard M. Nixon, NIE 11-69, *Basic Factors and Main Tendencies in Current Soviet Policy*, 27 February 1969, offered a treatment of politics and policymaking in Brezhnev’s USSR that was especially sensitive to limitations and predicaments faced by the Kremlin. It dwelt on internal affairs, portraying the leadership as on the defensive, operating with a “fearful mood of conservatism,” and not certain of their ability to co-opt new members to their ranks without upsetting their collective leadership arrangement. “Severe problems” at home related to dissidence and economic growth were depicted as not easy for Soviet leaders to solve, especially while at the same time they were competing with the United States globally on an economic base only half the size of their rival’s. In Eastern Europe, there was no good solution, and CIA warned that force might have to be used again. In Asia, China had moved from a fraternal ally to a full-fledged great power enemy, and the specter of Sino-US collusion loomed.

³⁶ The dead weight of bureaucracy in the USSR cropped up occasionally in CIA analysis. The best description may actually have been rendered a decade earlier by an SRS analyst who believed that Khrushchev’s 1957 industrial reorganization scheme was aimed at eradicating overcentralized bureaucratic structures: “During forty years of Bolshevism, Moscow had become what William Cobbett called London a century and a half ago, the great ‘Wen’...a web of administrative nerve lines converged on a vast ganglion of desks in the capital.”

All in all, the estimate offered less a catalogue of policy options or predictions than a sense of the perspectives and atmosphere in Moscow pressing on all Kremlin policy decisions. Notably, it did not stress the Soviet military threat—although that topic was much on Washington policymakers' minds at the time. It served as a good summary of what preoccupied the minds of the Brezhnev-led collective leadership on the eve of Soviet military clashes with the Chinese and a new stage of détente with the West.

Rise and Fall of Détente in the 1970s

After the initial round of US-Soviet strategic arms limitation talks (SALT), an estimate was prepared to support US policy choices on the important strategic dialogue opening up between Moscow and Washington.³⁷ It stated that the Soviet leaders wanted US recognition of the USSR's equality with the United States, and might see as attainable margins of advantage even as they recognized the basic condition of mutual deterrence and demanded at least parity in strategic arms. Whether beyond this they sought strategic superiority occasioned divided opinion, with the main text stating that it was not seen as a feasible goal, and the US Air Force claiming that it was. They "must be reluctant" to face additional arms expenditures, the estimate declared, and technology was seen as another big part of their motivation to seek agreement on some limitations to the strategic competition. Internally, the Soviet military was probably split in its opinions about the talks, the SNIE continued, and cautious decisionmaking would mark the Soviet approach to further negotiations.

Two years later, an estimate prepared on the eve of President Nixon's trip to Moscow to sign the SALT I accords depicted a Soviet leadership more confident about its security posture and more vigorous in its foreign policy.³⁸ Regarding Soviet strategic aims, although superiority was seen as not feasible, some kinds of advantage were now seen as achievable, not just possible. Brezhnev, now the indisputable leader, had a political stake in détente, the paper argued. Détente itself was described as a useful element of Soviet foreign policy's current "forward phase," which involved Moscow's making common cause with the United States in containing tensions in a world where the USSR now had a bigger role. The paper judged that the Soviet leaders felt the USSR had "made the grade" as a superpower.

The competition for influence in the world continued, the estimate contended, and international difficulties for the USSR abounded. US relations with China posed problems for Soviet diplomacy, and China itself had become a worse adversary than the United States. The Middle East remained unsettled, complex, and dangerous, but stalemate in this region would serve Soviet interests, and working toward a settlement of the Arab-Israeli dispute might even do so as well. Eastern Europe remained unsolved as détente with

³⁷ SNIE 11-16-70, *Soviet Attitudes Toward SALT* (19 February 1970).

³⁸ NIE 11-72, *Soviet Foreign Policies and the Outlook for Soviet-American Relations* (20 April 1972).

Western Europe still had to be squared with continued control by communist regimes in the east. In this environment, sharp competition with the United States continued, but détente was seen as helping Moscow to contain the risks of that competition.

What détente meant to Moscow was a much-debated issue in Washington as skepticism about Soviet intentions grew in the wake of the SALT and other agreements and in the midst of considerable international turmoil. New developments in Soviet strategic military programs fueled the fire. CIA produced a series of papers exploring Soviet aims throughout the 1970s. SNIE 11-4-73 asked a key question in its title: *Soviet Strategic Arms Programs and Détente: What Are They Up To?* (10 September 1973). It saw an edge to Soviet actions, testing the West on occasion, but did not portray Moscow as inviting new risks. The Soviets were after both equality and advantage, the paper declared. They were both prudent and opportunistic. They saw no contradiction between détente and vigorous arms programs. The latter underwrote their entire foreign policy, of which the former was an integral part.

The next year, a national intelligence analytic memorandum (NIAM 11-9-74, *Soviet Détente Policy*, 22 May 1974) repeated much of the same point of view regarding the utility to Moscow of détente with the West in setting limits on the big power rivalry while allowing Moscow to continue to build its military strength and maximize its security, power, and influence. It concluded that the policy was not a transitory one for Soviet leaders, and that a lower probability of aggressive Soviet actions in the Third World was implied. The Air Force dissented from the 1973 estimate, contending that Moscow was after strategic superiority and that détente was a tactic. And both the Air Force and the Navy dissented from the 1974 paper, arguing that more aggressive Soviet foreign policies were to be expected in the Third World.

The thrust of CIA's analysis of Soviet foreign policy shifted to a more dour outlook in the mid-1970s. Moscow's words and actions, including vigorous Soviet strategic military programs, played a role, as did the "Team B" exercise in Washington in 1976. This experiment in competitive analysis, in which an outside group challenged CIA's previous views as being too complacent about the threat posed by the USSR, was conducted with respect to estimates about Soviet strategic military power, but it really focused on overall Soviet policy objectives, not just military policy or capabilities.

Just after the conclusion of the "Team B" exercise and before the administration of President Jimmy Carter took office, NIE 11-4-77, *Soviet Strategic Objectives*, 12 January 1977, took a markedly more dire line in describing Moscow's policies. A foreword noted that the paper continued a trend toward "a more ominous interpretation" of Soviet aims, and the key judgments termed those aims "far-reaching." Moscow was not seeking equilibrium, the paper asserted, only continual enhancement of its own power, and military power was seen as a "key instrument" of its advancement. Although their military programs were

described as steady at a high level and not accelerating, the Soviet leaders were now thought to no longer accept the concept of mutual assured destruction even though they did recognize mutual deterrence as a “present reality” that would be hard to change. Most interesting perhaps was the paper’s contention that Soviet leaders now saw their political system as strong and stable, with dissidence more an embarrassment than a challenge, although a concern about its being brittle was perceived. Soviet leaders, the paper concluded, would not be compelled to lower their rate of military spending. Most of the “limits” that CIA in the past had often cited in describing Soviet policy seemed to have been removed.

Taking Stock

It is worth pausing at this point to note two assessments made of CIA’s political analysis in 1977 and 1978. The first was an in-house study conducted before the advent of the Carter administration by senior intelligence officers with analytic experience, largely on the basis of interviews with recipients of estimates.³⁹ The study covered all estimates, but its points seem clearly to apply to the ones on the USSR. It said that estimates on military, scientific, technical, and economic subjects were better received than those on political subjects, mainly because “most users were less able to handle the complex data, perform their own analysis, and reach their own conclusions” with the former. Also, the former often dealt with “hard” data: “By comparison, judgments on political matters, or on intentions, seem fuzzier, less precise, and less supportable, and often are.” They found among recipients little concern about “slant” in estimates and little interest in specific predictions about possible future events such as coups.

The second study responded to a set of concerns voiced by the Carter administration about a year into its tenure about the quality of the intelligence support given to policymakers. Again, the object of the study was intelligence in general, but analysis of the USSR was prominently included. Promises to step up multidisciplinary work and to improve the quality of the analysts themselves were made in response to the criticism (an internal memorandum containing these promises cited the association with CIA of several prominent Sovietologists who were—in one way or another—assisting CIA’s analytic effort on the USSR). In the Office of Regional and Political Analysis, a “multidisciplinary” branch was established in the Soviet affairs division to strengthen work on topics that bridged politics and policy on the one hand and military, economic, and technical issues on the other hand (e.g., Soviet science policy, Soviet policy toward legal regimes for space, Soviet arms control policy).

³⁹ Intelligence Monograph, *National Estimates: An Assessment of the Product and the Process* (Center for the Study of Intelligence, CIA, April 1977), TR/IM 77-03.

Organizational Changes

Organizational changes in the 1970s and early 1980s rearranged CIA's political analysts, including those working on Soviet affairs. In 1973, the ONE and the SRS were abolished.⁴⁰ Their analysts formed the core of a new Office of Political Research (OPR), which was established to provide a research-oriented complement to the Office of Current Intelligence (OCI) and a companion to the then six-year-old offices of economic and strategic research. OPR's Soviet analysts numbered only a handful (a much smaller group than their counterparts in OER and OSR) and included some newly recruited officers as well as transfers from ONE, SRS, and OCI.

One paper done by this office, *The Soviet Foreign Policy Apparatus*, published in June 1976, examined in detail the political and organizational context that had developed to support foreign policy decisionmaking in Moscow. It explained how foreign policy was now more important in leadership politics, how Communist Party experts exerted influence alongside professional diplomats, and how Brezhnev had formed a new kind of unique political stature involving authorities tied to the Defense Council, Politburo, and Central Committee. This kind of research-based work, as in the case of the detailed studies of Sino-Soviet affairs and other topics, brought a special dimension to CIA's political analysis of Soviet affairs and supported points made in shorter memorandums and estimates.

Another OPR paper, *Changing Soviet Perceptions of World Politics and the USSR's International Role*, published in October 1975, looked at how a newly self-confident and powerful USSR found itself conflicted between desires: to exploit apparent opportunities that had some Soviet scholars writing again about the general crisis of capitalism (e.g., political change in southern Europe, Western economic difficulties because of the oil issue); and to solidify its newfound influence via cooperation and agreements with its erstwhile ideological adversaries. Ideology remained important as a conceptual prism and rationale for action, the paper argued, but not as a practical guide to short- or intermediate-term goals and actions. Interstate relations had supplanted revolutionary struggle for the bureaucrats led by Brezhnev, and maintaining the new détente with the United States took precedence over embracing militancy for the sake of uncertain gains. The paper did not dwell on Soviet military policy or capability and struck a relatively balanced tone. It had no discernible impact on the estimates prepared in the mid-1970s and was deemed "provocative" by the chief of US Army intelligence. DCI William Colby praised the paper, however, and in his last month in office he sent it to President Gerald Ford and other senior US policymakers.

⁴⁰ NIEs continued to be done, but they were now directed by a group of "National Intelligence Officers" (NIOs)—one of whom was NIO for the USSR—appointed by the DCI. The group acquired a somewhat more regular shape as an office in 1979 when it became known as the National Intelligence Council (NIC), but it still did not have a drafting staff like ONE's or a regular collegial review process. The NIC and NIOs exist today and report directly to the DCI.

In 1976, OPR and OCI were both abolished and replaced by an Office of Regional and Political Analysis, which was renamed the Office of Political Analysis in 1979. In 1981, a major reorganization of CIA's Directorate of Intelligence abolished this office and the offices devoted to economic and strategic research. Created out of their units and staff were multidisciplinary offices for five geographic areas: four regions of the world and the USSR.⁴¹ Thus came into existence the Office of Soviet Analysis (SOVA), which lasted ten years, until the end of the USSR.⁴²

Within SOVA, as the office was called, the main subordinate units remained defined basically by discipline, but there were new synergies across disciplines resulting from the organizational change that assisted analysis of Soviet affairs at CIA. One new element introduced in the early 1980s was the creation of an office-sponsored panel of recognized non-CIA experts on Soviet political affairs that met periodically to review SOVA's political analysis products and research program. This group was an analogue to panels of outside experts on Soviet military and economic affairs that had previously existed and were continued under SOVA. The meetings of these panels, and the preparation and briefings associated with the meetings, may well have improved SOVA's perspectives across as well as within academic disciplines. Some analysts felt, for example, that SOVA's conclusion in 1982 that Soviet spending for military procurement had leveled off in the late 1970s and early 1980s grew out of ideas exchanged at such meetings. Also, CIA's recognition of the importance of the burden of defense spending to Gorbachev and his "new thinking" with respect to both economic reform and foreign policy may have been spurred by cross-disciplinary discussions made easier by virtue of SOVA's creation.⁴³

Confrontation Replaces Détente

NIE 11-4-78, *Soviet Goals and Expectations in the Global Power Arena* (9 May 1978), set forth what the DCI described in an introduction as the basic thrust of Soviet foreign and military policies in an estimate written specifically to have a more "unified, integrated view" than the typical coordinated product. It asserted that military strength was the

⁴¹ Just such a reorganization, replacing an inherited academic division of labor with sections reflecting regional theaters of operation, was carried out in 1943 within the Research and Analysis Branch of the Office of Strategic Services. One account records that the economists at first refused to serve with historians or political scientists and that the man in charge, William Langer, deserved a decoration for courage in "assaulting the academic fortifications." See Barry M. Katz, *Foreign Intelligence: Research and Analysis in the Office of Strategic Services, 1942-1945* (Cambridge, MA: Harvard University Press, 1989), pp. 22, 102.

⁴² The reorganization also created a new Office of Global Issues (dealing with narcotics, terrorism, etc.), which produced some papers on the USSR in the 1980s devoted to topics such as covert action, global presence, and foreign aid. For a discussion of how that office rather than SOVA was used in the 1980s to produce analysis regarding the "underside" of Soviet behavior, see Robert M. Gates, *From the Shadows: The Ultimate Insider's Story of Five Presidents and How They Won the Cold War* (New York: Simon & Schuster, 1996), pp. 200-208.

⁴³ Although CIA's Directorate of Intelligence had placed most of its Soviet affairs analysts (but not technical weapons specialists or those working in OGI) together under one office director, the several NIOs charged with examining different dimensions of the Soviet Union did their work in the more loosely knit NIC.

foundation of the USSR's status, the key to its prospects in the world, and of "sharply increased importance" in Soviet policy calculations at a time when other forms of international competition were not going so well for Moscow. Soviet military spending could therefore be expected to continue unabated over the next decade and to improve Moscow's relative power position in the 1980-85 timeframe.

Just how this military power was going to be translated into foreign policy gains was seen as a complex issue. Ideology was still a "vital force" animating Soviet policy, however, and Soviet foreign policy was seen as "essentially revolutionary." Thus, a "purposeful, cautious exploration" by the Soviets of the political implications of their military power could be expected. Increased assertiveness was described as simply a projection of continuity in their policy actions. Gone with the winds of change of the 1970s were CIA's past emphases in some papers on the growing irrelevancy of ideology and the importance of interstate cooperation among great powers. The one general dissent to the estimate's main line of analysis was taken by the Department of State, which argued that the estimate overemphasized Soviet leaders' perceptions of the USSR's power and undervalued political and economic factors. (One might well guess that the principal author of NIE 11-69 *Basic Factors and Main Tendencies in Current Soviet Policy*, which highlighted precisely those elements a decade earlier, would have agreed.)

The late 1970s and early 1980s brought a succession of important changes in the USSR's international environment and in Soviet policies to deal with them. The election of a new pope in 1978 promised nothing but trouble for the Kremlin. A CIA memorandum, *The Impact of a Polish Pope on the USSR*, published on 19 October 1978, concluded that the event would arouse Polish nationalism, hinder Polish Communist Party efforts to impose social and political discipline, weaken Poland's ties to the USSR's Eastern European alliance structures, and draw Poland ineluctably westward. Unwelcome effects on other communist regimes in Eastern Europe and on communist parties in Western Europe were also discussed.

In Poland, Moscow's need was to find ways to defend a position against adverse pressures. Elsewhere, in places such as Ethiopia and Nicaragua, the issue was whether opportunities justified Soviet assertiveness to gain new power positions. In Afghanistan, regime changes implied potential for increased Soviet influence and the addition of another communist-led country. An interagency memorandum done in September 1979 titled *Soviet Options in Afghanistan* described Moscow's sense of Soviet interests in that country as "now more ambitious" in the wake of political developments there and foresaw the possible introduction of airborne troops for the short-term purposes of safeguarding Soviet citizens and helping to maintain a pro-Soviet regime if control broke down in Kabul. Tough

policy choices faced Moscow, the paper argued, and Soviet leaders were probably considering more serious direct combat intervention to salvage the USSR's increased stakes.

By the time Moscow actually sent troops into Afghanistan at the end of the year, other developments had changed the international scene. The dialogue with the United States had soured over a number of issues including the US "discovery" of a Soviet ground force unit in Cuba (which helped shelve the brand new SALT II accord) and, more importantly, a US-led NATO decision to deploy new missiles in Western Europe unless Moscow bargained away its own regional missile force, which was being upgraded. The situation in Poland continued to worsen, raising the prospect of another Soviet military intervention, and a new administration in Washington signaled its strong dislike of both the Soviet system and Soviet policies worldwide.

CIA's analysis in the initial years of President Ronald Reagan's administration portrayed Soviet behavior as a strong challenge to the United States. In the spring of 1981 a special estimate was commissioned that asserted Moscow was "deeply engaged" in supporting revolutionary violence globally as a basic tenet of Soviet policy and had no scruples in doing so (SNIE 11/2-81, *Soviet Support for International Terrorism and Revolutionary Violence* [May 1981]).⁴⁴ Some support was described as fairly direct, including that going to certain insurgencies and separatist groups as in El Salvador. Other support was indirect, rendered by states with which the USSR was in effect allied. This aspect of Soviet policy was low risk and low cost, the estimate contended, and it meant that Moscow would not cooperate with other countries in antiterrorism actions.

On the heels of the May 1981 special estimate came another estimate, this time a "memorandum to holders of NIE 11-4-78" on Soviet international behavior. Like the 1978 paper it connected the new, "more assertive Soviet international behavior" to a foundation of Soviet military power. But it went beyond the three-year-old paper in concluding that Moscow was now more willing to risk a military crisis with Washington (whose power, it asserted, Soviet leaders saw declining) in pursuit of its goals. A wide range of specific regional situations from the Iran-Iraq war and the Persian Gulf to Africa and Latin America were cited as potential areas where the USSR would work to expand opportunities for advancing its influence. The internal situation in the USSR was addressed in terms of deteriorating economic performance and potential social instability, and the impact of those

⁴⁴ This estimate stirred up quite a controversy inside and then outside CIA, including during the confirmation hearings for Robert M. Gates as DCI in 1991. See Raymond L. Garthoff, *The Great Transition: American-Soviet Relations and the End of the Cold War* (Washington, DC: The Brookings Institution, 1994), pp. 20-26, esp. footnote 47. For another useful account that notes how the episode entailed a breach between SOVA and the new DCI, William Casey, and led to more work on Soviet topics by OGI, see Gates, *From the Shadows*, pp. 200-208.

factors on foreign policy was termed unpredictable. High military spending could be expected despite a likely worsening of the economy, the paper contended, and foreign policy and military requirements would dominate the leadership's policy calculations.

In August 1982, NIE 11/4-82, *The Soviet Challenge to US Security Interests*, took a fresh look at the same set of issues. Overall, it mentioned more potential limits on Soviet behavior but balanced those out in each case with judgments that leadership decisions would continue to support assertiveness abroad. It catalogued virtually all aspects of a continuing global challenge to the United States, drawing attention to the Third World as a less risky and therefore more likely area of possible confrontation. It claimed Soviet leaders did not see a "window of opportunity" because of Soviet strategic military strength, but it did not doubt that defense spending would continue to grow at its historic rate of four percent a year at least through 1985. Interestingly, it down played Moscow's concern about the new administration's efforts to counteract Soviet expansionism and exploit Soviet vulnerabilities. As for a possible successor leadership in Moscow, it foresaw a greater willingness to exploit opportunities abroad in low-cost, low-risk areas.

By and large, the major analyses during this period emphasized Soviet plans and actions rather than Soviet perceptions of the plans and actions of others. An exception to this generalization occurred as consecutive leadership successions got under way in Moscow, President Reagan's rhetoric sharpened, the Soviets downed the Korean airliner KAL-007, NATO's first Euro-missiles became operational, and NATO conducted its "Able Archer" exercise. In May 1984, SNIE 11-10-84, *Implications of Recent Soviet Military-Political Activities*, explored Soviet activities that—it was feared—reflected belligerent intent or perhaps an "abnormal Soviet fear of conflict with the United States." It noted that Soviet propaganda attributed a heightened danger of war to US behavior and offered the opinion that it did not reflect "authentic" leadership fears of "imminent" conflict. The activities, which included such steps as large-scale military exercises, could be explained by individual circumstances and ordinary planning, the paper argued. It did acknowledge "Soviet perceptions of a mounting challenge from US foreign and defense policy," and an inability to know at that time "how the Soviets might have assessed recent US/NATO military exercises and reconnaissance operations." Beyond these references, it is unclear from the paper how much the author knew of US actions that were perhaps important in shaping Soviet perceptions. The Soviet "apprehensive outlook" over the longer term US arms buildup, however, was believed to increase the chances that Moscow would take riskier actions to neutralize the US challenge.

Gorbachev and Internal Reform

CIA's analysts, long used to leadership stability, indeed stasis, at the top in the USSR, were once again confronted by political change in the 1980s. A paper done in April 1982 looked to old-time stalwarts Andrei Kirilenko and Konstantin Chernenko as the likeliest successors to Brezhnev, but Yuri Andropov's move from heading the KGB security apparatus to the party secretariat immediately after the paper was published presaged the rise of a late-blooming oldster to the fore. His style and tone differed from Brezhnev's, and, as was noted in a June 1983 paper, his main policy initiative seemed to be an internal "discipline campaign." But Andropov needed to gain better control of the Politburo before moving to more substantive changes, and he was judged to "not yet have a comprehensive reform program in mind" for the economy.⁴⁵ His death came before the old guard was ready to let go, and so Chernenko was allowed a year at the top before his death finally induced the aging party leadership to give the chairmanship of their troubled corporation to the younger Mikhail Gorbachev.

We might note at this juncture that CIA's analysts of Soviet affairs began giving more attention in the 1980s to conditions of Soviet society that affected all the other objects of their study, i.e. the economy, the military, and politics at all levels. At the end of 1982 a research paper titled *Soviet Society in the 1980s: Problems and Prospects* assessed the depth and nature of quality of life problems, ethnic tensions, and dissent in the USSR. "Popular dissatisfaction and cynicism seem to be growing," the paper noted, and "the sharp slowdown in economic growth since the mid-1970s is the underlying problem that ties all these issues together and makes them potentially more troublesome for the regime." In April 1983, a National Intelligence Council Memorandum, *Dimensions of Civil Unrest in the Soviet Union*, examined the available information from 1970 to 1982 on strikes, work stoppages, sabotage, demonstrations and riots, and even attempted political assassinations. It concluded that the incidents implied "a popular willingness to hold the regime more accountable for perceived shortcomings" and could lead to repression and reduced labor productivity. This in turn could mean, the paper went on, "a vicious cycle of greater potential domestic significance for the 1980s than the regime has had to cope with anytime in the past three decades." In 1985, SOVA created a new branch to work on societal issues, demonstrating that CIA had gotten the message that increasing regime concerns about alcoholism, social discipline, corruption, and unrest meant CIA also had better pay more attention to Soviet social malaise and its implications.⁴⁶

⁴⁵ The two Intelligence Assessments, both from SOVA, were *The Soviet Political Succession: Institutions, People, and Policies* (April 1982), and *Andropov's Political Position: The Importance of the June Plenum* (June 1983).

⁴⁶ Robert M. Gates describes the impact of a briefing on Soviet domestic stress points given by the head of the new branch to President Reagan in November 1985. See Gates, *From the Shadows*, pp. 343-344. Two papers laying out CIA's views of this topic were NIE 11-18-85, *Domestic Stresses on the Soviet System* (November 1985) and a SOVA research paper, *Domestic Stresses in the USSR* (April 1986).

Gorbachev made no secret of the fact that these problems were central targets of his policies, and CIA picked up readily on his early moves. In the summer of 1985 an Intelligence Assessment titled *Gorbachev's Approach to Social Malaise: A Managed Revitalization* captured what analysts saw as a sort of discipline—plus strategy aimed at making the economy more productive. They cautioned that Gorbachev did not yet have an integrated, comprehensive program formed but was already brooking risks both with the bureaucracy he wanted to reform and with the populace whose expectations he was raising. In September another paper, *Gorbachev's Economic Agenda*, described his economic reforms as exactly what a leader would do if he had longer term serious change in mind but was realistically shooting for more modest, realizable goals in the near term. He “has put his finger on the very tasks the economy has never done well,” the analysis said in an approving tone, while still retaining significant central controls. Separate papers on Gorbachev's anti-alcohol and openness campaigns intercepted his actions as reflecting a serious intent, but cautioned about the risks of possible unrest and the trickiness involved in trying to cure cynicism.⁴⁷

Critical to Gorbachev's reform actions, of course, was his political strength. An assessment in February 1986 titled *Rejuvenating the Soviet Party Apparatus* declared that he was counting on leadership style “in the classical Soviet manner”—rather than systemic reform—to accelerate economic growth and revitalize a damaged social fabric. Two intelligence assessments in April 1986 on the twenty-seventh party congress and new party program noted that Gorbachev's progress to date seemingly was not as great as he had hoped.⁴⁸ He had improved his power position via turnover of key officials, but enough Brezhnev-era holdovers remained to constrain his actions. The party program reflected a more sober view of the overall Soviet outlook than the Khrushchev-era 1961 program (discarded were the ideas of catching up with the West's standard of living and of achieving much of a global advance) and an emphasis on the need for new policies to strengthen the economy (more stress on domestic issues, but without a defined specific plan of action). At the end of 1986, Boris Yeltsin's reforming zeal as the new head of the Moscow party apparatus was taken as a sign of Gorbachev's seriousness in going after “localism” in regions and in using the leverage that the Moscow party structure exercised on the central bureaucratic institutions located in the capital.⁴⁹

By February 1987, in an Intelligence Assessment titled *Gorbachev's Domestic Challenge: The Looming Problems*, CIA characterized Gorbachev as having gotten off to a “strong start” in his first two years, but it made the basic point that the measures instituted thus far were “insufficient to achieve [his] goals,” which were said to be radical

⁴⁷ The two research papers were *Gorbachev's Campaign Against Alcohol* (April 1986) and *Debate over Openness in Soviet Propaganda and Culture* (August 1986).

⁴⁸ *The New CPSU Program: Charting the Soviet Future and The 27th CPSU Congress: Gorbachev's Unfinished Business*.

⁴⁹ *Gorbachev's War for Control of the Regional Party Apparatus: The Situation in Moscow* (December 1986).

improvement of the domestic Soviet system and keeping up with the United States internationally. The logic of the situation, the paper argued, was that he must either accept results short of what he wants (in which case his political position might erode since it was tied to the success of his policies) or go for more controversial and difficult policies (in which case he would engender greater opposition to himself politically). The analysis did not offer predictions or solutions but did lay out in some detail the policy dilemmas Gorbachev faced at that juncture.

Another paper, an April 1987 assessment titled *The January Plenum: Gorbachev Draws the Battlelines*, depicted the political struggle within the party. Gorbachev was pushing “democratization” and polarizing the party in a way that suggested a showdown could come soon, the paper contended. He had “no intention of limiting the party’s monopoly of political power or the top leadership’s authority within the party,” it stated, but his effort to energize the party in support of his policy goals was squeezing many officials between pressures coming from Gorbachev and his allies at the top, and grassroots pressures from below being encouraged by Gorbachev’s reform policies. The result of the January 1987 party meeting was Gorbachev’s acknowledgment that he had been giving the policy steering wheel perhaps “too sharp a turn” (a few of his proposals at this time were rejected, i.e., multiple candidates for party elections). The leadership as a whole, however, agreed to continue pursuing economic reform and some of the legal and other changes attendant to that goal.

One technique used occasionally by CIA to expand its awareness of factors affecting politics in the USSR was to invite outside experts to conferences to solicit their views. This was done in the Gorbachev period to see what impact the new information technologies might have on the USSR. A group of consultants offered views that were gathered in a conference report published in May 1987 titled *The USSR Confronts the Information Revolution*. The Soviets were seen as appreciative of the value of modern information technology to the West, but viewed it with a mixture of admiration and concern. Productivity gains and weapons effectiveness might be enhanced, but state control might be undermined also as Western propaganda penetrated deeper into Soviet society and Soviet citizens gained more access to independent information sources. In trying to reach suppositions useful to the US government, the conferees concluded that: “Soviet leaders will put a premium on maintaining political control” in dealing with the new information methods; and that in the 1990s the USSR might find itself even further behind the West and therefore might become even more reliant on military power to maintain influence in the world. This report and its conclusions are noted not as representative of CIA views or indeed any set of views other than those expressed at the conference, but simply to show one example of how implications of important developments were explored by CIA’s analysts in forums other than formal estimates or finished analytic products.

The June 1987 meeting of the Central Committee was seen by CIA's analysts as a major political victory for Gorbachev.⁵⁰ What had been piecemeal reform was now packaged in a new, comprehensive approach designed to reduce rigid central controls over the economy. Yegor Ligachev's power had been diluted with the appointment of new Politburo members and Gorbachev had more control over the policy agenda, but a continuing political struggle loomed, and the speeches at the plenum were said by one participant to have been "emotionally charged."

Near the end of 1987, an estimate (NIE 11-18-87, *Whither Gorbachev: Soviet Policy and Politics in the 1990s* [November 1987]) pulled together the strands of Gorbachev's first two and a half years of power and tried to project where he might go next. It declared forthrightly that it judged Gorbachev's intent to be bold and visionary. He really wanted nothing less than to revitalize the USSR, the paper stated, and was "now convinced that he must make significant changes in the system, not just tinker at the margins." This meant the continuation of replacing officials resisting change and revamping institutions, albeit somehow in a Leninist way. Foreign policy, the paper argued, was in for "profound" changes, with a de-emphasis on military intimidation as a policy instrument and a reduction in tension with the West so that growth in defense spending could be constrained. Four scenarios ranging from democratic socialism to neo-Stalinism were discussed at length to spell out for policymakers what to watch for as unpredictable events played out. A final basic point, the paper stated, was that whatever course change took in the USSR, it would transpire largely as a result of internal forces with only indirect impact from outside influences.

In a striking dissent from this depiction of Gorbachev's aims and actions that was printed in the estimate's key judgments, the Director of the National Security Agency (NSA) presented a fundamentally different "alternative view."⁵¹ It is the revitalization of the party, not the society or system, that Gorbachev is after, he argued. The purge is the object of reform, not the other way around, he continued, and besides, what Gorbachev was doing was not only best understood in orthodox power-politics terms, he actually was not even as bold a reformer as Khrushchev had been. (The paper went further, arguing that the "potential" for change under Gorbachev was the most significant since the 1920s.) As for scenarios, he continued, Gorbachev will either unleash forces that will cause a KGB and party backlash or, more likely, fall back toward Brezhnevite immobility. His conclusion was that in either case, Soviet foreign policy would present a greater global challenge to the

⁵⁰ Intelligence Assessment, *The June Plenum and Supreme Soviet Session: Building Support for Economic Change* (September 1987).

⁵¹ The NSA director was Lt. Gen. William Odom, USA, a close student of Soviet affairs. In remarks delivered at Princeton University on 10 March 2001 to the joint CIA-Princeton conference on *CIA's Analysis of the Soviet Union, 1947-1991*, former national security adviser Zbigniew Brzezinski recalled that Odom had written a prescient analysis in the late 1970s when he worked on NSC matters in the White House and foresaw that internal problems could bring about the collapse of the USSR by the end of the twentieth century.

United States. This stands as one of the most straightforward expressions of a fundamentally differing viewpoint on Soviet politics and policy on the long record of estimates and demonstrates how, even for the much more open Soviet society of the 1980s, intelligence analysts could hold varying views of the basic motivations and direction of Soviet political affairs.

A similar viewpoint was expressed at about the same time by Robert M. Gates, then Deputy Director of Central Intelligence, in a memorandum dated 24 November 1987 and titled *Gorbachev's Gameplan: The Long View* (both the NIE and the memorandum were scene-setters for the December 1987 Gorbachev-Reagan summit meeting in Washington). Gates presented several major areas of continuity with the past in Soviet policy under Gorbachev (seeking détente, extraordinary military modernization, continued protection of Soviet client states, and weakening US alliances) so as to put changes being pursued under Gorbachev in proper perspective and support the conclusion that “it is hard to detect fundamental changes, currently or in prospect, in the way the Soviets govern at home or in their principal objectives abroad.” After noting that previous hopes—that internal reform in the USSR would lead to changed Soviet behavior—had always been dashed, Gates implicitly cast his lot with the NIE’s dissent (i.e., that Gorbachev was after power, not reform) by predicting that Gorbachev would “likely be in power long after his adversaries at home and abroad have moved off the world stage.” In a speech given two months later to the Dallas World Affairs Council (the speech, titled “What Is Going On in The Soviet Union,” delivered 19 January 1988), Gates explicitly said that the fundamental transformation of the Soviet Union at home and abroad was not the intention or expectation of Gorbachev or the ruling Communist Party, making it clear he viewed the changes being attempted as instruments of power politics, not genuine reform.

In 1988, papers examined various internal factors affecting Gorbachev’s progress in reforming the USSR’s politics and economy. In February 1988, a paper titled *USSR: Domestic Fallout From the Afghan War* asserted that dissatisfaction over the war had been growing within the Soviet elite, and cited corruption in the military induction process, health and drug use concerns, and more than a dozen major demonstrations against the war since mid-1984, involving especially non-Russians. All this was seen as harming Gorbachev’s efforts to build a new social contract. Another factor of importance was Christianity, with Gorbachev depicted as attempting a less repressive strategy in dealing with believers. In light of the connection between Christianity and nationalism in the Baltics and Ukraine, a May 1988 paper warned, “the regime is playing with fire” in seeking to accommodate this ideological rival.⁵² Gorbachev’s new struggle with the KGB, an organization that had backed him earlier, was documented in another paper that pointed out

⁵² Executive Summary of DI Research Study, *Gorbachev Confronts the Challenge of Christianity* (May 1988).

his desire to curb some of its power, as well as Viktor Chebrikov's evident skepticism about aspects of reform, and also noted that Gorbachev remained dependent on the KGB to monitor the internal situation.⁵³

Throughout both 1987 and 1988, papers charted the new threat of nationalism and ethnic violence as riots in Kazakhstan and unrest in the Caucasus widened the impact of Gorbachev's policies and opened up for him new areas of potential political vulnerability.⁵⁴ But a December 1988 Intelligence Assessment, *Gorbachev's September Housecleaning: An Early Evaluation*, concluded that Gorbachev's dramatic leadership shakeup that same year now enabled him and his allies to move more vigorously on all policy fronts. His position as both president and party head and his restructuring of political institutions had taken the traditional power role from the party secretariat and left him free to push his consumer-oriented plans at the expense of military spending. "New thinking" on national security and foreign policy was now more likely, the paper judged, involving a "more pragmatic, nonideological approach to foreign affairs" and "greater Soviet foreign policy activism, including bold—possibly unilateral—moves designed to generate international support for Soviet positions."

In early 1989, a CIA paper took a look at changes Gorbachev was making in both legislative and executive branches of government and noted that they "could radically transform the Soviet political system."⁵⁵ He did not, however, want opposition parties, CIA concluded. He still wanted the Communist Party to exercise policy leadership, providing the top-down pressures needed to guide the bottom-up participation he desired, and the Politburo remained a decisionmaking center he hoped to use to drive both party and government bureaucracies. Another paper examined the ways he was weakening the party apparatus's grip on power in direct ways, cutting Central Committee staff in order to undercut the role it could play in managing the economy or opposing his reforms.⁵⁶ Yet another paper, however, pointed to the dangers of this approach, noting that the reduction in party control had not gone very far and that further disruptions would occur if it proceeded quickly. On balance, CIA's cautious analysts estimated he would ease up his pressure temporarily rather than force a showdown in the near term with the party apparatus.⁵⁷

⁵³ Intelligence Assessment, *Gorbachev's Growing Confrontation With the KGB: A Coming Showdown?* (June 1988).

⁵⁴ See an Intelligence Assessment, *Kazakh Riots: Lessons for the Soviet Leadership* (June 1987), and a research paper, *Unrest in the Caucasus and the Challenge of Nationalism* (October 1988).

⁵⁵ Research paper, *Gorbachev's Reform of the State Institutions: Toward a Parliamentary System?* (March 1989).

⁵⁶ Research paper, *Gorbachev's Reorganization of the Party: Breaking the Stranglehold of the Apparatus* (June 1989).

⁵⁷ Research paper, *USSR: Redefining the Party's Role in the Economy* (August 1989).

One SOVA research paper of July 1989 asked in its title a basic question that was bedeviling CIA's analysts as they tried to help US policymakers in the new Bush administration: *Gorbachev's Assault on the Social Contract: Can he Build a New Basis for Regime Legitimacy?* This paper continued the CIA's effort to wrestle with the "volatile" social aspects of the Soviet scene, an issue that had been raised in the 1950s as Khrushchev had unleashed forces that he too did not fully control. It contended that Gorbachev had not realized when he started in 1985 that his political reforms would unleash popular demands that grew more quickly than his economic reforms could satisfy them. The paper chose not to predict ultimate success or failure for him, but did a good job, again, of describing the dilemma in which he found himself. Another paper, done in September 1989, also caught the flavor of CIA's view of Gorbachev's political position in its title, *Gorbachev's Domestic Gambles and Instability in the USSR*. It may be said of CIA that it did not predict with exactitude that Gorbachev would fall, or when he would fall, but it must also be acknowledged that CIA documented many indications of the troubles he encountered (and engendered) and the seriousness of their danger to his political health.⁵⁸

By early 1990, CIA's analysts had again concluded Gorbachev was in a box. A March 1990 Intelligence Assessment titled *Perestroika at the Crossroads* described reform in the USSR as "at a critical juncture." Domestic concerns generally increasingly preoccupied the Soviet leadership, the paper stated, with basic problems such as a loss of control over society in general, a precipitous decline of the party, secessionist movements and interethnic strife, and continued economic deterioration. These problems threatened to overwhelm *Perestroika*, CIA warned, and Gorbachev had to choose between moving more decisively toward democracy and economic reform, or backtrack on both. In the past he had chosen to press ahead, the paper noted, and so it guessed that he might do so again. While this might result in success farther down the road, the paper estimated that in the near term, instability and conflict seemed likely to persist and possibly intensify. In the less likely case of serious retrenchment, use of force in a crackdown could, it was predicted, aggravate political and social tensions.

Through 1990, CIA's analysts struggled to keep up with the pace of events, noting the emergence of a rival center of power to Gorbachev in the development of a party within the Russian federation as well as cracks within the CPSU itself and the growing challenge of

⁵⁸ One of the senior policymakers for whom CIA analysts were writing was Robert M. Gates, their former boss in the 1980s as DDI and DDCI (and also for a time as NIO/USSR and NIC chairman) who had become deputy national security adviser to President George Bush. Gates had begun his CIA career in the late 1960s as an analyst of Soviet affairs and was known for generally conservative views on Soviet matters. At the White House, he was thought of as "generally more conservative than others in the administration regarding the Soviet Union," according to Philip Zelikow and Condoleezza Rice, *Germany Unified and Europe Transformed: A Study in Statecraft* (Cambridge, MA: Harvard University Press, 1995), p. 23. In his memoirs, Gates states that "Thanks to analysis and warnings from CIA, we at the White House began in the summer of 1989 to think about and prepare for a Soviet collapse." Instability was the chief danger, Gates thought, and in September 1989 he asked Condoleezza Rice to begin contingency planning "in very great secrecy." See Gates, *From the Shadows*, pp. 525-526.

nationalism, all centrifugal forces unleashed by Gorbachev's own reforms.⁵⁹ A paper on the new legislature noted that, one year after its creation, it was far more independent than Gorbachev had expected. It was willing to revise leadership-backed bills, criticize nominees for top posts, and accelerate the decline of the CPSU. By 1994, the paper estimated, Gorbachev could lose his pliable majority.⁶⁰ Papers pointed to growing pressures for unrest in the USSR, including Central Asia, and growing difficulties in keeping the union together.⁶¹ By December 1990, an assessment pointed to steps Gorbachev was taking to be ready to act in more authoritarian ways to cope with the serious problems multiplying in the USSR.⁶² He was expanding the authority of the presidency and exhibiting greater resolve to try and preserve the union, the paper argued, including making it easier to exercise coercive emergency rule if necessary. Again, the dilemma he faced was easier to describe than the solution: "The logic of the path on which he had embarked increasingly imposes a choice between use of force, which he fears, or display of fecklessness, which further undermines his already low public esteem." It now looked to CIA as if a nonviolent resolution of the secessionist problem was less likely, and Washington policymakers were warned that human rights violations by both the center and the republics might be in the offing.

In February 1991, a research paper titled *Organized Crime in the USSR: Its Growth and Impact*, summarized the main problems associated with what was by now a flourishing problem. Crimes involving extortion, embezzlement, gambling, prostitution, and drugs were corroding the system, the regime, and popular attitudes, the paper argued. The corrosion was more clearly seen at low and middle levels, but the public anger it generated affected support for Gorbachev, the new institutions he had set up, and reform itself. Another new feature of the political landscape by now was Russia as a major new separate political actor. A paper done in March 1991 titled *The Struggle Over Russia's Future* described a debate between reformers and traditionalists that featured a critical struggle between a Yeltsin-led push for greater pluralism and powers for republics like Russia, and a Gorbachev-led center that had just used force in a crackdown in the Baltics. This center versus republics issue "has become all-important," CIA's analysts warned, citing one Soviet as saying that the center "is fighting for its life." If a referendum approves a Russian Republic presidency, Yeltsin will win it and become an even more formidable challenge to Gorbachev, they contended, even if the reformers' dependence on Yeltsin is itself "a potential weakness."

⁵⁹ See *Spotlight on Perestroika* (April 1990).

⁶⁰ Intelligence Assessment, *The Supreme Soviet: Will It Be Supreme?* (July 1990).

⁶¹ See research paper, *The Potential for Mass Unrest in Soviet Central Asia* (September 1990).

⁶² Intelligence Assessment, *Gorbachev's November Maneuver* (December 1990).

An April 1991 Intelligence Assessment on the *Prospects for the Russian Democratic Reformers* saw Yeltsin's likely win in the election of a Russian leader as a "watershed event," leading to intensified political conflict between the two men. Yeltsin's likely push for more radical economic reform and Russian sovereignty, however, would have to contend with both a frustrated public and a more hostile and aggressive center, the paper estimated. Also in April 1991, a SOVA paper titled *The Soviet Cauldron* examined the political dynamics and foresaw that a coup might occur and would probably fail. It also drew special attention to the nationality problems, seeing the desire for independence as a growing threat to the union. Another paper issued in June saw Yeltsin as a champion of a Russian democratic alternative to the authority of an imperial USSR; not an unprincipled opportunist, but a leader who had averted repression and now had to handle the Russian nationalism he had helped arouse.⁶³

After the August 1991 failed coup, CIA's analysts saw a window of opportunity for Yeltsin. In an October 1991 Intelligence Assessment titled *The Politics of Russian Nationalism*, the nation-building democrats aligned with Yeltsin—who were willing to jettison the USSR—were seen as unalterably opposed by a coalition of conservative nationalists, who were hostile to democracy and a market economy and had backed the neo-Stalinists who had attempted the coup. Yeltsin would try to push his program since he was at his peak of popularity following the coup, but public fears about secessionism within the Russian federation and about the course of economic and social change could be used by those willing to push a more chauvinistic nationalism against Yeltsin's program. A special estimate done in the wake of the coup attempt judged flatly that "the USSR and its communist system are dead," and estimated that a loose confederation of republics might form, but if so, under Yeltsin not Gorbachev. Disintegrative tendencies bore great danger for the West, it was argued, especially with respect to the security of nuclear weapons.⁶⁴

In November 1991, a paper on social problems surrounding greater inequalities growing within the economy predicted more social and economic instabilities. Homelessness and unemployment would grow, undercutting any governmental stabilization efforts and posing serious obstacles to reformers whose still viable hopes for a rosier future had to survive "a long and difficult transitional period."⁶⁵ Another special estimate was done that month as well on disorder in the collapsing USSR. Even acts of terrorism were foreseen as possible, and the estimate judged that "no one knows whether the Yeltsin government can survive the winter."⁶⁶ Indeed, in 2001, ten years after CIA's

⁶³ Intelligence Assessment, *Yeltsin's Political Objectives* (June 1991).

⁶⁴ SNIE 11-18.2-91, *Republics of the Former USSR: Outlook for Next Year* (September 1991).

⁶⁵ Intelligence Assessment, *Winners and Losers: Increasing Social Stratification in the Former Soviet Union* (November 1991).

⁶⁶ SNIE 11-18.3-91, *Civil Disorder in the Former USSR: Can It Be Managed?* (November 1991).

analysts closed the book on their study of a communist USSR, these and additional kinds of internal tensions have remained an important target for ongoing analysis of Russia and other parts of the former Soviet Union.

Gorbachev's Impact on Foreign Policy

CIA's analysis of Soviet foreign policy early in the period of Gorbachev's leadership usually was stated in general and cautious terms, especially with respect to departures from the past attributed to Gorbachev. There was no lessening of foreign commitments, one paper stated, although the USSR's relationship with the United States, including reviving arms control talks, was seen as important to Gorbachev. A new estimate on Soviet support for international terrorism was issued in August 1986. It clung to the general line adopted five years earlier (one section was titled "Little Change Expected in Soviet Role") and took the Soviet bloc to task for opposing and obstructing Western-led counterterrorism efforts. It took note of recent remarks by Gorbachev criticizing terrorism and hinting at cooperation in opposing it, while at the same time, dousing that conclusion with the complaint that the Soviet reaction to the US raid on Libya showed that "the Gorbachev regime is quite like its predecessors when it comes to actions, as opposed to words."⁶⁷ A paper on what Gorbachev's programs meant for defense concluded that there was a "more heated competition" between civilian investment and military spending, but it judged that strategic military programs planned for the 1980s could move forward and that achieving a near-term arms control agreement was not critical to Gorbachev.⁶⁸

A special estimate done in September 1986 concluded that Gorbachev was trying to recreate a 1970s style *détente* with the United States to ease the arms burden on the Soviet economy and the US challenge internationally. Possible new Soviet willingness to reduce military programs and even to take unilateral steps such as "modest cuts" in military manpower were foreseen, and Gorbachev was judged to have the political strength to take such steps. But economic pressures were portrayed as insufficient to force fundamental concessions to the West, even though killing or constraining the Strategic Defense Initiative (SDI) was seen as a critical Soviet goal.⁶⁹ It was noted that "new thinking" in Soviet foreign policy had led to fewer ideological references in Soviet positions and new emphasis on "interdependence," but security issues were depicted as unlikely to be the subject of major concessions from the Soviet side. Among other things, this led CIA to hold to the notion—in this paper and in another at the end of 1986—that the Soviets would stay the course in Afghanistan and not withdraw unless they could preserve the nature of the regime there.⁷⁰

⁶⁷ NIE 11/2-86W, *The Soviet Bloc Role in International Terrorism and Revolutionary Violence* (August 1986).

⁶⁸ Intelligence Assessment, *Gorbachev's Modernization Program: Implications for Defense* (March 1986).

⁶⁹ SNIE 11-9-86, *Gorbachev's Policy Toward the United States, 1986-88* (September 1986). The Deputy Director for Intelligence of CIA, impressed with the evolution of Soviet military doctrine, took a more forward position than others in estimating that Moscow might be willing to consider reductions in nuclear arsenals on both sides.

“In the next two years or so,” the September 1986 special estimate declared, “neither the domestic situation nor the foreign policy outlook of the regime obliges Gorbachev to compromise substantially on central arms control or security issues in dispute with the United States.” And if the United States does not give up its SDI, the paper estimated, Gorbachev would become more uncompromising over the next 30 months, preferring to wait out Reagan and deal with his successor than to come to the table and risk legitimizing Reagan’s Soviet policies.

In retrospect, these judgments could not have been more wrong. Both domestic and foreign considerations led Gorbachev to adopt paradigm-breaking policies, and they involved not just compromises, but unilateral moves intended to change the basic equations involved in both arms control and regional security matters.⁷¹ As for SDI, although Gorbachev was uncompromising in 1986, he came around to accepting important arms control deals before Reagan left office and despite continued US support for SDI. As for the evidence available in September 1986, however (well before Gorbachev’s book on *Perestroika* and a number of other indicators made clear how radical he was prepared to be), CIA had not yet seen enough to convince itself that new thinking in Moscow required new estimates in Washington.

CIA’s SOVA looked over the new faces among Gorbachev’s foreign affairs advisers and took note of their help to the Soviet leader in consolidating personal control over the USSR’s foreign policy decisionmaking. A paper issued in August 1987 contended that Gorbachev had fostered increased competition among Soviet institutions involved in foreign policy, set up new arms control staffs in both the foreign ministry and the party secretariat, thus stirring up new ideas for his consideration.⁷² Gorbachev’s foreign policy initiatives (“a dizzying array”) were said to be “derived more directly from his domestic goals” than was the case under Brezhnev. The time-worn approach of declaring that long-term objectives remained unchanged but that tactics were newly flexible was stated, but it seemed to hint that something more might be afoot. “As a result of these changes, many of the assumptions that were used in dealing with the Soviet Union in the past are no longer valid, and the West must be prepared for the unprecedented or unexpected.” Unfortunately, the paper contained no further exploration of the implications of this important judgment.

⁷⁰ See research paper, *Soviet Policy Toward the Middle East* (date of information 5 December 1986).

⁷¹ Gorbachev’s foreign policy adviser Anatoly Chernyayev contends that Gorbachev “always considered every significant action or initiative from two perspectives—domestic and foreign.” “It was always characteristic of Gorbachev’s outlook from the outset to organically link domestic and foreign policies.” See Anatoly S. Chernyayev, *My Six Years with Gorbachev*, trans. and ed. by Robert D. English and Elizabeth Tucker (University Park, PA: Pennsylvania State University Press, 2000), p. 192.

⁷² Intelligence Assessment, *Gorbachev’s New Foreign Policy Apparatus* (August 1987). Eduard Shevardnadze and Anatoly Chernyayev come in for little attention in this paper.

In May 1988, NIE 11/12-9-88, *Soviet Policy Toward Eastern Europe under Gorbachev*, pointed out the increased potential for instability inherent in Gorbachev's policies. The Eastern European regimes were problematic instruments for the kind of reform Gorbachev was pressing, the estimate warned, and popular upheaval in at least some countries was the most likely scenario among several examined. In the end, the paper assessed, force would be needed to control the situation, and the USSR would use force if necessary to retain the upper hand there.

A June 1988 Intelligence Assessment titled *Soviet National Security Policy: Responses to the Changing Military and Economic Environment* asserted that there was a real debate going on in Moscow over the size and composition of Soviet military forces. It summarized the main positions of political and military leaders and experts as they argued what Gorbachev's new military policy of "reasonable sufficiency" should mean in practical policy terms. It brought to bear the writings of Soviet military theoreticians and leaders, in particular former General Staff chief Marshal Ogarkov, to the effect that nuclear forces are needed only to maintain the nuclear standoff, not to achieve superiority, and thus explained why the professional military could abide Gorbachev's nuclear arms control positions. Although the paper judged that the evidence suggested a continuation of high but flat or only slowly growing defense spending, it put forward the idea that Gorbachev's political power and interest in producing more civilian machinery as part of industrial modernization created "a good chance that Gorbachev will, by the end of the decade, turn to unilateral defense cuts." In October 1988, a Foreign Broadcast Information Service analysis report titled *The USSR's East Asian Policy: The Gorbachev Agenda* laid out Gorbachev's emphasis on China and on de-emphasizing military instruments in foreign policy in an effort to reduce the US military presence in Asia. At that time, the paper pointed out, Japan remained an exception to generally improved Soviet ties to countries in the region.

In a sense, the dramatic opening of the end game of the Cold War was Gorbachev's speech at the United Nations in December 1988, where he announced stunning unilateral reductions in Soviet military forces in Eastern Europe and invited the United States to join the USSR in cooperatively ending the Cold War.⁷³ The following month CIA published another paper on advisers helping Gorbachev on foreign policy matters.⁷⁴ It cited Gorbachev's UN speech as evidence of his willingness "to challenge basic assumptions of the past," and judged that, once carried out, the cuts he had announced "would virtually

⁷³ A more complete story than is related here of how CIA covered the ensuing, final three years of the Gorbachev era—and of the USSR—is told in a CIA volume that contains a number of analyses from the period. See Benjamin B. Fischer, ed., *At Cold War's End: US Intelligence on the Soviet Union and Eastern Europe, 1989-1991* (Washington, DC: Center for the Study of Intelligence, CIA, 1999), pp. ix-xliv. That account draws relatively more heavily on national intelligence estimates than this one, though two key CIA Directorate of Intelligence analyses are included. Unfortunately, neither account makes use of CIA's current intelligence analysis.

⁷⁴ Intelligence Assessment, *The Changing Role of Civilian Advisers in Shaping Soviet National Security Policy* (January 1989).

eliminate any Soviet capability to launch a short-warning attack against NATO.” It traced the evolution of Soviet statements about reasonable sufficiency and concluded that Gorbachev had aligned himself with some of the most radical thinkers in a wide-ranging internal debate.

CIA continued in early 1989 to try to make sense of Gorbachev’s now quite evident radicalism in foreign policy. In February 1989 a paper on US-Soviet relations asserted that Gorbachev’s foreign policies flowed directly from his domestic policies, but then noted that many domestic concerns—by now focused on ethnic turmoil, consumer unrest, and protection of his political flanks—might in fact distract him from attention to his US policy just as the new Bush administration took office. It contended that Soviet concerns about SDI were now lessened.⁷⁵ Another paper issued that month on Gorbachev’s overall foreign policy asserted that the Soviet leader had adopted an “unprecedented policy of global ‘tension reduction,’” and that while his conception could still be said to support traditional aims such as weakening US military presence abroad and decoupling Western Europe from America, he was weakening the ideological foundations of Soviet policy and fostering a longer term “normalization” approach.⁷⁶

In wrestling with how best to describe the key elements of the new Soviet thinking, the paper went to great pains to predict what it meant for Eastern Europe. On the one hand, it countenanced the notion that Moscow still hoped to preserve “in some form” the Soviet position there. On the other hand, the paper recognized that Soviet policy now circumscribed, “perhaps even rejected,” the Brezhnev doctrine and could “accelerate the decomposition of communist rule in Eastern Europe and weaken Soviet hegemony.” As had become the case for CIA analysis of Gorbachev’s domestic policies, the basic question of how much Gorbachev realized where his policies might lead was raised for foreign policy as well. At one point, the paper noted that, “He is undermining Marxism-Leninism as a mechanism of political control in the Soviet Union and Eastern Europe, whether he cares or not.” In what superficially looked like reverse mirror-imaging, the key message in the paper for US policymakers was a warning that “maintaining cohesion in US alliances and sustaining Western security...is the central challenge Soviet policy now poses for the United States.”

CIA reviewed Gorbachev’s policies around the world in another paper, this one issued in March 1989 and focused on Third World areas.⁷⁷ The primacy of domestic reform was asserted, policy had become more pragmatic and less ideological, and getting “a higher

⁷⁵ Intelligence Assessment, *Moscow’s 1989 Agenda for US-Soviet Relations* (February 1989).

⁷⁶ Intelligence Assessment, *Gorbachev’s Foreign Policy* (February 1989).

⁷⁷ Intelligence Assessment, *Trends in Soviet Policy in the Third World Under Gorbachev* (March 1989).

degree of security at a lower cost” seemed a key motive to CIA’s analysts. Gorbachev’s interest in resolving conflicts in areas such as Afghanistan, Angola, Nicaragua, and elsewhere was presented as a cost reduction measure, at least in part. Another motivation ascribed to Gorbachev, which would have fit a pre-1980s analysis just as well, was a desire to expand Moscow’s role as an actor on the international scene. This time, however, the warnings posted by the analysts mentioned that possible surprise, unilateral moves akin to those in the UN speech might be in the offing, for example, withdrawal from Cam Ranh Bay or of the ground forces brigade from Cuba. Also, some of the expansion of Moscow’s relations abroad involved decidedly nonclient states such as Saudi Arabia, Israel, and South Korea. As far as China was concerned, the USSR was seen as having achieved a more balanced position within the US-China-USSR triangle by the time Gorbachev visited Beijing in May 1989 to talk with Chinese leaders.⁷⁸

By 1990, after the Berlin wall had come down, the German question moved front and center. An analysis done in March 1990 asserted that “contradictions in Soviet thinking are apparent” on all the security-related issues connected with possible unification of Germany.⁷⁹ The basic Soviet desiderata seemed clear enough: assurances that Germany accepted postwar borders, restraints on German ability to threaten stability in Europe, and German security ties that did not favor the West. But what Moscow would really accept was not so clear. Neutrality would be a Soviet demand, the paper predicted, but more as a negotiating tool than a minimum condition. How to wrap up a final postwar treaty and fit Germany into a new European order were other key issues discussed. By June, CIA felt that Moscow “ultimately will concede some form of NATO affiliation for Germany,” and that Gorbachev realized reliance on existing collective security arrangements was a thin reed upon which to place much reliance in assuaging Soviet security concerns.⁸⁰ The Germans as well as events in general were moving too fast, and this unexpected pace complicated Gorbachev’s domestic agenda. In Asia, Moscow’s push to strengthen ties to South Korea and Japan was seen as stronger than its concern about its relations with North Korea or Vietnam. Improvement in the USSR’s relations with China was seen in Moscow as a success for Gorbachev. Through all these developments, economic considerations were seen as being of overriding importance.⁸¹

By 1991, with the Soviet position in Germany and Eastern Europe changed beyond anything imagined by CIA’s (and most other) analysts just a couple years earlier, CIA focused on possible scenarios for the unraveling situation inside the USSR. Each scenario had logical implications for Moscow’s foreign policies, although choosing which to fix on seemed less important than laying out possibilities for US policymakers to consider. An

⁷⁸ Memorandum, *Sino-Soviet Relations: The Summit and Beyond* (9 May 1989).

⁷⁹ Intelligence Assessment, *USSR: Developing a Game Plan for Six-Power Meetings on German Unification* (March 1990).

⁸⁰ Intelligence Assessment, *Moscow’s Push for a New European Order* (June 1990).

⁸¹ Intelligence Assessment, *USSR-East Asia: Moscow Realigning Its Policy* (May 1990).

attempt was made in a mid-year estimate to be “more speculative, and less predictive” than previous estimates because of the large number of uncertainties at the time. It presented foreign policy implications for four possible USSR futures: chronic crisis, system change, regression, and fragmentation.⁸² By and large, the estimate foresaw more accommodating, nonthreatening policies, even for the “regression” scenario that envisioned efforts by Moscow to maintain Soviet military strength. The trickiest for the West to cope with was the “fragmentation” option because of its potential for refugees, wayward new states seeking help, and so on. In the analysts’ opinion, whatever Russia or Russian-dominated state emerged “for a good many years... would be a far less influential actor on the world scene than today’s Soviet Union....” And so the Gorbachev period moved to its dramatic conclusion at the end of 1991, bringing down Gorbachev, the USSR itself, and the final curtain on the Cold War.

Final Thoughts

The issue of whether CIA should have done a better job of foreseeing and foretelling the downfall of the USSR is the latest chapter in the longer story of how CIA’s analysts coped with political change in the USSR throughout the Cold War.⁸³ The ONE assessment of 1950s estimates on Soviet affairs done in 1958 judged rather harshly that the estimators had not handled the post-Stalin changes very well (while complimenting them for stressing important continuities in Soviet policy). In general, declassified CIA analyses suggest that analysts in the 1980s did somewhat better in not allowing a mindset rooted in the past to dominate their thinking about domestic changes. The papers currently available show that CIA’s analysts interpreted Gorbachev’s words and actions as serious efforts to bring about real change in the USSR, that the analysts kept pace with changes as they occurred and thought through their possible implications, and that they understood after a while that the impact of Gorbachev’s changes might turn out to be beyond his expectations, understanding, and control.⁸⁴

⁸² NIE 11-18-91, *Implications of Alternative Soviet Futures* (June 1991).

⁸³ This controversy is a useful one if it helps analysts cope better in the future with questions such as how change will come about in communist China, or more basically, if it illuminates the key questions analysts should focus on in trying to foresee how empires or regimes end or are transformed. The analytic tasks involved are formidable. By the late 1980s in the USSR, the changes under way were revolutionary, the course of events was contingent upon many factors, and even better “insider” knowledge of Gorbachev’s conceptual vision or tactical political planning at any juncture would not have afforded an analyst a sure map for preparing prescient national intelligence estimates for US policymakers.

⁸⁴ For two useful essays on how CIA covered the downfall of the USSR and for a helpful sampling of excerpts from CIA analytic papers, particularly for the Gorbachev period, see Kirsten Lundberg, *CIA and the Fall of the Soviet Empire: The Politics of “Getting It Right,”* Case Study C16-94-1251.0 for the Intelligence and Policy Project, John F. Kennedy School of Government, (Cambridge, MA: Harvard University Press, 1994); and Douglas J. MacEachin, *CIA Assessments of the Soviet Union: The Record Versus the Charges* (Washington, DC: Center for the Study of Intelligence, CIA, May 1996).

That said, the analyses describing Gorbachev's impact on Soviet foreign policy were less alive to the possibility of changes and the resultant implications. CIA consistently depicted Gorbachev's foreign policy changes as derivative of his domestic reform policy needs in the sense that he needed a "breathing space" internationally. Although this reasoning was valid up to a point, it seems in retrospect that Gorbachev's impulse to change Soviet foreign policy had its own basis in "new thinking" about international affairs that went beyond simply assisting the success of his economic reforms and that calculated Soviet interests in a novel way. CIA seemed content to wait for explicit announcements or even actions to confirm what might have been inferred earlier from writings and statements. SOVA's predictions of possible unilateral arms cuts stand as an example where foreign policy implications of theoretical thinking were foreseen, but CIA's description of the larger Gorbachev-led policies that altered the basic political and military equations in Europe and elsewhere awaited future confirming evidence.

Arguably, the indications of Gorbachev's radicalism in foreign policy unfolded more slowly than did those marking his internal reform efforts, and CIA's recognition of the respective changes followed suit. Thus, if the November 1987 estimate on *Whither Gorbachev?* could be said to mark the point at which CIA clearly stated Gorbachev meant big, visionary change domestically, then it was not until the February 1989 SOVA paper on *Gorbachev's Foreign Policy* (after the pathbreaking Gorbachev UN speech of December 1988) that CIA said clearly that Gorbachev's foreign policy "has changed radically from that of his predecessors." To be sure, even this recognition of the scope of change was protected by an introductory paragraph claiming that Gorbachev's new ideas followed a broad strategy "in the Leninist tradition" of splitting enemies, weakening American global political influence, and so on.

CIA's caution, or conservative approach to statements regarding Soviet foreign policy, results partly from the perceived importance of these judgments for US policy (especially in estimates, which reflected the DCI's and the entire US Intelligence Community's views). They were believed to be so critical that they deserved special scrutiny and care. Here, as was noted in the 1958 ONE assessment, there seems to have been a bias in favor of not making analytic mistakes in the direction of being too "optimistic" about Soviet policy choices, probably in the conviction that this was the most prudent and therefore most responsible way to shape analysis for senior US policymakers. There seem also to have been two other related biases virtually built into CIA's work on Soviet foreign policy throughout the Cold War. The first bias was that it was more important to identify threats for US policymakers than opportunities. The other was that the military dimension of the Soviet threat—because it involved the vulnerability of the United States itself and the apocalyptic image of nuclear strikes—loomed over all other aspects of analysis on the USSR. The Agency's most basic mission was, and is, to warn of possible strategic threats

to the United States. In concert with that mission CIA sometimes attempted to relate appreciations of Soviet military strength to Moscow's general foreign policy in ways that emphasized the military or assertive aspects of Soviet policy.

How special was CIA's political analysis of the USSR? Of the ten analyses on Soviet politics and foreign policy selected to be included in the volume of documents published in connection with the 9-10 March 2001 conference at Princeton University on *CIA's Analysis of the Soviet Union, 1947-1991*, only two were originally classified top secret, and it is clear that the classifications of all of them were driven mainly by the fact that they were CIA products, not by specific sources of information that needed protection. Thus, it was not that the CIA often had especially confidential or "insider" information to give value or cachet to its analytic products on Soviet politics, although there were instances where that was indeed the case. Rather, the value to the policymakers who read those products was that they were getting views from experts who had deeply immersed themselves in the subject and who were usually regarded as having no policy-driven axes to grind in forming their conclusions. (This did not prevent, of course, instances where policymakers distrusted CIA's analytic views because they thought they were not tough-minded enough, or conversely, too tough-minded.) In general, CIA's analysis of Soviet political affairs was less special than CIA's analysis of Soviet military and economic matters, which was based in part on information uniquely acquired and pulled together within the US Government. Thus, the views of academic or other nongovernmental Sovietologists on the USSR's politics and foreign policy could and did compete nicely with the CIA product, and such experts were often consulted to good advantage by US policymakers who had access to CIA's analysis.

CIA's analysis of Soviet politics and foreign policy throughout the Cold War profited from being performed in an environment where in-depth analysis was being done on Soviet economic, technical, and military matters. This allowed a fuller appreciation of the totality of factors that operated in the Soviet system and brought more realism into analysts' understanding of what was on the minds of Soviet political leaders. In the 1980s in particular, with all the main areas of Soviet analysis gathered in one office, the discussions of military spending, economic choices, social and economic problems and programs to deal with them probably led to better integration of those subjects with the evolving story of Gorbachev's reforms and where they might lead than would otherwise have been the case.

The task faced by CIA's analysts of Soviet political affairs ended as it began, in an era of unusually intense change, both internationally and inside the USSR. Their challenge was no less than to understand and explain developments that were only imperfectly understood

by the Soviet leaders themselves. Their record is well worth close study for its value both as history and as an opportunity to improve a central mission of CIA, and will hopefully be more fully disclosed for future scholarship.⁸⁵

Discussant Comments

A panel moderated by Robert Jervis, Adlai E. Stevenson Professor of International Relations at Columbia University, discussed Douglas Garthoff's paper and provided its views on CIA's analysis of Soviet politics and foreign policy. The panelists were Fritz Ermarth, former Chairman of the National Intelligence Council, and Peter Reddaway, Professor of Political Science and International Affairs at George Washington University.

Fritz Ermarth began his remarks by singling out two National Intelligence Estimates—one dealing with Soviet external affairs and the other with Soviet internal matters—for discussion. The first one, published in 1978, was titled *Soviet Power in the Global Arena*. Ermarth, who was the drafter of the Estimate, indicated that the basic assumption behind the NIE was that the USSR was at the peak of its power. With that as a given, it addressed the question: What are the Soviets going to do with this power? The Estimate was significant, in his view, for two reasons. First, it influenced the thinking of the Carter Administration about the challenges posed by the Kremlin—Defense Secretary Harold Brown personally told Ermarth of its importance. Second, it conveyed the message that the Soviets were going to use their power in a “determined, energetic, but basically risk-averse way.” “They’re not going to go out looking for trouble, although there’s perhaps a higher risk than in the past that they’ll get into it inadvertently because of the strength that they feel.” Looking back, Ermarth opined that the Intelligence Community underestimated the limitations on Moscow’s ability to turn its military status into geopolitical status as well as the Kremlin’s penchant “to be dumb, therefore counterproductive, and therefore ineffective.” He cited Afghanistan and the SS-20 deployment as two examples of Moscow’s ability to shoot itself in the foot.⁸⁶

⁸⁵ CIA clearly recognizes the value of enhancing the public record on this subject. It has declassified material dealing with so recent a period as the last years of the USSR (far short of awaiting 25-year automatic declassification) and cosponsored conferences to allow scholars and others to discuss the material (at Texas A&M University in November 1999 and at Princeton University in March 2001). An excellent next step would be for CIA to review and release all remaining NIEs relating to the USSR (about 70 per cent already have been released) and publish a complete list of the titles of all such NIEs, including those which cannot for good reasons be released. Another helpful step would be for CIA to invite outside scholars to review the Agency's entire analytic publication record on the USSR and to assist in the selection of additional analyses for declassification review and public release. (This approach was used in a limited way for the Princeton University conference of 2001.) For individual Cold War episodes of particular interest, regular daily and tailored policy support intelligence analyses as well as the research and estimative record should be reviewed and released. The overall goal should be to release, under a broad policy that retains as classified only material that would jeopardize current or future intelligence operations, the entire Cold War analysis record of CIA to enable scholars and the public to know more surely what CIA did or did not say on the full range of issues.

⁸⁶ An SS-20 is a Soviet intermediate range, road mobile, solid propellant MIRV capable ballistic missile.

The second NIE Ermarth singled out, *Domestic Stresses on the Soviet System*, was published in 1985. This estimate, according to Ermarth, was significant because it presented an exhaustive catalog of the dimensions of the crisis of the Soviet system. Briefed to President Ronald Reagan, in Ermarth's view, it "kind of crystallized the emerging understanding" in Washington of the crisis that was confronting the Soviet leadership. It had a significant role in the transition of Reagan I ("Okay, we're standing tall. You're not going to push us around anymore. In fact, we're going to challenge you ideologically, militarily, and economically.") to Reagan II; that is, a willingness to do business with the USSR ("Now we're going to get down to business.").

In concluding his remarks, Ermarth described some "lessons to be learned" from the analysis of Soviet affairs. First, he argued that to do the job right the Agency must be given the money to do "deep" collection and "deep" analysis on a sustained basis. Second, there must be a system of checks and balances. CIA's Directorate of Intelligence, the Department of State's Bureau of Intelligence and Research, the Defense Intelligence Agency, and other agencies within the Intelligence Community must possess significant, independent analytic capabilities in order to provide balance, diversity, and a system of checks on the intelligence assessments and recommendations given to policymakers.

Peter Reddaway confined his remarks on the Agency's political analysis to the period from 1968 to 1981. His hypothesis was that CIA's analysts "did not get quite right" the balance between the oft-stated belief of Soviet leaders that the correlation of forces in the world had shifted against capitalism versus the fears and anxieties of Soviet leaders about the weaknesses of the Soviet system that became more severe as the 1970s progressed. In Reddaway's view, Soviet leaders would always act in accordance with the anxious mindset, whereas CIA's analysis usually predicted that they would act in the "self-confident, potentially expansionist mindset."

Reddaway cited a number of examples to support his hypothesis that the leadership's response was based mostly on an anxiety mindset:

- In the area of ideology, Reddaway noted that throughout Brezhnev's 18-year reign no effort was made to produce a Communist Party Program to replace the program put forth by Nikita Khrushchev that had become a "horrible embarrassment." Instead of ideology, the regime, which became increasingly corrupt, turned to material goods as a way of satisfying popular desires of a population that was becoming increasingly skeptical of and cynical about ideology.
- In the economic sphere, the Soviet leadership concluded—based on the Czechoslovakia disaster of 1968—that economic reform in the USSR had to be avoided. As a substitute, the Soviet leadership became more dependent on the West for advanced machinery, grain and the like, something that in Reddaway's words "no superpower would allow itself to do."

- In the foreign policy arena, détente was essential to the Soviet leadership to gain access to Western machinery, grain, and credits, to make the West forget about Czechoslovakia, and to try to moderate Western military spending.

In Reddaway's view, these "negative anxieties" multiplied rapidly in the late 1970s and early 1980s. Détente unraveled—particularly with the Soviet invasion of Afghanistan that produced Western boycotts and alienated large parts of the Muslim world—the Solidarity movement took shape in Poland creating the horrendous specter of a communist regime being overthrown by a mass movement based on the working class, and dissent increased at home and had to be suppressed.

Reddaway concluded that CIA underestimated the cumulative impact of these domestic political weaknesses on Soviet leaders. Its analysts, in his view, did not pay enough attention to Soviet dependence on the West, and they overestimated the likelihood that Soviet leaders would act aggressively vis-à-vis the West in military matters.

Chapter IV

CIA's Analysis of Soviet Science and Technology

Clarence E. Smith

This paper offers a general assessment of CIA's overall contribution to the analysis of Soviet capabilities in science and technology during the Cold War. It is by no means intended to be definitive, or even complete, with respect to all the activities associated with CIA's scientific and technological capabilities, analysis, and resulting reporting. It is, however, intended to cull some of the key events and selected activities that may contribute to reaching such a judgment.¹

This paper is about technical intelligence (including collection, processing and analysis) and specifically about its emergence as an integral part of the assessments process concerning the Soviet Union throughout the Cold War. Although the focus is on CIA, it must be understood that technical intelligence—as a new, distinct discipline—was integral to the Intelligence Community as a whole, as well as to the military services, nonintelligence elements of the Department of Defense, other federal government agencies, and related private sector entities.

The period following World War II saw unparalleled growth in technological developments, and nowhere was this truer than in the East-West competition during the Cold War. New and technological capabilities on both sides offered opportunities for new weapons and new collection techniques. The prospect of new Soviet capabilities led US policymakers to demand that we understand not only the new technologies (for our own purposes) but also the extent and nature of Soviet capabilities. Urgent new collection requirements necessitated new, more sophisticated means of collection, which in turn required new technical analysis techniques and capabilities. The data acquired by

¹ I use the term S&T when referring to scientific and technical intelligence, or capabilities associated with its collection or analysis, whether CIA's or elsewhere in the US Intelligence Community. S&T, even at CIA, was accomplished in many organizational elements, not only within what we know as the Directorate of Science and Technology. When I mean the directorate itself, I refer specifically to the DS&T. Only some 10 percent of the documents declassified for this conference are assessments of scientific and technical subjects. Many of the reports relevant to making final judgments remain classified because sensitive collection methods and analytical techniques could damage current national security interests. Thus, more than with political, military, and economic intelligence issues, CIA's scientific and technical analysis available for scrutiny is included primarily in broader National Intelligence Estimates. Nevertheless, there is sufficient information available to support my general hypotheses. Fourteen of the recently declassified documents released in connection with the conference were especially useful in preparing this paper. That said, this paper draws more on inference and personal insight than is the case in other disciplines.

these new collection systems often helped clarify gaps in our intelligence. Thus, the need for scientific and technical intelligence on the Soviet Union generated a whole new set of requirements for new sources and methods, many of which remain current today.

With this as background, it is the premise of this paper that the development of technical intelligence capabilities at CIA led to significant successes in the analysis of Soviet S&T capabilities. A corollary to this development was that it led to major bureaucratic and organizational changes within CIA and the wider Intelligence Community. The major expansion of CIA's technical intelligence capabilities provided unique advantages to the United States and its allies in waging and winning the Cold War.

Overview

The emergence of the Cold War accelerated the development of ever more technically advanced weapons and generated early recognition of the need for additional technical intelligence. For US policymakers this meant obtaining data on Soviet weapons developments and operational concepts, identifying important new systems and, most important, developing the technical means for collecting and processing such data.

US intelligence on Soviet nuclear weapons development played an especially important role in the initial extension of technical intelligence into the Cold War. In this regard, the transfer of the Manhattan Project intelligence group from the Department of State to the new CIA enabled the Agency to build its scientific and technical intelligence capabilities. The complexity of the technical structure of the Soviet nuclear weapons development program and the many distinctive observables associated with it provided a nearly ideal, classic technical intelligence challenge to US analysts. In particular, the Soviet program demanded technical data that could be obtained only by new collection techniques.

By the 1950s, it was clear that the USSR possessed both nuclear weapons and the means of long-range delivery. But key questions remained for US policymakers. How far advanced and how effective were these capabilities? Could they be used against the continental United States as well as its allies? The answers to these questions were fundamental to US strategic deterrence.

Technical intelligence was the primary tool US officials used to address these questions. Because the USSR, Eastern Europe, and China (and later their surrogates such as Cuba and North Korea) were "denied areas," they posed difficult challenges to traditional forms of human and military reconnaissance collection. These countries were highly efficient police states that severely restricted internal movement and contacts with

foreigners; they also had effective, modern air defenses. This meant traditional means of espionage and reconnaissance were limited in providing the needed information, much less access, by the West to Soviet Bloc weapons designers and remote test sites.

To counter this, CIA and the Intelligence Community developed new and innovative collection approaches, including overhead systems to collect images. These new systems allowed US analysts to discover the physical characteristics and locations of weapons, test ranges, operational sites, and support structures. Signals intelligence (SIGINT) collectors in these new systems eavesdropped on military exercises and administrative communications. Telemetry collectors intercepted and recorded the instrumentation signals transmitted by weapons undergoing tests; blast-detection sensors assessed the power of a detonation. Signal and power collectors measured emitter specifications, and there were a host of other collection techniques. S&T collection assets were deployed, both in the air and in space, under sea, and on the periphery of the USSR and were placed clandestinely within the USSR itself.

The lack of hard intelligence facts and having few human intelligence resources within the Soviet Bloc were the key drivers in developing both US aircraft and satellite imaging and signals intelligence collection systems. In addition to the actual technical collection, however, there was a parallel development in the analytical field as US analysts sought to make sense of the raw data. The challenge to the Intelligence Community was not only to create new collection methods but also to be able to derive useful information from the resultant data. The CIA's Office of Scientific Intelligence, and later the Directorate of Science and Technology (DS&T), was in the forefront of the development of both the new technical intelligence collection systems and the expanded analytical capabilities.

The intelligence reports and estimates available for this conference cover the period from the early 1950s through the mid- to late 1980s, and the effect of advancements in technical collection and analysis is readily apparent. There were no disagreements within the Intelligence Community on Soviet capabilities as surveyed in National Intelligence Estimate (NIE) 11-5-59, *Soviet Capabilities in Guided Missiles and Space Vehicles*, but by October 1964 (in NIE 11-8-64) debates had emerged over both the capabilities and the number of deployed sites for Soviet intercontinental ballistic missiles (ICBMs). These disagreements primarily resulted from having more data which meant more opportunities to have different interpretations of the available information. Similarly, in the defensive missile area, Intelligence Community analysts using the same data now disagreed in NIE 11-3-65 over whether and how the Soviets were upgrading their surface-to-air missiles (SAMs). These strategic offensive and defensive missile concerns stayed in the forefront of the intelligence debate well into the 1970s.

Technical Intelligence Issues

In the course of the Cold War, any number of issues arose that had to be addressed urgently by means of technical intelligence. In time, the Intelligence Community acquired an infrastructure of techniques, tools, facilities, and technical specialists that was able to respond to new questions as they arose. Some of the key issues are not surprising:

- Soviet nuclear weapons developments dominated in the early years, shifting later to matters of weapons and material inventories, compliance with testing agreements, and the transfer of nuclear technology to potential proliferators.
- Soviet ballistic missile development and deployment stayed high on the priority list throughout, but also underwent many changes of focus—counting numbers, determining characteristics, and monitoring for compliance with arms control agreements.
- The Soviet space challenge began with a burst of publicity and quickly became a matter of US military concern but did not materialize as a real threat issue.
- Soviet air defenses, antiballistic missile (ABM), and SAM missile upgrades became entangled with one another throughout the period, producing great concern and posing one of the most severe challenges to US technical intelligence.
- Chemical and biological warfare concerns emerged (and continue to this day), plagued by uncertainties and posing extraordinarily difficult intelligence problems, primarily because of the type of collection access required.
- Arms-control monitoring emerged as a highly defined issue and intelligence problem with the early nuclear weapons testing agreements and leapt to the forefront with the negotiation and conclusion of agreements with the Soviets covering reduction of arms and forces and qualitative constraints.
- The proliferation of weapons of mass destruction appeared comparatively recently, with much of its urgency arising from the demise of the Soviet Union and the end of the Cold War.
- Terrorism—at the end of the list but currently of dominant concern—has posed substantially different problems for which the intelligence infrastructure, built in the course of dealing with the foregoing issues, is largely inappropriate.

Two other issues generated attention. These were (1) the assessments of existing and emerging Soviet scientific and technical capabilities (such as stealth and supercomputers), and (2) the detailed characterization of the Soviet research and development cycle that led to the fielding of advanced (and sometimes unexpected) Soviet weaponry, achievements in space, or scientific breakthroughs.

CIA and Technical Intelligence

As early as 1946, when the Central Intelligence Group (CIG) was established, the need for scientific intelligence was recognized. Its importance was further emphasized in the 1948 report of the Eberstadt Task Force of the Hoover Commission, which stressed the likely overriding importance of scientific and technical intelligence and the need for a central authority responsible for assimilating all scientific information from abroad as well as competent to estimate its significance. The report concluded that “failure to properly appraise the extent of scientific developments in enemy countries may have more immediate and catastrophic consequences than failure in any other field of intelligence.”² Recognizing the importance of scientific and technical intelligence, CIA in 1948 created the Office of Scientific Intelligence (OSI), an organization that brought together the collectors and the processors of intelligence information.

Concern that other countries might develop nuclear weapons and an awareness that advanced knowledge was the only practical shield against a surprise attack fed a sense of urgency among US policymakers. Concern extended to biological and chemical warfare and to the likely development of guided missiles, which would increase the danger of surprise attack on the continental United States. Despite such concern, little real progress took place until President Harry Truman’s 23 September 1949 announcement of the first Soviet nuclear explosion. The next month the Director of Central Intelligence (DCI) created the Scientific Intelligence Committee (SIC) to coordinate the entire US scientific intelligence effort.

The required coordination, however, did not come easily. CIA chaired this new committee, charged with responsibility for scientific and technical intelligence, including all research and development up to the initiation of weapons systems series production. This concept was opposed by the US military, which sought to distinguish between basic scientific capabilities and weapons systems applications and keep the latter to itself.

² Department of State, *Foreign Relations of the United States: Emergence of the Intelligence Establishment, 1945-1950* (Washington, DC: US Government Printing Office, 1996), p. 1012.

There was some support for CIA's having this responsibility even within the defense establishment itself, however. The Research and Development Board in the Department of Defense, for example, was extremely dissatisfied with the intelligence support it received from the military intelligence agencies and supported the SIC as its primary source of intelligence support. Because of OSI's competence in Soviet nuclear capabilities, the military also accepted the Joint Atomic Energy Intelligence Committee (JAEIC) as a subcommittee of SIC, to be concerned with that subject exclusively. Shortly thereafter, other subcommittees were established on biological warfare, chemical warfare, electronics and guided missiles, and later on aircraft and anti-aircraft weapons systems.³

The services did not give up, however. During the early 1950s, there was a long struggle within the SIC between its military and civilian members: Army-Navy-Air Force versus CIA-State-Atomic Energy Commission. In August 1952, the original directive establishing SIC (OSI's lifeline) was rescinded. A new directive dissolved the SIC and all of its subcommittees except the JAEIC. It was retained as a subcommittee of the interdepartmental Intelligence Advisory Committee itself. The intelligence agencies of the Department of Defense were given primary intelligence production responsibility with regard to weapons, weapon systems, and military equipment and techniques, including intelligence on related scientific research and development. The new directive assigned to CIA's OSI primary responsibility for scientific research in general, fundamental research in the basic sciences, and medicine (other than military medicine). The Defense Department agencies as well as CIA were now given responsibility for atomic energy intelligence, the original basis for CIA's scientific and technical effort.

The new directive had a negative impact on the morale of OSI. In reaction, it began to devote less attention and energy to asserting CIA's authority to coordinate scientific intelligence and more to developing its own capabilities for research in all fields of scientific intelligence, including weapon systems development in anticipation of a day when a new DCI would value such independent capabilities.

While OSI refocused its efforts in the Directorate of Intelligence (DI), there was a similar growth in electronic intelligence (ELINT) collection capabilities within CIA's Directorate of Plans, later to be known as the Directorate of Operations (DO). (In this paper, the term ELINT includes both radars and Foreign Instrumentation Signals, or FIS. Also "telemetry" and FIS are used interchangeably, although the latter is a more encompassing term. FIS are electromagnetic emissions associated with the testing and deployment of non-

³ Several noted scientists in the Boston area, involved in US weapons-system developments and very concerned about the lack of US intelligence on corresponding Soviet developments, approached CIA/OSI in late 1950 and offered to assist. This group included the men who became the first three Presidential Scientific Advisors: James Killian, George Kistiakowski, and Jerome Weisner. They constituted what was known as the Boston Scientific Advisory Panel and were very valuable to OSI.

US systems that may have either military or civilian applications, and include telemetry; beaconry; electronic interrogators; tracking, arming, fusing and command signals, and video data links.)

CIA's ELINT efforts furthered its scientific and technical credentials through the 1950s. With the advent of the U-2 and later technical collection programs, it continued to grow. By the time S&T activity was first consolidated at CIA—in a Directorate of Research in 1962—there were well-established organizational units dedicated to scientific and technical intelligence in both the Directorate of Plans and OSI.

It was the creation of CIA's DS&T by DCI John McCone in 1963, however, that finally brought together all the key scientific and technical functions from the DI, the DO and the short-lived research directorate. From that point, true synergy began with respect to scientific and technical collection and analysis at CIA. And it did so—with Albert (Bud) Wheelon as the Agency's first Deputy Director for Science and Technology (DDS&T)—at a moment in history when decisive action was required.

A tremendous breadth of technical disciplines was drawn together in the new directorate. The DI's OSI, concerned with basic scientific research conducted by foreign countries, became a part as did a computer services group from the DI. The Office of ELINT came from the Directorate of Plans. The Development Projects Division, which had been responsible for developing the U-2, the SR-71 and the CORONA overhead systems, now joined the new directorate as did the Office of Research and Development, charged with applying new technologies to intelligence, and the Foreign Missile and Space Analysis Center, a group established to monitor foreign missile and space programs.

Wheelon did not merely create a new organization, however. The usefulness of the U-2 airborne reconnaissance program against the Soviet Union was reaching its end, and new ways to gather intelligence over denied areas were needed. New intelligence technologies would have to meet the urgent requirement for reliable and comprehensive intelligence collection. The new DS&T was focused on tackling this challenge, and Wheelon became one of the earliest proponents of CIA's participation in using outer space as a venue for future intelligence collection. Wheelon greatly enhanced CIA's S&T capabilities with the integration of system development, collection operations, data processing and intelligence analysis.

Throughout the rest of the Cold War there were bureaucratic adjustments in the S&T directorate reflecting changing capabilities and requirements in order to integrate intelligence analysis better across multiple disciplines. In the mid-1970s, for example, the Office of Weapons Intelligence returned to the DI, and the Foreign Broadcast Information Service (FBIS) and the National Photographic Interpretations Center (NPIC) were moved

to the DS&T. Major modernizations enhanced NPIC's ability to meet the demands of real-time imagery and enabled FBIS to respond effectively to the growing importance of open-source collection. New leadership came to the directorate in the person of R. Evans (Evan) Hineman, who was intimately involved in the earliest days of technical analysis and later served as Associate Deputy Director for Intelligence. He became DDS&T in July 1982 and held the position until September 1989, directing and guiding key modernization programs during the last decade of the Cold War.⁴

Collecting, Processing and Analyzing the New Data

The overriding problem in the early years of technical intelligence was simply gaining access to information about Soviet facilities and activities. Because of the closed Soviet society and the extensive controls on movement and access, clandestine operations launched from outside the Soviet Union had a long history of being foiled.

Nuclear issues dominated US concerns from the time of the Soviets' first atomic weapons test in 1949, but during the 1950s, new and somewhat different problems began to compete for US intelligence attention. These included Soviet bacteriological warfare and chemical warfare developments and Soviet aircraft and electronics innovations.

In the early years, before the United States acquired hard intelligence on Soviet developments, US reports on a number of Soviet scientific and technical subjects were simply derivative. For example, the basic data in a 12 October 1949 memorandum on Soviet capabilities in air-to-air guided missiles and related proximity fuses were only extrapolations of information on missiles that were under development by the Germans. Once in operation, however, US technical intelligence could exploit technical data generated during the course of Soviet weapons development or manufacture. Such data appear in many portions of the electromagnetic spectrum (visual, radio and radar signals, infrared emanations, etc.), acoustic phenomena, nuclear radioactivity, forensic samples, and material and actual equipment available for analysis. Each required a different kind of access ranging from actual physical presence in a laboratory or plant to detection from many thousands of miles distant from a specific target.

On the one hand, the United States would collect whatever it could with the access available so long as there was some hope that the collected data would shed light on the matter of concern. On the other hand, the nature of the data required would dictate the kind of access. The US focus was on Soviet air, space, naval, and defensive systems (although selected ground forces systems were sometimes assessed) and on sensors, nuclear weapons,

⁴ Hineman was a member of the Science and Technology Panel at the Princeton Conference.

and chemical/biological weapons. In time, it became apparent that to acquire all the key performance characteristics of any of these systems, we would need a suite of new intelligence collectors and analytic tools.

Technical intelligence was the primary tool used to address these questions. The Intelligence Community was obliged to invent new and innovative approaches to collection via remote sensors, the most well-known of which were the U-2 and OXCART manned aircraft, ELINT (i.e., radar and FIS) operations, satellite imaging, and SIGINT systems. These systems revolutionized intelligence collection.

Following the unique manned aircraft reconnaissance programs, satellite imagery provided the foundation whereby compliance with highly complex arms control provisions could be adjudged by even the most paranoid elements of national security establishments. It was quite an accomplishment.

Other collection operations were mounted on the periphery of the Soviet Union. The Berlin tunnel is an early, somewhat bizarre example of a SIGINT collection operation. More important in the long run were facilities established close to Soviet borders so as to collect signals generated at installations (targeted by means of overhead imagery) within the USSR. Electronic collection aircraft flew and ships sailed along the periphery for this same purpose.

Operational support to the Directorate of Plans/Operations—America's "spies"—was yet another dimension of technical collection that contributed significantly to human-source penetration of Soviet strategic programs. The S&T has been nothing short of artistic in devising disguises, secret caches, hidden pockets, and concealment devices to store or transport sensitive or compromising material. Its contributions in the field of clandestine communications—keeping an agent's transmissions safe and secure—have encompassed both secret-writing systems and advanced electronic communications measures. In the full array of "gadgets" required to keep CIA's agents in the field effective and anonymous, the engineers and artisans of the S&T had no peers. The scope, scale, sophistication, innovation, daring, and, ultimately, the successes of CIA's S&T as a collector was unprecedented. The CORONA program, the first space-based reconnaissance program, was at the time so inconceivable that it provided an intelligence windfall for years before the Soviets took defensive measures against it. The *Glomar Explorer*, a ship built specifically to raise a sunken Soviet submarine from the bottom of the Pacific to salvage communications equipment and nuclear components, was a feat beyond the imagination of the Soviets until the story was disclosed in the US press. These are but two examples of a highly successful technical collection program.

A significant and critical counterpart of technical collection was the ability to apply new analytical techniques to emerging collection capabilities such as telemetry and precision parametric measurements analysis from ELINT, as well as systems and processes to deal with film and then digital satellite imagery. When Soviet designers flew aircraft or missiles, they placed sensors on critical components and radioed their status to the ground so that analysis could identify problems in the event of a flight failure. While the Soviet designer had the key to which sensors were being monitored by the hundreds of telemetry traces, US intelligence analyst had to unscramble them and make sense of the reading. The challenge to the US technical community was to deliver identifiable, useable data.

The wide distribution of collection system elements and the huge amounts of data collected required a system with the capacity to pass vast amounts of data, and containing data links able to ensure the security of the information carried, able to maintain connection with a range of collection platforms and data processing facilities, and able to serve a number of data recipients. The development of these links enabled the control of collection operations as well as the retrieval of the information collected. Getting the diverse sorts of data into a form suitable for interpretation and analysis depended on major advancements in computer technology. As collection systems became more capable, the need for speed and automated handling of overwhelming quantities of information also became critical. Meeting this major technological challenge led over time to the ability of US analysts to support near-real-time delivery of data and reporting.

Not all collection systems were developed and managed by CIA. Other parts of the Intelligence Community operated aircraft, satellites, maritime resources, ground-collection sites, data links, and processing facilities. All of them tended to operate with some independence but did a remarkable job of delivering vast amounts of needed data in processed form to the many different US intelligence analysis and production organizations.

Technical Intelligence—ELINT

To illustrate CIA's particular accomplishments, consider two of the specific aspects of technical intelligence where the Agency made significant contributions to an understanding of Soviet scientific and technical capabilities: (1) the collection and analysis of ELINT (including both radar emissions and FIS), and (2) overhead reconnaissance (both manned and satellite).

In the early days of the Cold War, concern over Soviet advances in electronics led to the inclusion of an electronics intelligence unit in the Agency's embryonic technical intelligence complex. ELINT, associated with radars, generally fell into two major categories. One involved intercepting and analyzing radar signals in order to identify radar

sites and establish the general characteristics of Soviet radar systems (i.e., to establish a radar order of battle). This was the focus of the military services, which were primarily concerned with the location and capability of all enemy radars.

CIA was primarily interested in the other category: identifying Soviet scientific breakthroughs, analyzing Soviet weapons systems, and endeavoring not to be surprised by new developments. Specifically, CIA's interest was in electromagnetic emissions, preferably in the research and development stages of new programs, recognizing that not only ground-based radars but most airborne electronic equipment radiated signals that could be intercepted and used to evaluate capabilities.

In May 1954, DCI Allen Dulles approved a CIA ELINT program that was divided between the OSI for requirements and guidance and the Directorate of Plans for covert collection. OSI was to develop targets and requirements for ELINT collection, provide guidance to collectors, and perform technical analysis with which to produce finished scientific intelligence. Other CIA components responded by both independently (and covertly) collecting ELINT data and coordinating the collection of ELINT with foreign governments. CIA's ELINT objectives related both to new and unusual signals and, as a first priority, to those signals yet to be intercepted. The new targets were:

- Non-communications signals associated with the Soviets' ability to deliver atomic or other weapons of mass destruction, such as missile guidance or telemetry signals;
- Non-communications signals associated with the Soviets' ability to defend against the delivery of weapons of mass destruction, such as ground surveillance systems and surface-to-air weapons systems; and
- Those signals occupying an unusual portion of the radio frequency spectrum.

The need for an extremely precise signal collections capability resulted in the "precision parameter measurements system." It involved either measuring radar signal characteristics to a very high order of accuracy or measuring the radar's operation so as to determine its detection and tracking characteristics. The results were profound, giving the United States insights into Soviet radar developments that provided the basis, not only for defensive countermeasures (of value to reconnaissance and combat systems alike), but for offensive countermeasures as well.

CIA made the first serious attempt to measure the radiated power of radars for intelligence purposes in 1958 against the Soviet early warning radar known as Bar Lock. The system was considered a threat to the U-2 reconnaissance aircraft. Bar Lock signals were easily intercepted by a series of specially configured C-119 aircraft flights through the

Berlin air corridors. The Bar Lock project, while not entirely successful in power measurement, suggested solutions to many technical problems. It opened the way for additional collection and experiments and the development of new measuring equipment.

Precise knowledge of the radiation parameters of Soviet air-defense radars and SAM systems was needed to develop electronic countermeasures (ECM) systems to protect the Strategic Air Command's B-52 bombers as well as the OXCART reconnaissance aircraft being developed by CIA to replace the U-2. The OXCART program also needed information on the detection and tracking capabilities of the Soviet air defense system because the OXCART aircraft was being designed as a stealth aircraft. The trade-offs between stealth and flight performance of the OXCART created demands for precise ELINT data far beyond what could then be collected. CIA's Office of ELINT (OEL) created a new organization and special programs to develop new techniques that would go well beyond the routine monitoring of Soviet radars with the conventional ELINT equipment used by the National Security Agency and military services. The new CIA organization also established specific projects and developed laboratory-type instrumentation dedicated to measuring the exact radar radiation parameters needed by ECM and stealth design groups in CIA and Department of Defense (DOD). Full cooperation was offered at the highest DOD level, and arrangements were made to use military vehicles and ground sites as needed for specific projects.

During this early period, the capabilities of CIA's OEL to carry out power-pattern measurements were unique; there was no other comparable program in the US Intelligence Community or in the ELINT organizations of allied countries. Even the radar design-and-development laboratories had produced no similar self-contained airborne measurement systems. Because of OEL's unique capabilities, the US Air Force Air Proving Grounds Command and other groups arranged to use the OEL system to compare the patterns of simulated Soviet radars with those of the real ones operating in the USSR. One of the earliest benefits of this effort was that it revealed the Soviet's low-altitude radar coverage was far better than estimated. As a result, Strategic Air Command made changes to wartime penetration routes for its bombers. Another by-product of this activity was to incorporate electronic countermeasures into the OXCART aircraft's defenses to complement its speed and altitude advantages. Earlier in the OXCART program, designer Kelly Johnson and his team at Lockheed believed the OXCART's "stealth" characteristics (speed and altitude) were adequate SAM deterrents, but the power and beam measurements systems revealed the need for additional ECM equipment on the aircraft.

Similar efforts were directed against several different Soviet antennas to determine pattern measurements that would reveal their maximum beam power, total radiated power, the antenna gain, and variations in gain around the antenna. This intelligence discipline became important during the Vietnam War. Recorded antenna patterns were used to

develop guidance systems for new anti-radiation missiles designed to home on to and destroy target radars. The Wild Weasel program—deploying an aircraft specially modified to identify, locate, and suppress or destroy ground-based air defense systems that used sensors radiating electromagnetic energy—owes much to this capability.

By the time of the launch of early Soviet satellites, it was known that their missile and satellite telemetry data could be intercepted and used for assessing system performance. Over several years, this capability, FSI, approached in quality and sophistication the status of a major scientific discipline and produced intelligence that had a major impact on US government decisionmaking.

To put this massive CIA effort into perspective, a 1969 internal study on ELINT noted that, of all signals intercepted and data collected:

- Only 1 percent dealt with performance and characteristics of the Soviet missile programs; the other 99 percent dealt with ground control, electronic warfare, etc.;
- Of the total, only 5 percent resulted in reports of technical information of S&T value;
- 94 percent dealt with electronic order of battle;
- The remaining 1 percent were “unusual” signals.

Reconnaissance of Denied Areas

ELINT, the second example of CIA's contribution to an understanding of Soviet S&T capabilities, involved the development of overhead reconnaissance for technical collection, using both manned aircraft (the U-2 and the OXCART [A-11]) and by satellites, the CORONA and follow-on systems.

First, reconnaissance aircraft and then satellites had a profound impact on US strategic decisionmaking. The data derived from these systems gave decisionmakers access to information of great breadth and unquestionable objectivity. The pace of development was driven by the urgent demand from US leaders for both higher resolution and more rapid delivery of overhead imagery, and for more effective SIGINT.

In the 1970s, the improved reconnaissance satellite capabilities became an indispensable tool for monitoring arms control agreements. These overhead technical collection systems, referred to as “national technical means,” gave the US an excellent understanding of Soviet capabilities. DCI Richard Helms, in a 1978 interview with David

Frost regarding CIA's "triumphs" said, "The CIA was in the vanguard of that quantum jump in the use of intelligence derived from photographs, satellite electronics, overflights—a whole series of technological achievements."⁵

Developing the U-2

By early 1954, the threat associated with the growing Soviet nuclear capability and long-range bomber force received increasing attention by US policymakers. In response to a suggestion by President Dwight Eisenhower, a Technological Capabilities Panel headed by James Killian of the Massachusetts Institute of Technology was established to deal with the threat of surprise attack. The panel had three subcommittees, one of which—chaired by Edwin M. Land of Polaroid Corporation—focused on intelligence. Noting the difficulty of collecting intelligence within the USSR, the panel stressed the need to use science and technology to improve our intelligence "take."

Before this committee came into existence the US Air Force had a number of scientists and engineers from various universities and private industry helping resolve the problem of how to get better information on targets within the USSR. A number of these discussions focused on high-altitude reconnaissance aircraft. Such aircraft subsequently became one of the key recommendations of the Technological Capabilities Panel.⁶ The Panel's recommendation resulted in the investigation of several possible systems, ranging from the use of existing aircraft to the search for a new, high-altitude reconnaissance aircraft. One was a Lockheed-proposed system designed by Kelly Johnson, the CL-282 (hereafter referred to by its more commonly known name, the U-2). The Air Force initially rejected the proposal, viewing the U-2 as essentially a sailplane that did not meet the specifications for a military combat aircraft. By mid-August 1954, however, Land's subcommittee (called the Project Three Study Group) was enthused about the U-2's potential for reconnaissance missions. At the end of August, Land discussed the U-2 with DCI Allen Dulles's Special Assistant for Planning and Coordination, Richard Bissell. At the time, it was not clear to Bissell why he had been briefed. In retrospect, one can surmise that Bissell was the best Technological Capabilities Panel point of contact at CIA for several reasons: his outstanding professional credentials, his acquaintance with James Killian, and his direct access to DCI Dulles.

⁵ "An Interview with Richard Helms," *Studies in Intelligence*, 45th Anniversary Issue (Fall 2000), p. 109.

⁶ The Report to the President by the Technological Capabilities Panel of the Science Advisory Committee, Vol. II, *Meeting the Threat of Surprise Attack* (Washington, DC, 14 February 1955), p. 151. This declassified Top Secret report can be found in the records of the Dwight D. Eisenhower administration for 1952-61 in the Office of the Special Assistant for National Security Affairs, NSC Policy Papers, Box 16, Folder NSC 5522, Technological Capabilities Panel, Dwight D. Eisenhower Presidential Library, Abilene, KS.

By October 1954, the Project Three Study Group had drafted a complete proposal for a system based on Kelly Johnson's U-2 aircraft and wanted CIA to manage the program. Dulles discussed the concept with the Secretary of the Air Force's Special Assistant for Research and Development, Trevor Gardner. Dulles was reluctant to have CIA undertake the project, but the Project Three committee members took their case directly to President Eisenhower. Early in November 1954, Land and Killian met with the President to discuss high-altitude reconnaissance. Killian gave this account of that momentous meeting:

Land described the system using an unarmed plane and recommended that its development be undertaken. After listening to the proposal and asking many hard questions, Eisenhower approved the development of the system, but he stipulated it should be handled in an unconventional manner so it would not become entangled in the bureaucracy of the Defense Department or troubled by rivalries among the services.⁷

On 5 November, Land wrote the DCI urging that CIA undertake the U-2 project with Air Force assistance. Land stated that the committee believed the DCI must always assert first rights to pioneering in scientific techniques for collecting intelligence, choosing such partners as needed to assist in the projects.

At a meeting on 24 November attended by the Secretaries of State and Defense and senior Air Force officials, Dulles and Deputy DCI Gen. Charles Cabell put forth a new proposal: a request to undertake the U-2 project. It was to be sent to the President. Dulles received verbal authorization to send it forward and Eisenhower concurred with the program proposal emphasizing that the project was to be managed by CIA. The Air Force was to provide the assistance needed to get the U-2 operational. With the decision made to proceed with the U-2 project, Dulles and Bissell turned to Arthur Lundahl, Chief of CIA's Photo-Intelligence Division, who immediately developed an expanded capability to handle the U-2's imagery product. By summer 1956, the Photo-Intelligence Division was in "new" quarters—the Stuart Motors Building just off New York Avenue in Washington—and ready for the photography analysis from the U-2. The program moved rapidly forward, but the Air Force continued to try—unsuccessfully—to get agreement that it would run the project once the planes and pilots were ready to fly. Eventually, President Eisenhower stepped in and settled the issue; he did not want uniformed, armed forces personnel flying over the Soviet Union. The CIA would continue to manage the U-2 program.

With the U-2 operational in 1956, there were three intelligence problems of primary importance where gaps in our knowledge had serious national security implications. First was the longstanding nuclear threat posed by the Soviet Union, second was clear evidence

⁷ James R. Killian, Jr., *Sputnik, Scientists, and Eisenhower: A Memoir of the First Special Assistant to the President for Science and Technology* (Cambridge, MA: MIT Press, 1977), p. 82.

of a Soviet long-range intercontinental bomber, and third was the great uncertainty regarding Soviet progress in developing long-range guided missiles. There just was not much hard data on any of these problems.

Approximately 19 months after program approval, on 20 June 1956, the first operational U-2 mission flew over Poland and East Germany. Upon landing, the film was taken to the United States for processing. The pictures were considered to be of good quality. Later, on both 4 and 5 July 1956, the U-2 over flew the Soviet Union itself. A new era in reconnaissance had arrived. For the nearly four years following, the program provided an impressive amount of information to US analysts. One of the U-2's early contributions to US intelligence was the information it provided showing there was no "bomber gap." This meant the requirement to build an even larger US bomber force was not justified by the existing Soviet threat. Another major contribution of the U-2 program was to increase the capabilities of the US deterrent force. Overhead photos were invaluable in determining the precise location of targets and information on Soviet air defense systems.

The U-2 also provided imagery of the major Soviet missile test ranges, resulting in significant new information on the existence and status of Soviet missile programs and revealing several "surprises." One was the fact that the USSR's Tyuratam test range had a significantly larger launch complex than expected. Another revealed a very large research and development complex at Sary Shagan. Although it was previously suspected as a location for ABM research, US analysts were not prepared for its huge size evidenced by dozens of facilities—including large, heretofore-unknown radars—spread over an area approximately the size of New Jersey.

While the driving force behind the U-2 was to obtain imagery, its potential to collect SIGINT was also soon realized and the U-2 became a dual-use reconnaissance platform, capable of collecting both imagery and ELINT. Special ELINT carried on many missions allowed CIA to analyze signals from Soviet electronic defenses and obtain information important in developing countermeasures and in planning routes for possible US bomber missions might take if necessary.

Adding the OXCART

In the fall of 1957, a little more than one year after the U-2 began flying over the Soviet Union, Bissell called for an operations analysis that would begin the design of a less vulnerable airplane. The study indicated that supersonic speed greatly reduced the chances of detection, so the idea was to design a vehicle that could fly at extremely high speed at great altitude and that could incorporate the best radar-absorbing capabilities. Designers from both Lockheed Aircraft Corporation and the Convair Division of General Dynamics

set to work. Meanwhile Bissell, recognizing the magnitude and complexity of the project, assembled a small panel of distinguished scientists with Edwin M. Land as chairman to provide assistance. Over the next two years the panel met about six times, with the Lockheed and Convair designers attending some of the sessions. Assistant Secretaries of the Air Force and Navy, with technical advisors, also attended some of the sessions, and jurisdictional and bureaucratic feuds were reduced virtually to nil.

Late in November 1957, the panel agreed that it appeared feasible to build an aircraft meeting these more demanding requirements, and presented the findings to President Eisenhower. He approved the project and made funds available. Within a year, the two proposals (Lockheed's and Convair's) were complete and the President was again briefed. He gave final approval to the plans, paving the way for full development of an operational aircraft. The two proposals were submitted for review to a DOD/US Air Force/CIA selection panel on 20 August 1959. The panel selected the Lockheed design. In September, the Eisenhower administration authorized anti-radar studies, structural tests and engineering designs and on 30 January 1960 approved the production of 12 aircraft.

Manned reconnaissance made multiple contributions to US intelligence, primarily through photographic intelligence but also through ELINT. CIA developed two very different reconnaissance aircraft with unique and highly unprecedented capabilities. By-products were a very important aspect of the development: advances in aerodynamic design, engine performance, countermeasures, and so on. The product from these advances also produced the National Photographic Intelligence Center, established by the National Security Council on 12 January 1961. The new aircraft also laid the groundwork for the next and most significant new contribution to technical intelligence: satellite imagery.

CORONA and Satellite Film

CIA's participation in and successful management of the U-2 and OXCART programs resulted in its playing a similar role in the early satellite-film-return program called CORONA. Following a presidentially directed review of satellite reconnaissance in December 1958, Killian and Land assumed key roles in advocating future satellite reconnaissance. Killian, then President Eisenhower's new Special Assistant for Science and Technology and Chairman of the President's Science Advisory Committee, and Land met with the President on 7 February 1958. Eisenhower agreed to proceed with a film-recovery satellite as a separate, covert project to be run in a manner similar to that of the U-2. CIA's Richard Bissell would again serve as project manager, assisted by elements of the US Air Force.

The CORONA program, which began as a short-term, interim system, suffered through adversity in its formative years, then survived in glory throughout almost a decade. The technological achievements engineered in it advanced satellite reconnaissance efforts in eight years from a single panoramic camera system having a design goal of twenty to twenty-five feet ground resolution and an orbital life of one day to a twin-camera panoramic system producing stereophotography at the same ground resolution, to a dual-recovery system with an improvement in ground resolution to approximately seven to ten feet, with double the film payload. Finally, with the J-3 system, CORONA had a constant-rotator camera, selectable exposure and filter controls, a planned orbital life of eighteen to twenty days, and was yielding nadir resolution of five to seven feet.

CORONA progress was marked by a series of notable firsts: it was the first to recover objects from orbit, the first to deliver intelligence information from a satellite, the first to produce stereoscopic satellite photography, the first to employ multiple reentry vehicles, and the first satellite reconnaissance program to pass the 100 mission mark. By September 1964, CORONA had photographed all 25 of the Soviet ICBM complexes then in existence. Its value to US intelligence is epitomized by the fact that the Intelligence Community could, with confidence, make the following statement in a 1968 intelligence report: “No new ICBM complexes have been established in the USSR during the past year.”⁸

CORONA also played a critical role in regional crises. For example, CORONA's coverage of the Middle East during the June 1967 Arab-Israeli war was invaluable in estimating the relative strengths of the opposing sides after the short combat period. Again in 1970, CORONA was called on to provide proof of Israeli-Egyptian claims with regard to cease-fire compliance or violation. CORONA was also critical in continuous monitoring of Cuba, Cubans in Angola, and Vietnam. Because Soviet arms and practices were a common theme in each instance, the information that was gleaned about Soviet systems for strategic purposes—which included the Soviet missiles in Cuba—often had tactical benefits as well.

Most important, CORONA lifted the curtain of secrecy that screened developments within the Soviet Union and China (and their allies such as Cuba and North Korea), explored and conquered the technological unknowns of space reconnaissance, and opened the way for even more sophisticated follow-on space systems. This pioneer program in satellite reconnaissance deserves a special place in history, for it provided confidence in the ability of US intelligence to monitor Soviet compliance that enabled President Richard Nixon to enter into the Strategic Arms Limitation Talks and later to sign the Arms Limitation Treaty.

⁸ Kevin C. Ruffner, ed., *CORONA: America's First Satellite Program* (CIA History Staff, Center for the Study of Intelligence, Washington, DC, 1995), p. 37.

Analytic Issues and Capabilities

By the late-1950s, the number and scope of major technical intelligence challenges facing the Agency had grown immensely. Concerns emerged about Soviet technological advances, the testing of Soviet thermonuclear weapons and, increasingly, Soviet ballistic and defensive missile developments and the Soviet space challenge. A primary response by CIA was to establish close relationships with contractors deeply involved in similar US programs, such as the Livermore and Sandia National Laboratories and various private corporations, notably TRW Incorporated. Each relationship entailed unique arrangements that allowed unusually broad access to intelligence information, wide contractor latitude in the definition of studies performed, and the inclusion of a broad tutorial role for the contractors in enhancing the capabilities of CIA analysts. These connections played a large role in developing unique technical intelligence capabilities within CIA itself.

US analysts of weapons systems, in addition to seeking help from the academic disciplines of science and engineering, had several core capabilities that set them apart. They were subject-matter experts, thoroughly familiar with programs of the type they were to assess, such as radar, aircraft, ICBMs, or nuclear weapons. They maintained close ties to US industry and its research and development activities. Thus, when looking at new or unfamiliar Soviet programs, they could draw on overall US experience or on relevant Soviet experience and bring insights from US development processes for similar weapons capabilities.

In addition, technical analysts were adept at team-research management. Just as it took many collectors to provide data on a specific Soviet system's characteristics, it took many technical specialists to compile all of the characteristics for a single weapon system. In the case of the Moscow Anti-Ballistic Missile system, for example, dozens of analysts were involved in assessing acquisition and engagement radars, interceptor vehicles, nuclear warheads, launchers, and command and control systems. Analysts had to be innovative and given to "out of the box" thinking as they confronted complex programs being developed by an adversary striving for technological surprises and also trying to not only minimize the information available to US analysts but to mislead them if possible.

The analytical issues addressed by the S&T encompassed the discovery and assessment of hundreds of weapons and technology programs during the course of the Cold War. Many were controversial within the Intelligence Community, as four decades of declassified NIEs illustrate. Here are some examples that give a sense of the variety of the topics and challenges Soviet developments provided US analysts:

- **SS-8:** Determining whether it was a new large missile or one smaller than the SS-6.

- **SS-9 MIRV:** Determining whether the multiple warheads on the SS-9 could be independently targeted, as well as the implications of a first strike against the US missile deterrent.
- **SS-18 throw-weight:** Assessing to what extent the large throw-weight would allow payload fractionation (additional Multiple Independently Targetable Reentry Vehicles MIRVs) without reducing the counter-silo capabilities of a single MIRV.
- **SS-NX-22:** Determining the target-discrimination capability, reaction time and effectiveness of an advanced antiship missile intended for use against US surface combatants.
- **Nuclear yields:** Assessing the results of weapons tests and correlating the size and yield of the device with a strategic delivery system.
- **SA-5 high-altitude capabilities:** Determining whether unusual tests of the SA-5 portended an ABM capability.
- **Range of the Backfire bomber:** Determining the extent to which the Backfire presented a threat against the continental US.
- **Foxbat radar:** Assessing the acquisition range and antijamming capabilities of the MIG-25 system.
- **Alpha-class submarine:** Assessing the capabilities of the world's fastest and deepest diving new submarine.
- **ASW detection technology:** Determining the extent to which ship-born acoustic sensors or bottom-laid arrays and their associated signal-processing capabilities would permit the location or tracking of US submarines.
- **Soviet reconnaissance satellites:** Determining the resolution capabilities of imaging satellite systems.
- **BMEWS battle management capabilities:** Analyzing whether the ballistic missile early warning radars being built on the periphery of the USSR possessed additional, sophisticated capabilities that might facilitate the accelerated deployment of a future ABM system.

- **Enigmas:** Identifying bafflers such as the “Caspian Sea Monster,” a huge and strange-looking seaplane under development that turned out to be a giant surface effects system that rode over water on a cushion of air.⁹
- **Collection target planning:** Deciding where to place collection devices for the most effective gathering of sensitive information.

Analysts in the S&T were predominately focused on the qualitative aspects of Soviet strategic systems. Using an array of data from diverse technical collectors, human sources, and occasionally open sources, they would derive the capabilities of weapons and model them on computers. In modeling flight vehicles, for example, new data would be incorporated—the telemetry from a flight test or new external characteristics from photography—and the models refined until they conformed as closely to observed test results as possible. It became possible, for example, to run simulations of Soviet weapon system performance using data inputs collected from the Soviet’s weapons systems themselves. Eventually, high confidence statements about a system’s performance and limitations could be derived for use by US policymakers.

Differing Judgments

CIA’s technical intelligence and analysis were not without controversy. They were subject not only to differing interpretations of the same facts but to interagency “feuds” over who was responsible for reporting what. The military, understandably, was not altogether taken with CIA’s technical intelligence efforts insofar as they addressed military matters. For its part, the Agency established a number of panels consisting of the S&T experts from World War II to oversee its activities and conclusions. These panels, as well as other Intelligence Community panels charged with the coordination of diverse community views and chaired until the late 1970s by CIA officers, played an important role in enabling the Agency to exercise its “central” role in intelligence. During the long Cold War, many contentious issues regarding Soviet weapon-system appraisals emerged as the result of differing outcomes of technical intelligence efforts by the various Intelligence Community members. Foreign weapons appraisals and technical intelligence collection initiatives associated with them were often contentious. Differences most frequently arose between the Agency and the military service responsible for providing intelligence on the weapon system involved. CIA considered itself to be “objective” and “unengaged” in its analysis and was inclined to ascribe extraneous motives to the service involved. From their point of view, the services saw the Agency analysts as ill informed concerning military realities. Neither was entirely wrong.¹⁰ The fact is, CIA’s central role in intelligence did not

⁹ Although it took many years to resolve, by the late 1960s we were able to conclude that the Soviets had two different classes of such vehicles being studied.

make it the dominant player in these technical intelligence efforts. Any appraisal of the Agency's contribution to understanding Soviet technical capabilities and programs must take the military view into account. Nevertheless, it should be clearly understood that despite this general contentiousness, the Intelligence Community as a whole made a large contribution to intelligence achievements in characterizing Soviet technical capabilities and programs.

The SS-8 Controversy

One example of how the Intelligence Community handled strong differences of opinion is that involving the Soviets' SS-8 ICBM. Was it a new, large missile or a missile smaller than the SS-6? In February 1961, the Soviets began testing a new ICBM, followed in April with yet another new ICBM. The Intelligence Community quickly assessed the first—designated SS-7—as smaller and more portable than the SS-6, and using “storable” propellants. The second new missile, designated the SS-8, almost immediately posed a dilemma. One group, primarily the Department of Defense, hypothesized that the SS-8 must surely be a move to develop a missile larger than the SS-6. The other group, particularly CIA, could reach no firm conclusion regarding the missile. Over the next two years, many hours were spent evaluating the telemetry, trajectory data, and optical data collected during reentry. This data, as interpreted by some analysts, seemed to support the “big missile” theory. Other analysts, led by CIA, continued to note additional data suggesting a smaller vehicle.

The issue regarding the size of the SS-8 was potentially momentous. Nikita Khrushchev, the Soviet premier, had stated that the Soviets had an ICBM that could carry very large bombs. The only candidate at this time was the SS-8. A July 1962 NIE (NIE-11-8-62) said that information was “inadequate to determine whether the missile employed is even larger than the SS-6 or whether it is smaller than the SS-7.” By early 1963, the Intelligence Community had reached a standoff, and a Memorandum to Holders (of the previous estimate) stated the SS-8 could either be:

- A small ICBM with a warhead of about 3,500 pounds (near SS-7 size), or;
- A large ICBM with a warhead of about 17,500 pounds (nearly three times the size of the SS-6).

¹⁰ Although there are few independent CIA technical reports available—most are subsumed in broader estimates of the 1960s and 1970s—S&T analysts always had final approval of performance and characteristics judgments contained in those estimates.

During the next six months, three major meetings convened to examine the pertinent intelligence data in minute detail. The first meeting, held under the auspices of the Guided Missile and Astronautics Intelligence Committee of the US Intelligence Board, met for three days in Huntsville, Alabama, but could not resolve the issue. The second meeting, held in the summer of 1963 in Los Angeles, was chaired by Marvin Stern and consisted of a group of five other eminent civilian scientists. After a week of detailed reviews, the panel arrived at conclusions that “began” to resolve the issue. The panel members said they did not believe the SS-8 was as large as the Air Force suggested, even though they agreed that a Soviet requirement for a large vehicle probably existed. They also cited indications the payload could be only 4,000-5,000 pounds.

The third meeting took place in September 1963 with the Hyland Panel (chaired by Dr. Lawrence Hyland, General Manager of the Hughes Aircraft Corporation), a group that had been advising the DCI for a number of years. Its session was timed to occur just before formal consideration of a new strategic weapons estimate. The focus of the meeting again was the SS-8. Stern briefed the panel (using his own panel’s report), the Air Force, CIA, and other agencies. The result was concurrence by the Hyland Panel in the finding that the SS-8 was small. The Army, by now, had also decided the SS-8 was small, and the forthcoming estimate reflected these views. But there was not unanimity. Thus, in October 1963, the next NIE (11-8-63) stated, “We believe that the SS-8, which we previously considered might be a very large missile, is comparable to the SS-7 in payload capacity.” The Air Force and the Defense Intelligence Agency (DIA), however, did not concur and had a footnote placed in the estimate indicating their view that no confident determination regarding the SS-8’s delivery capabilities could be made at that time. They said available evidence did not permit excluding the possibility that the SS-8 might carry a nose-cone of 10,000 pounds or more.

The SS-8 controversy began to die down in the preparation of the 1964 estimate. While both the Air Force and DIA continued with essentially the same argument, the issue was “put to bed” when the Soviets introduced a new ICBM in the October Revolution parade in November 1964. A comparison of the size and shape of the “new” ICBM, called SASIN by NATO, made perfectly clear both that it could only be the SS-8 and that its reentry vehicle weights could only be between 3,000 and 4,000 pounds. The “big missile” advocates acknowledged the evidence, and the next NIE (11-8-65) and all subsequent estimates indicated no disagreement regarding the size of the SS-8.

SAM Upgrade

In the period from 1969 until the signing of the ABM Treaty in Moscow in 1972, the Intelligence Community faced yet another challenge: that the Soviets might somehow give ABM capabilities—through SAM “upgrade”—to their extensively deployed air defenses

and thereby significantly affect the strategic balance between the United States and the USSR. CIA's view on this likelihood was expressed in fairly straightforward and simple terms in NIE 11-3-71 of 25 February 1971:

The Soviets for years have demonstrated conservatism in assessing their own defense requirements and in designing systems to meet those requirements. With this conservative outlook, conscious of the shortcomings and ephemeral nature of any defense which SAM systems might provide against missiles, and uncertain about the effects of being detected in a treaty violation, Soviet leaders are unlikely to view the upgrading of SAMs as a viable means of altering the strategic balance.

Although the inherent ABM potential of Soviet SAMs might be utilized *in extremis* in an effort to reduce the destruction caused by a US missile attack, the uncertainties involved in such a step—even with upgraded SAMs—make it very unlikely that the Soviets would adopt this procedure. In view of these considerations, we believe that a program of SAM upgrading for ABM defense is not likely to be undertaken by the Soviets.

The most immediate problem posed by a SAM upgrade in negotiating the existing ABM treaty hinged on the matter of verification.¹¹ How could the United States be assured that the Soviets were not evading compliance with treaty limitations by upgrading their SAM systems to provide an ABM defense beyond the levels allowed? This was the challenge for CIA, which looked hard at its ability to detect signs of a SAM upgrade through national technical means of verification. In particular, CIA was convinced that it could detect both the testing of SAM systems in an ABM mode and any significant change in operating radars or in the patterns of deployment. CIA's beliefs were challenged, however, when the limits of its knowledge of the SA-5 system were raised. Since the United States had not identified a single signal intercept from the SA-5 radar, conclusive proof that the system had no ABM capabilities could not be stated with certainty. This became increasingly important as its deployment was approaching 100 complexes throughout the Soviet Union.

Verification that a SAM upgrade was not occurring became an important consideration in the initial US arms-limitation proposals. In the course of the negotiations that led to the ABM treaty, both sides had to undertake “not to give missiles, launchers or radars other than ABM interceptor missiles, ABM launchers, or ABM radars [any] capabilities to counter strategic ballistic missiles or their elements in flight trajectory and not to test them in ABM modes.” The belief that CIA could monitor compliance with such an undertaking rested in its concept that no country would be willing to risk its fate when it had to rely on

¹¹ It is important to understand that the role of the Intelligence Community was to *monitor* activities related to treaty compliance; *verification* was a political determination that factored in the results of monitoring.

an untested defense. Thus, CIA argued that it would detect evidence of the Soviet test programs necessary to prove the effectiveness of upgrading SAM systems for ABM purposes if the Soviets intended to deploy and rely on such a defense.

Summary and Conclusions

The growth of CIA's scientific and technical intelligence effort produced a remarkable change in collection and analysis procedures. CIA gradually developed the organization, capabilities, and talent to identify the intelligence questions that had to be answered, to establish the data essential to answering these questions, to define ways to capture the data, and to process the data so that analysts could have hard facts in helping them resolve the problem at hand. Developing these capabilities constituted CIA's greatest contribution to US understanding of Soviet technical capabilities.

Without diminishing the contributions of the National Security Agency, the military services or the national laboratories, two developments that can be credited primarily to CIA's DS&T were of seminal importance to the assessment of the Soviet strategic threat. The first is the creation of both airborne imagery collectors and space-based imaging satellites. The second is the art of signals analysis (specifically radar systems emissions and FIS). Both were critical to addressing policymaker questions of how many, how capable, and where located. Ultimately, they made arms control agreements feasible.

First, the U-2 photography, then satellite imagery provided sufficient breadth of coverage to locate and count Soviet strike forces with relatively high confidence. Data from imaging satellites provided the basic order-of-battle inputs for the calculus of deterrence, the fundamental military strategy used by the United States during the Cold War. As film-return satellite systems were phased out and near-real-time systems introduced, the United States became increasingly confident of its ability to discern major Soviet military buildups and to give warning to policymakers and US commands. The ability of the United States to minimize the likelihood of the Soviets inflicting a "Pearl Harbor" brought with it an era of international stability despite the large numbers of nuclear weapons possessed by both sides. Thus, major strategic rivals armed with vast nuclear capabilities were able to coexist—in conflict without combat—during half a century of political and economic competition.

Telemetry and performance-measurement analysis is an arcane art form, and nowhere was it practiced more imaginatively than in CIA's S&T. It was the most productive of the sources needed to assess the qualitative capabilities of aerospace vehicles. The Soviets never understood the extent to which the S&T excelled at this. As a result, from performance data collected on a wide array of flight systems came the analysis of range, fuel utilization, maneuverability, throw weight, MIRV potential, and other answers to the

question of “how capable.” The results were used to design US countermeasures, to calculate deterrence in qualitative and not just numerical terms, and to construct the qualitative constraints of arms limitation proposals.

In general, it can be said that CIA's contributions in producing intelligence on Soviet technical capabilities and programs came not just in the form of reports on those topics but, more important, in providing leadership in building and operating the range of capabilities that enabled such reporting. Most of the critical questions regarding Soviet systems were answered. CIA contributions were successful enough to enable the negotiation of strategic arms limitations relying heavily on the US Intelligence Community to monitor compliance with their provisions. The trust of the national security elements of the US government in the ability of the Intelligence Community to do this job is a testament to the value of the contribution it made.

A final note by the author: CIA may not have had all the details of every Soviet development right, but, writ large, I believe CIA and the Intelligence Community did a good job. The question remains whether this contribution, however successful, made any difference in a larger sense to the outcome of the Cold War. I don't know exactly how it affected the outcome, but it should be noted that the United States did not blunder into nuclear war because of ignorance of Soviet technical capabilities.

In my opinion, CIA gets high marks, not only for what it learned about what the Soviets were doing but, perhaps more important, for putting in place a key national asset of integrated scientific and technical intelligence collection and analysis. This is not to imply that CIA's success was achieved in isolation. It could not have been done without the support and cooperation of the military services, other government agencies, and industry. CIA's early partnership with the US Air Force was especially important in this regard and set a precedent for later cooperation.

I believe strongly that something special was achieved at CIA for the nation during the Cold War with respect to S&T collection and analysis. All who took part are to be applauded for their efforts. But if you were to ask me about CIA (and the Intelligence Community's) capabilities to do the same today, I would have to say the end of the Cold War has ushered in the atrophy of a once-unique capability. I do not believe we could do it again without a major redirection of focus and resources. Much of the capital—human and otherwise—has been depleted.

The end of the Cold War was truly the end of an era. Many of the capabilities have been dismantled, the collection priorities—and resources to meet those priorities—have shifted, and even though we continue to make technical breakthroughs to collect information against hard targets like terrorism, drugs, and weapons of mass destruction, we no longer

have the large, reconstitutable, all-source, government-industry analytic capability that made the results of scientific and technical collection and analysis of Soviet capabilities a valuable source in the winning the Cold War.

The fragmentation of our former unique, critical capability with respect to FIS analysis is a good example. Former Secretary of Defense William Perry recently endorsed the statement, “A continuing decline in Foreign Instrumentation Signals collection, processing and analysis capabilities will have a negative impact on US weapons design, combat effectiveness, survivability, defense policy, and treaty monitoring well into the next century [sic].”¹²

Returning to the era of the Cold War, however, I believe one can sum it up by saying that the country that may have had the most effective human intelligence capability lost the Cold War to the country that had the best technical collection and analytic capability, and CIA was a leader in this area.

Discussant Comments

A panel moderated by Gerald Haines, then-Chief Historian of the Central Intelligence Agency and former Chief of the National Reconnaissance Office's history program, discussed Clarence Smith's paper and provided views on CIA's analysis of Soviet science and technology issues during the Cold War. The panelists were R. Evans Hineman, Vice President for Intelligence at Litton Industries and former Deputy Director for Science and Technology at CIA, Julian Nall from the Institute for Defense Analysis and former National Intelligence Officer for Science and Technology, and Frank N. von Hippel, Professor of Public and International Affairs at Princeton University.

R. Evans Hineman discussed the Directorate of Science and Technology's analysis of the Soviet ICBM force and its counterforce capabilities against the US Minuteman and Titan systems and the Soviet development of the Backfire bomber. According to Hineman, determining the accuracy, as well as the numbers of independently targetable reentry vehicles, and the warhead yield capabilities of Soviet ICBMs was critical to US policymakers. Hineman outlined the effort by the Intelligence Community to answer policymakers' questions on these issues. According to Hineman, the Soviet ICBM—the SS-9—was a large vehicle, capable of delivering a large yield warhead across continents. SS-9 testing began in 1963 and the United States carefully monitored its guidance system, performance, and reentry vehicle performance. US intelligence data revealed that the SS-9 was optimized for “warhead packaging” rather than accuracy. In other words, according to Hineman, they were relatively blunt, large vehicles that would be affected by atmospheric

¹² Letter to the editor, William Perry, *Studies in Intelligence*, Vol. 43, No. 2 (1999), p. 91.

density, uncertainties, and unpredictable winds. US analysts believed from the data collected that the number of SS-9 missiles deployed was so small that only a fraction of the US force of Minutemen would be at risk. Hineman went on to point out that when Soviet testing of the SS-9 Mod 4 began, the potential existed for tripling the number of US silos at risk.

Hineman then outlined the differences that existed among the intelligence agencies and the military departments over the accuracy of the SS-9 and whether or not the SS-9 Mod 4 was a multiple independently targetable reentry Vehicle (MIRV) or simply a multiple reentry vehicle (MRV) system. With respect to the Mod 4, CIA took the position that the test data showed it was a MRV, not a MIRV, system. The US military, according to Hineman, disagreed. (Note: Hineman stressed that at no time did he see or sense any pressure on the analysts to bias the data.) He said the argument remained unsettled until the Soviets began testing the next generation of ICBMs in 1973. These missiles clearly had the capability to hit multiple, independent targets, had greater accuracy and MIRV capabilities, and posed a threat to US ICBM silos.

Hineman then contrasted CIA's and the US Air Force's analysis of the Soviet Backfire Bomber. Hineman argued that CIA's analysis, based heavily on technical data from Soviet test flights, showed the Backfire to be a medium-range bomber, not capable of intercontinental two-way bombing missions. The Air Force, according to Hineman, basing its analysis on imagery, claimed that the Backfire was an intercontinental, long-range bomber capable of reaching the United States. When in 1977 the Soviet Union began testing a new bomber aircraft called the Blackjack and resembling the US B-1, all parties agreed that the Backfire was intended as a medium bomber.

Hineman then discussed the Soviet space program. The Apollo Manned Lunar Landing Program of the Kennedy administration, he said, was launched in response to the Soviet space program. Hineman said the United States detected the construction of a very large launch facility at the Tyuratam launch complex in Kazakhstan and monitored Soviet progress on their large space booster rocket, known as the N-1. Hineman related how concerned American scientists successfully launched Apollo 8 in December 1968, several months prior to the failed first attempted launch of N-1.

Hineman claimed that US monitoring of the Soviet Zond program, which was designed to beat President Kennedy's goal to place a man in the vicinity of the moon, resulted in a NASA decision to fly Apollo 8 earlier than planned. Hineman also described how unmanned Zond flights 7 and 8 succeeded in circumnavigating the moon following the Apollo 9 lunar landing in July 1969.

The next commentator, **Julian Nall**, discussed the successes and failures of CIA's analysis of the Soviet ABM program following Nikita Khrushchev's boast in the early 1960s that the Soviets could "hit a fly in the sky." Nall briefly outlined CIA's collection efforts against Kapustin Yar, Tyuratam, Moscow, and Semipalatinsk. A U-2 flight, according to Nall, over Kapustin Yar and its down-range site Sary Shagan revealed a building that looked like a "chicken house over on the Eastern Shore of Maryland, except that it was 880 feet long." Nall explained that it turned out after much analysis that the building was an electronically sterical radar, subsequently dubbed Hen House by US analysts. U-2 photography provided excellent photographs that enabled CIA analysts to determine the actual physical characteristics of the Soviet equipment. According to Nall, US intelligence also used the moon to pick up ELINT radiation from Hen House.

Discussing Tyuratam, Nall stated that the Intelligence Community was looking for an ICBM site or an ABM system. When it tracked what was believed to be the launch of a Soviet antimissile system, CIA analysts discovered, after consulting with experts from Bell Telephone Laboratories, that what they were picking up in the collection data was the missile tank breakup as it hit the atmosphere and skipped along like "a flat rock on water."

Turning to Moscow and Semipalatinsk, Nall discussed how the Intelligence Community detected the so-called Dog House radar. Using satellite imagery, the Intelligence Community detected a huge facility near Moscow with a receiver 350 ft. long and about 300 ft. high, about the size of a 30-story building. It looked, according to Nall, like an A-frame doghouse and turned out to be part of an early warning radar system. Nall said that satellite imagery of Semipaltinsk provoked similar discussions and arguments among Air Force and CIA analysts regarding a possible ABM program as well as arguments over exactly what was being built. Nall stressed that having more detailed data did not usually end the debate.

Frank von Hippel, the final commentator, questioned the Agency's record on nuclear test ban verification issues. According to von Hippel, who praised CIA's verification of arms control agreements, the Agency and the Intelligence Community refused to believe hard evidence provided by academic seismologists that seismic wave transmission characteristics of the earth's crust under the Soviet nuclear test site at Semipalatinsk were quite different from those under the US-Nevada test site. This led the Reagan administration, von Hippel argued, to falsely accuse the Soviet Union of blatantly violating the test ban treaty provision forbidding the testing of high yield nuclear explosives over 150 kilotons. Von Hippel also claimed that the Intelligence Community misled the Clinton administration in 1997 when it accused Russia of conducting a nuclear test in Novaya Zemlya, its Arctic test site. In von Hippel's view, academic experts clearly showed that the readings were from an earthquake under the sea more than 100 kilometers from the test site. von Hippel concluded that the Intelligence Community's track record on test ban verification was mixed at best and that any future DCI should insist on external peer review of the Intelligence Community's analysis of nuclear test ban verification issues.

Chapter V

Estimating Soviet Military Intentions and Capabilities

Raymond L. Garthoff

From the outset, the highest priority question for CIA analysis was the role of military power in Soviet ideological doctrine, state policy, and organizational plans. By mid-1946, there was full consensus in the American policy and intelligence communities that Stalin and other Soviet leaders operated on the basis of belief in historically destined conflict between the Soviet Union and the United States and other Western countries. This was seen as an inescapable challenge requiring a firm response to contain Soviet expansionist tendencies and to deter a Soviet military threat. In short, there was a Cold War.

The question remained as to whether the Cold War would eventually lead to a “hot” war; some believed war was inevitable, while others did not. American political leaders wisely were prepared not to prejudge the answer by taking the initiative. But there remained the estimative questions for intelligence: Did the Soviet leaders intend to use their military power to launch an attack on the United States and/or Western Europe? If so, under what situations, when, and how? If contingently, under what conditions? If not, what were the roles of military power in Soviet foreign policy?

The question of Soviet intentions and attendant objectives was the fundamental element of threat assessment. Soviet military forces and capabilities to carry out Soviet leaders’ intentions necessarily constituted the second, but crucial element of that assessment. Soviet military strategy and doctrine for employing its forces and capabilities in support of their objectives and intentions was the third essential element of threat assessment. Finally, threat assessment needed to be made for both the near-term and the long-term. Judgments on Soviet near-term and ultimate intentions were constantly made, sometimes explicitly but more often assumed. Estimates of Soviet capabilities were the predominant focus of attention and received virtually all of the intelligence collection, analysis, and estimative effort. Discussion and conclusions on Soviet military strategy were sometimes addressed but most often implicitly and by assumption.

In all three respects, CIA and US national intelligence estimates and judgments were made not only in terms of the best, meaning “most likely,” estimates or validated findings, but also (or instead) on the basis of “worst case” judgments of Soviet leadership

intentions and state policy, military capabilities, and military strategy. The question of whether US policy should seek to deal with the most likely threat or the most dangerous and challenging threat was never posed directly. Basically, that was a judgment for US policymakers, not intelligence officers, to make. But intelligence professionals at times took on this responsibility by hedging, with a bias toward the most plausible worst-case threat. This was considered the most prudent course: an underestimate of the most threatening case could bring disaster and defeat, while an overestimate would (it was believed) only bring over insurance.

Implicit in this approach, though never explicit, was an assumption that we were dealing with an established objective, “given” Soviet intentions and capabilities, even if (as some would concede) we could only make our own subjective evaluation of intentions and hedged our estimates of capabilities. There was essentially and with rare exception no recognition that the underlying reality might be contingent and dynamic and at least in part reactive; that Soviet intentions, military programs to build forces and provide capabilities, and strategies for employment of these forces and capabilities could be significantly affected by US policies and actions (including our response to what we perceived to be the threat); and that, in fact, US intelligence assessments and their consequences in US policy and in military capabilities and strategy would influence the nature and extent of the very threat we were assessing. One reason for this blind spot was the tendency to see Soviet objectives, intentions, and capabilities as principally, if not exclusively, offensive.

In the late 1940s and early 1950s, especially after the outbreak of the Korean War in 1950, perceived Western military weakness led to intelligence evaluations of threatening Soviet military intentions. An internal CIA Intelligence Memorandum in August 1950, not coordinated with other intelligence agencies but circulated to them, stated that Soviet war readiness was such as to “suggest strongly that the Soviet leaders [believe that they] would be justified in assuming a substantial risk of war during the remainder of 1950.” Moreover, there was no hesitation in concluding that “the USSR is vigorously and intensively preparing for the possibility of direct hostilities with the U.S.”¹ The first CIA-drafted National Intelligence Estimate (NIE) on *Soviet Capabilities and Intentions* (NIE-3, 15 November 1950) reported that “There is, and will continue to be, grave danger of war between the USSR and its satellites on the one hand and the US and its allies on the other.” Further, the NIE warned that “the Soviet rulers may deliberately provoke such a war [‘general war with the Western Powers’] at the time when, in their opinion, the relative

¹ Intelligence Memorandum No. 323-SRC, *Soviet Preparations for Major Hostilities in 1950* (25 August 1950), p. 1. The memorandum (pp. 1, 2) noted “only one field” in which the Soviet Union was “relatively unprepared” for a major war in 1950: “The USSR will not be capable of a large scale atomic bombardment in 1950; however, the Soviets are capable of employing against the continental US the 25 bombs estimated to be currently available.” We now know there was no Soviet stockpile of ready weapons in 1950.

strength of the USSR is at its maximum. It is estimated that such a period will exist from now through 1954, with the peak of Soviet strength relative to the Western Powers being reached about 1952.”²

From 1946 until 1952, a series of estimates dealt primarily with the question of a possible Soviet intention to initiate war. A parallel series of estimates was made of Soviet military capabilities for attack on the United States and the West based on “worst cases,” usually postulated as one-and-a-half to two years in the future (a future that fortunately constantly receded, maintaining that same span), without addressing the likelihood of war. The separate estimates of intentions and capabilities raised dire possibilities of when the Soviet leaders *could* decide on war, but did not go so far as to estimate any time that such an attack *would*, in fact, occur.

NIE-3 had said that “at what point they [the Soviet leaders] will make a decision to launch a general war is not now determinable by Intelligence.” But it promised future reports. And NIE-15 on 11 December 1950 even posited that “The overall situation is such that the possibility cannot be disregarded that the USSR has *already* made a decision for general war and is in the process of taking steps preliminary to its inception.”³ Other NIEs from 1946 through 1951 stressed the threat of Soviet initiation of war, and it was not until NIE-48, on 8 January 1952 that CIA and the other intelligence agencies reached a cautious and qualified judgment in a near-term estimate that “on balance we believe it unlikely that the Kremlin will deliberately initiate global war during 1952.”⁴ This and several subsequent estimates introduced the somewhat reassuring formulation that the estimators believed “the Kremlin *prefers* to pursue its objectives through methods short of deliberate resort to war with the US and its allies.”⁵

Only by the late 1950s and early 1960s would it become possible to acknowledge straightforwardly that the Soviet leaders had security concerns and defensive and deterrent objectives in pursuing their military programs, including bolstering their offensive forces for deterrence. (Again later, as we shall note, as Soviet strategic offensive forces grew in the late 1970s and early 1980s, there was a renewed tendency to impute offensive *intentions* to increasing Soviet strategic offensive *capabilities*.)

² NIE-3, *Soviet Capabilities and Intentions* (15 November 1950), pp. 1-2.

³ NIE-15, *Probable Soviet Moves to Exploit the Present Situation* (11 December 1950), p. 1.

⁴ NIE-48, *Likelihood of the Deliberate Initiation of Full-Scale War by the USSR Against the US and its Western Allies Prior to the End of 1952* (8 January 1952), p. 1. Earlier, in 1951, the Director of Naval Intelligence had formally dissented from one guarded, equivocal estimate going so far as to say boldly that he believed it was “unlikely that the USSR will deliberately choose to precipitate or undergo the hazards of general war” in 1952. See NIE-25, *Probable Soviet Courses of Action to Mid-1952* (2 August 1951), p. 5.

⁵ *Ibid.* Italics added.

What about the role of CIA's analysis in the late 1940s and the 1950s? From 1947 until late 1950 the Office of Reports and Estimates (ORE) and, from November 1950 until 1973, the Office of National Estimates (ONE) drafted the estimates on intentions and (with inputs from the military intelligence organizations) the estimates on military capabilities, with few significant dissents from what were generally consensus appraisals.⁶

CIA analysis in the formative years of the Cold War was weak and not very influential. This also was true of the other US intelligence agencies and their influence. Although CIA—and its predecessor, the Central Intelligence Group (CIG)—had a voice in this formative period, the most important judgments on Soviet intentions were based on evaluations by policymakers, not their intelligence advisers. ORE-1, the first CIG estimate, was prepared in July 1946 as a contribution to the internal White House Clifford-Elsey Report to President Harry S. Truman on Soviet objectives (as was a Joint Intelligence Committee paper submitted by the Joint Chiefs of Staff as JCS 1696). But both had far less influence than George Kennan's "long telegram."

The intelligence submissions helped to consolidate a consensus that largely had already formed among policymakers by mid-1946. Later, ORE 60-48 was used, but probably was not influential, in preparing NSC 20/4 in November 1948, launching a number of covert operational programs directed against the Soviet Union. The key Cold War charter, NSC 68 in April 1950, referred only once to a CIA evaluation, and that was on a question concerning military capabilities (an agreed-upon CIA military estimate, somewhat inflated as it turned out, of the number of atomic weapons the Soviet Union was expected to have, including an ominous 200 by mid-1954, setting that up as a new year of anticipated greatest danger). On Soviet intentions, NSC 68 ignored the moderate CIA assessment that even acquisition of 200 atomic bombs would not necessarily lead the Soviet leaders to attack. (This sensible judgment had been dissented to by all the military intelligence offices and the intelligence bureau of the Department of State and was abandoned by CIA under pressure only two months later in a revised consensus estimate).⁷

⁶ A valuable supplement to the NIEs of the 1950s is a critical internal ONE retrospective analysis prepared by Abbott Smith, Deputy Chairman of the Board of National Estimates in those years: *A Study of National Intelligence Estimates on the USSR, 1950-1957*, undated [1958]. Although originally classified Top Secret, the document was declassified in 1992 but remains unpublished.

⁷ The estimate used in NSC 68, although not cited by designation number, was ORE 91-49, *Estimate of the Effects of the Soviet Possession of the Atomic Bomb Upon the Security of the United States and Upon the Probabilities of Direct Soviet Military Action* (6 April 1950); the repudiation of the estimate discounting possible Soviet attack was ORE 32-50, *The Effect of the Soviet Possession of Atomic Bombs on the Security of the United States* (9 June 1950). (The agreed estimate on numbers of Soviet atomic bombs, cited in NSC 68, was given in ORE 91-49, p. 11 and ORE 32-50, p. 2. This estimate of the Soviet atomic stockpile was, incidentally, soon revised upward to 245 bombs by mid-1954, in NIE-3, *Soviet Capabilities and Intentions* [15 November 1950], p. 4.)

From 1954 through 1960 there were comprehensive annual estimates concerning Soviet internal and foreign political, economic, and scientific and industrial policies as well as military affairs, each dealing with the forthcoming five years. NIE 11-4-54, *Main Trends in Soviet Capabilities and Policies, 1954-1959* (September 1954) was the first in this series.⁸ By this time, CIA had gradually developed political, economic, and scientific-technical research and expertise and was developing capacity in the military field. Nonetheless, the national estimates of Soviet military programs and capabilities continued through most of the 1950s to be based on contributions from the US military intelligence services, although modified by CIA drafters and the interagency process.

When CIA was established, there had been a general understanding that the Army, Navy, and newly established Air Force would exercise primary responsibility for military intelligence in their respective fields. Early Directors of Central Intelligence (DCIs), including Allen Dulles, and on into the 1950s, had accepted that division of responsibilities, although the DCI and CIA retained final authority for “national intelligence,” and the boundary between that sphere and the narrower areas of responsibility of the military intelligence services was not clearly defined.

NIEs represent an authoritative distillation of intelligence information and analysis, and provide estimates that forecast behavior and future forces and capabilities. This is true for all areas of CIA intelligence analysis but especially for military analysis. Much political, economic, and scientific-technical intelligence is conveyed through other intelligence reports, especially political intelligence through daily intelligence publications. CIA military analysis is also made available in other publications but especially in NIEs.

There were a number of errors in estimated Soviet military force projections in the 1950s, but these did not involve disputes within the US Intelligence Community, nor did they become public or policy issues. There was an underestimation of the growth of military expenditures in the mid-1950s; a substantial underestimation of Soviet military manpower—mainly ground forces—in the early 1950s; an underestimation of the Soviet medium bomber force from 1954 to 1957; and an underestimation of the availability of uranium and the extent of U-235 production in the mid-1950s (although balanced by an overestimate of the nuclear weapons stockpile in the critical very early 1950s). There were substantial overestimates of the growth of the Soviet submarine force in 1955-57; a Soviet aircraft carrier force in 1954-56; all-weather Soviet fighter interceptors in 1955-56; and Soviet military manpower in the late 1950s. Although most of these errors were introduced by the military intelligence services (except for the CIA estimate on military expenditures

⁸ Each was designated NIE 11-4 and the year issued; NIE 11-4-60 was the last in the series. Beginning with NIE 11-4-61 a new series with the 11-4 designator was devoted to aspects of Soviet military policy, as described later.

and shared responsibility for the erroneous early nuclear weapons stockpile estimates), they were accepted by all the intelligence agencies, including CIA, and the errors therefore became errors of national intelligence made by the Intelligence Community. None of them, however, had important influence on national policy.

Two developments in the last half of the 1950s were more consequential. A serious overestimation of Soviet heavy bomber production and a corollary overestimation of refueling tankers from 1955 through 1957 led to a public outcry over an alleged “bomber gap” to Soviet advantage, imperiling US superiority and security. The error was a compound of insufficient information on the current situation in Soviet aviation development and mistaken assumptions as to Soviet military “requirements” for the future. CIA originally joined the other intelligence agencies in accepting Air Force projections, but later, detailed CIA analysis of Soviet aircraft production facilities—information obtained from U-2 reconnaissance flights—and other technical intelligence led to deflating the feared bomber gap by 1958. Instead of the 700-800 heavy bombers projected from 1955 to 1957, the Soviet Union never fielded more than 150 (plus 50 others configured as tankers). In parallel, the large Soviet medium bomber force (much larger than initially expected) was, in US intelligence estimates, expected to enhance its possible intercontinental capability by aerial refueling from a tanker force estimated in 1954 to reach 850 aircraft by 1959 (even though the Soviet Air Force at that point had no experience in aerial refueling); as late as 1956 the estimate was 350-400 tankers by 1960-61.⁹ In fact, the Soviets did not acquire more than about 70.

The ‘Missile Gap’

By the time the “bomber gap” expired in 1958, concern over an even more ominous “missile gap” was brewing. The Intelligence Community had begun to get its first substantial intelligence on the Soviet missile development program in 1954 and 1955 from radar and other technical intelligence collection stations in Turkey, near the Soviet missile test range at Kapustin Yar. This supplemented information gleaned from returning German scientists and a few knowledgeable defectors and other sources. The first NIEs to estimate an initial operational capability (IOC) for a Soviet intercontinental ballistic missile (ICBM), issued from October 1954 to March 1957, were fairly close to the mark, all estimating an IOC in 1960-61.¹⁰ The errors in the “missile gap” period began in November-December 1957 in the somewhat panicked reaction to *Sputnik* (the first Soviet earth satellite, orbited in October 1957) and the first Soviet ICBM test of August 1957. The

⁹ These figures are all taken from the NIE 11-4 and 11-8 series from 1955 through 1958.

¹⁰ See NIE 11-5-54, *Soviet Capabilities and Probable Programs in the Guided Missile Field* (5 October 1954); NIE 11-12-55, *Soviet Guided Missile Capabilities and Probable Programs* (20 December 1955); and NIE 11-5-57, *Soviet Capabilities and Probable Programs in the Guided Missile Field* (12 March 1957), p. 3.

estimates of that period included very early IOC's of 1958 or 1959,¹¹ although the previously estimated IOC was closer to the actual deployment program's nominal IOC in 1961 (actually with less than the arbitrary IOC definition of 10 operational launchers).

The NIEs of late 1957 through mid-1961 presented overestimates of a Soviet ICBM buildup much greater and more rapid than the US program, portending a serious threat to the United States and its strategic retaliatory forces and bases, with another time of greatest danger seen in the early 1960s. Again, Air Force Intelligence led the way and most egregiously overestimated current and future Soviet ICBM capabilities, but State Department intelligence and Joint Staff intelligence went nearly as far. CIA took a high middle position, with Army and Navy intelligence estimating far lower levels. The problem was not in analysis of available information (except for the Air Force position), but uncertainties as to Soviet missile test results, missile production capabilities, and intentions to press maximum effort. The feared "missile gap" was dispelled when various intelligence sources, above all, satellite photography during 1961, clearly showed that the Soviet leaders had decided to wait for a more suitable second generation ICBM before deploying more than literally a handful of the bulky SS-6s. Some evidence earlier available was now given more confident interpretation, in particular a long hiatus in Soviet ICBM testing in 1958-59, which by 1961 was recognized as evidence of unresolved problems requiring further attention (as CIA, Army, and Navy had believed), rather than as a sign the Soviets had no problems and were already rapidly deploying (as Air Force had contended).

The main causes of the vast exaggeration of current and projected Soviet ICBM deployment from 1957 to fall 1961 were the absence of adequate intelligence information and assumptions that tended toward worst-case estimates—considered more prudent than optimistic ones. The worst for current and near-term estimates were in the early years; NIE 11-10-57 in December 1957 estimated 100 ICBMs deployed by mid-1959 and up to 500 by mid-1961—when the actual figure in 1961 was four! The greatest overestimate for the mid-1960s was in NIE 11-8-60 in August 1960, estimating up to 700 by mid-1963, but even NIE 11-8-61 in June 1961 still estimated up to 400 by mid-1964. There was a spread, with Army and Navy intelligence consistently estimating lower (and more nearly correct) levels than the CIA estimates cited above, and the Air Force consistently estimating much higher figures. The Air Force in December 1960 estimated up to 950 ICBMs deployed by mid-1964 and 1,200 by mid-1965, and in June 1961 still estimated up to 1,150 by mid-1965 and 1,450 by mid-1966.¹² In fact, Soviet ICBM deployment leveled off in 1963-65 at 209 operational launchers before beginning a buildup with third-generation ICBMs later in the 1960s. They did not reach the 1,450 estimated by the Air Force for 1966 until 1971.

¹¹ See NIE 11-5-58, *Soviet Capabilities in Guided Missiles and Space Vehicles* (19 August 1958), p. 3.

During the period of controversy over a “missile gap,” an unrelated issue arose over a different segment of the estimates of Soviet military power. In January 1960, Soviet leader Nikita Khrushchev announced a planned reduction in Soviet military manpower by one-third, from what he declared to be an existing level of 3,624,000. The current NIE (11-4-58; 11-4-59 had been delayed and was still in preparation) had estimated the level to be 4,325,000 men, not including an estimated 400,000 militarized internal security and border guards that Khrushchev probably was not counting. Nonetheless, some in CIA believed Khrushchev’s figure might be correct, and DCI Allen Dulles called for a Special National Intelligence Estimate (SNIE) to take a new and harder look at the evidence.

Although the subject was not intrinsically of high importance, Dulles’s action marked a new departure by taking a more active CIA role in estimating areas of Soviet military power heretofore left to the military intelligence services. Improving estimates of manpower involved revising estimates of many secondary elements of the Soviet military establishment (for example, drastically reducing estimates of Soviet coastal artillery). Of course, each of the services provided a contribution focusing on the manpower of its corresponding Soviet counterpart, and when they did, the combined figures were higher than the previous NIE submissions, enlarging the discrepancy between the US military services’ estimate and Khrushchev’s statement. CIA took a very active part in pressing the military intelligence services to justify their claims in detail, and in many cases they could not. To be sure, it was natural that the Air Force had focused on numbers of aircraft and the Navy on ships, rather than on numbers of personnel. The military manpower estimates of both were found to be greatly overstated. The Army had naturally paid more attention to manning, but while they had a good handle on order-of-battle by units, estimating actual manning levels beyond units in East Germany was usually based on weak evidence. In all services, the basis for estimating actual manning of most support units was thin.

In retrospect (based on CIA analysis in 1956 and 1957) it had become clear that, while an estimate of about 175 Soviet Army line ground divisions was probably sound, the actual strength of the Soviet armed forces (mainly in the army) had risen from less than 4 million in 1948 to nearly 6 million in 1952-53, and had then gone down again to around 4 million by the late 1950s. US intelligence estimates during the early and middle 1950s had varied only between 4 and 4.5 million, and estimates of Soviet Army ground force combat strength had been steady at 2.5 million throughout the 1950s. The upshot was a new estimate, SNIE

¹² See SNIE 11-10-57, The Soviet ICBM Program, and the NIE 11-4 and 11-8 series, 1958 through 1962. There is an excellent detailed review in the now declassified internal history of CIA in the Dulles years, written by a former Board of National Estimates member; see Wayne G. Jackson, *Allen Welsh Dulles as Director of Central Intelligence, 26 February 1953 - 29 November 1961*, CIA History Staff, HRP 91-2/1 Volume V, *Intelligence Support to Policy*, July 1973, pp. 39-138, at the National Archives and Records Administration, NN3-263-94-011. Here and throughout, I have followed the usual practice of referring to estimates of the numbers of ICBMs, or ICBMs deployed; strictly speaking, the estimates all referred to numbers of operationally deployed ICBM launchers. The numbers of ICBMs in the pipeline from production, or held in reserve, are not counted in the estimates.

11-6-60, prepared by CIA and concurred with by all the services, concluding that Khrushchev's 3.6 million men was "substantially correct." Moreover, the groundwork had been laid for more detailed intelligence collection and analysis by the Army and CIA leading to more refined and accurate estimates of the strength of Soviet divisions. Most of them were found to be not at the previously estimated average of 70 percent of strength, but overall averaging about half that level (with the closely observed divisions in East Germany being not typical, but among those maintained at a relatively high level of manning).¹³

From the early 1960s on, CIA had both trained analysts and much more extensive intelligence information to permit sharing fully in national intelligence estimates of Soviet military forces and capabilities. NIEs continued, for sound reasons of not getting too far ahead of the data, to project estimated future forces only five years ahead. CIA did, however—with Secretary of Defense Robert McNamara's approval—also participate with the military services (and, after 1961, with the newly created Defense Intelligence Agency [DIA]) in preparing intelligence projections of Soviet military forces for long-term Department of Defense planning purposes in an internal Pentagon series called the NIPP (National Intelligence for Planning Purposes), building on NIEs but looking some ten years ahead, although of course revised and updated annually. CIA also took part with the military intelligence services in preparing the annual NATO military intelligence estimates (SG-152 in the 1950s, later MC-161 series).

Throughout the 1950s, the NIEs drafted in ONE and CIA's internal analyses of Soviet military developments thus refined and improved estimates of Soviet military capabilities. As earlier noted, in the late 1940s and early 1950s national intelligence judgments on Soviet intentions with respect to the use of military power tended at best to make guarded, short-term estimates that deliberate initiation of war was unlikely and at worst to repeat solemnly that the Soviet leaders (usually the impersonal "the Kremlin," and never the very real Stalin) might decide to go to war at any time. The frequent short estimates on Soviet capabilities to attack usually sidestepped the issue by saying what Soviet military forces were believed to be capable of doing *if* they were launched in an attack. It was, of course, appropriate and necessary to estimate what the Soviet Union could do in case of general war. War was possible, and the estimates did not say it was certain. Nonetheless, in historical retrospect it is clear that too much attention was devoted to general war as a near-term possibility. By the mid-1950s that danger had receded from the forefront of concern, and most estimates focused more usefully on Soviet courses of action short of initiating war.

¹³ See SNIE 11-6-60, *Strength of the Armed Forces of the USSR* (3 May 1960); and Raymond L. Garthoff, "Estimating Soviet Military Force Levels: Some Light from the Past," *International Security*, Vol. 14, No. 4 (1990), pp. 93-116.

By the late 1950s, CIA carried further the proposition that although the Soviet leaders were adversaries with a hostile world view, they also were concerned with security and deterrence of war and not inclined to launch a war. NIE 11-4-58 in December 1958 stated that “the Soviet leaders will view large deterrent and other military capabilities as an essential support to their foreign policy and to the USSR’s status as a leading world power.” It further said it was probable that “in the Soviet view both sides are now militarily deterred from deliberately initiating an all-out nuclear war or from reacting to any crisis in a manner which would gravely risk such a war, unless vital national interests at home or abroad were considered to be in jeopardy.”¹⁴ Nonetheless, it also still stated that the USSR was seeking in the long run “to achieve, if possible, a clear military superiority.”¹⁵ There was no dissent in the Intelligence Community to that estimate.

By February 1960, in NIE 11-4-59 and NIE 11-8-59 (both issued after delays in coordination), reaffirmation of Soviet pursuit of a deterrent capability and belief in mutual deterrence was no longer balanced by an equivocal reference to seeking superiority. To the contrary, NIE 11-4-59 declared that “military power in the Soviet view should not be used recklessly to the hazard of the main power center of Communism. . . . The Soviet armed forces are intended in the first instance to deter attacks on the USSR and other communist states, and to insure survival of communist power should such an attack occur. . . . They are probably *not* intended for any consistent and far-reaching policy of outright military conquest.”¹⁶ That broke the consensus. The chief of Air Force Intelligence registered a vigorous dissent. He did not accept the existence of “mutual deterrence” (nor Soviet acceptance of it). He also contended that “Soviet forces are as likely to be intended for a “consistent and far-reaching policy of outright military conquest as for any other purpose.”¹⁷

NIE 11-4-59 deleted the previous judgment that the Soviets were seeking, “if possible,” a clear military superiority; it also declared that “they probably do not count upon acquiring, by *any* particular date, an advantage so decisive as to permit them to launch general war with assurance of success and under conditions which would not gravely menace their regime and society.” It went even further: “Moreover, even if the Soviets came to believe that they could win a general war, perhaps at a high but acceptable cost, it probably would not be their preferred course to initiate such a war. Instead, in view of their philosophy about war and politics, their preference would probably be to press home their advantage by political and psychological means. . . .” The NIE did flag the danger that the

¹⁴ See NIE 11-4-58, *Main Trends in Soviet Capabilities and Policies, 1958-1963* (23 December 1958), p. 28, and see pp. 55-56.

¹⁵ *Ibid.*, p. 28.

¹⁶ See NIE 11-4-59, *Main Trends in Soviet Capabilities and Policies, 1959-1964* (9 February 1960), p. 26 (italics added) and see pp. 4, 25-26, and 39; and see also NIE 11-8-59, *Soviet Capabilities for Strategic Attack Through Mid-1964* (9 February 1960), pp. 3-6.

¹⁷ NIE 11-4-59, footnotes on pp. 26 and 27.

Soviets might in such circumstances “overplay their hand and take actions that would in fact precipitate general war,” but it argued that “just as we exclude the deliberate initiation of general war from the policy alternatives the Soviets would adopt, we also exclude the witting assumption of serious risks of general war.”¹⁸ The Air Force again dissented, arguing that the Soviets were “vigorously attempting to acquire an advantage so decisive as to permit them to launch general war”¹⁹ This image of Soviet intentions with respect to their growing military power in the NIEs of the late 1950s, highlighted by the lone Air Force dissent, was a marked change from the jittery concerns expressed by CIA and the other agencies a decade earlier.

NIE 11-8-59 on strategic capabilities posited the goal of the estimated Soviet ICBM buildup to be “as large as Soviet planners deem necessary to provide a substantial deterrent and preemptive attack capability,” not decisive superiority. It did argue that the Soviets would “attempt to achieve a military advantage over the US” and would even consider it “desirable” if they could attain a decisive superiority, but also that they considered it necessary for such a buildup to avoid provoking a US preventive attack.²⁰

The Air Force dissented vigorously, arguing that the Soviet rulers would not be satisfied by a deterrent and contingent preemptive capability but were “endeavoring to attain at the earliest practicable date a military superiority over the United States which they would consider so decisive as to enable them either to force their will on the United States through the threat of destruction, or to launch such devastating attacks against the United States that, at the cost of acceptable damage to themselves, the United States as a world power would cease to exist.”²¹ This Air Force dissent reappeared in most NIEs on the subject for the next thirty years.

NIE 11-4-60 carried forward the new evaluation of Soviet intentions introduced in NIEs 11-4-59 and 11-8-59. Soviet military power overall, and long-range striking capability in particular, were said to be thought of and designed primarily for deterrence or response if deterrence had failed and *not* for “deliberate initiation of general war.” Moreover, “while communist doctrine injects hostility and conflict into Soviet policy, it does not propel the USSR toward war as the primary instrument of policy. Indeed, the Soviets’ fundamental belief in the inevitable movement of historical forces to their advantage leads them to prefer to avoid the risks of war.” Soviet recognition of mutual deterrence was reaffirmed, as well as continuing efforts to gain military advantage, but even if they attained a “clear military advantage,” their “preference would be to press it by non-military means, and to attempt to achieve their objectives without actually resorting to

¹⁸ *Ibid.*, p. 39. Italics added.

¹⁹ *Ibid.*, footnote on p. 39.

²⁰ NIE 11-8-59, *Soviet Capabilities for Strategic Attack Through Mid-1964* (9 February 1960), pp. 2 and 5.

²¹ *Ibid.*, footnote on p. 3.

general war.” Moreover, the judgment expressed in NIE 11-4-59 was reiterated, that the Soviets “probably do not count upon acquiring, at any foreseeable point in time, an advantage so decisive as to permit them to launch general war with assurance of success...”²²

Air Force Intelligence dissented again, five times, to the evaluations cited above, asserting not only that Soviet strategic programs showed “a definite intent by the Soviet rulers to achieve a clear military superiority at the earliest practicable date,” but also that “we are entering a very critical twenty-four month period in which the USSR may well sense it has the advantage. The Soviet leaders may press that advantage and offer the US the choice of war or of backing down on an issue heretofore considered vital to our national interests.”²³

By the end of a 24-month period there had indeed been a crisis, but one stemming from Soviet strategic military weakness, not strength, and ending with the Soviet Union, not the United States, backing down: the Cuban missile crisis. The actions of both sides in the crisis, however, reflected mutual deterrence. The long-term issue, whether the Soviet leaders were striving for a decisive military superiority and war-winning capacity, continued to simmer in Air Force footnotes of dissent but did not seriously arise again for a decade and a half, in the challenge of “Team B,” to be discussed later. For all practical purposes, the issue of basic Soviet intentions, while still relevant to current events including evaluation of risks, was no longer featured in NIEs in the 1960s and the first half of the 1970s.

NIEs had reflected and followed alarmed political evaluations in the late 1940s and early 1950s, spurred by the coup in Czechoslovakia, the Berlin blockade, and the Korean war. They had not been based on any concrete intelligence information of Soviet intentions, and judgments based on inference from communist ideology cut both ways. Later changes in estimates in the 1950s were also based more on changes in the international situation, the post-Stalin changes within the Soviet Union, and observed Soviet behavior rather than on specific intelligence about Soviet intentions with respect to use of military power.

Meanwhile, there was a definite, if gradual, improvement in the intelligence foundation for estimates of Soviet military forces and capabilities throughout the 1950s. CIA’s analysis advanced from building a database to evaluations based on more concrete information about weapon programs acquired from a wider array of sources, including intercepted communications (e.g., from tunnels into Soviet military communication lines

²² NIE 11-4-60, *Main Trends in Soviet Capabilities and Policies, 1960-1965* (1 December 1960), pp. 3, 4, 22, 23, 25, and 36.

²³ *Ibid.*, footnote on p. 3.

in the Soviet occupation sectors of Vienna and Berlin), radar intelligence on Soviet missile testing (e.g., from stations in Iran, Turkey, and Alaska), and U-2 photography of the USSR and other communist states—succeeded by satellite photography from the beginning of the 1960s on. Espionage provided some useful information but very much less than technical means of collection. CIA moved into a lead in most of these fields, but information from all agencies was generally circulated among the members of the US Intelligence Community (and to some extent with close allies, notably the United Kingdom).

Doctrine and Strategy

With respect to the third element of threat assessment—doctrine and strategy for the employment of military power—CIA and the NIEs lagged behind the assessment of intentions and capabilities. Recognition of deterrence and preparedness for defense of the Soviet Union, and of the “counterdeterrence” of Western military power and other Soviet political uses of military power to bolster an active foreign policy, were reaffirmed in estimates. And it was assumed from the outset and seemingly confirmed by the steady enhancement of Soviet and Soviet Bloc military forces in Europe that Soviet strategy from 1946 on had, should general war occur, been postulated as an all-out conventional offensive against the West in Europe (and possibly also in the Mediterranean and Middle East). There is now some evidence that Soviet war plans in the late 1940s called for a defensive posture in Europe, but even if valid, that may simply reflect a decision that war in Europe would occur only if initiated by a Western attack. In any case, by the 1950s Soviet and later Warsaw Pact military strategy called for an all-out offensive to the West in case of war, either by preempting a budding Western attack or by a prompt counteroffensive as soon as possible after rebuffing such an attack. We still lack today adequate information on Soviet intelligence evaluations of Western military intentions, capabilities, and strategy during the Cold War, but such evidence as is available suggests considerable exaggerations of Western bellicosity and capabilities, including planning for initiation of war. Soviet intelligence estimates, like those of the United States and NATO, were always predicated on initiation of war by the other side.

In the 1950s, beyond correctly seeing a Soviet strategic concept calling for an offensive military campaign in Western Europe, and probably incorrectly believing there was also a Soviet proclivity to prepare to launch a war if conditions seemed propitious, the estimates reflected little appreciation of Soviet doctrine and strategy. As noted earlier, when it was necessary to go beyond the evidence to estimate future “requirements,” there was a consistent tendency in the 1950s to underestimate numbers of Soviet medium range bombers and later missiles and to overestimate intercontinental bombers and missiles. From 1954, as *Badger* jet medium bombers began to enter the Soviet force, through early 1957, the NIEs estimated that the number of Soviet jet medium bombers would level off at

about 700 aircraft by 1958; yet by 1960 the actual number was more than twice that.²⁴ (The NIEs also continued long thereafter to underestimate the number that would be retained as the force gradually declined in size.) Similarly, the NIEs in 1959-61 greatly underestimated the number of Soviet medium and intermediate range ballistic missiles (MR/IRBMs) then being deployed. NIE 11-4-59 and 11-8-59 (both on 9 February 1960) and NIE 11-4-60 (1 December 1960) estimated the Soviet MR/IRBM “requirement” at 250 launchers, expected to be deployed by mid-1961, with that deployment then maintained. NIE 11-8-61 (7 June 1961) estimated the force then at 225 and believed it would level off at between 275 and 300 in 1965-66. NIE 11-8/1-61 (21 September 1961) raised the expected level to 350-450, to be reached in 1962-63. By the time of NIE 11-8-62 (6 July 1962), it was apparent from continuing construction of new sites that the total would be much higher, and it was expected to level off at 550-650 by 1965. Finally, in NIE 11-4-63 (22 March 1963), with about 600 launchers completed and 75 others under construction, it was correctly estimated that the total would top off in mid-1964 at some 700-750 launchers (in fact, it reached 709).²⁵

The problem with these estimates of Soviet medium bombers and medium range missiles was not primarily shortcomings in information, but error in estimating the Soviet view of their requirement for forces deployed to strike targets in Eurasia, especially forward-based US strike forces. Similarly, the erroneous assumption that the Soviet Union must be intending to build up a large aerial tanker force to enhance the weak intercontinental capabilities of the *Bison* and *Badger* aircraft was a case of projecting onto Soviet military planners the US view of priorities.

In fact, the whole series of failures to anticipate, and later to understand, the high Soviet priority given to what US estimators regarded as “peripheral” theater strike forces from the 1950s on was—in important measure—an example of “mirror-imaging,” albeit one that critics of that process have not recognized. This mirror-imaging underlay such statements as the admission by the authors of NIE 11-8-63 of “difficulty understanding the Soviet rationale” for the priority placed on building up theater forces for peripheral areas. The NIE lamely suggested this represented “an apparent lag” in strategic thinking. Of course, to the Soviet military and political leaders those potential theaters of war, with NATO and US forward-based nuclear strike forces deployed on their doorstep, were not “peripheral.”²⁶

²⁴ See NIE 11-5-54 (7 June 1954); 11-7-54 (17 August 1954); 11-4-54 (14 September 1954), the only one to estimate larger numbers than 800; 11-3-55 (17 May 1955); 11-7-55 (23 June 1955); 11-5-56 (6 March 1956); 11-4-56 (2 August 1956); SNIE 11-6-57 (15 January 1957); 11-4-57 (12 November 1957); and 11-4-58 (23 December 1958). For the corrected figures, see 11-8-59 (9 February 1960); 11-4-59 (9 February 1960); and 11-4-60 (1 December 1960).

²⁵ See the NIE 11-4 and 11-8 series from 1959 through 1963.

²⁶ See NIE 11-8-63, *Soviet Capabilities for Strategic Attack* (18 October 1963), p. 17.

There were later instances of failures, or divided views in the US Intelligence Community over whether certain Soviet military developments concerned peripheral theater missions or additions to intercontinental capabilities. The US propensity to give priority to the intercontinental balance was again a factor. In the early 1970s, the NIEs did not anticipate, but did observe and report, the deployment of some 310 variable-range strategic ballistic missiles—ICBMs in terms of inherent range capability but deployed with an orientation to targets on the Eurasian periphery of the USSR and replacing intermediate range missiles. The United States properly insisted that because these missiles had intercontinental range they must be counted in ICBM levels in the Strategic Arms Limitation Talks, and the Soviet side accepted the point without argument. But for other purposes it was relevant that their assigned mission be understood and made clear in NIEs. This was done, although there were divided views.²⁷

More significant, and more contentious, both in the US Intelligence Community and in strategic arms negotiations with the Soviet Union, was the controversy in the mid- to late-1970s over the Soviet *Backfire* (Tu-22M) medium bomber. Air Force Intelligence, sometimes joined by other intelligence services (and the Department of Defense in an interagency policy dispute over the arms negotiations) argued that the *Backfire* bomber had some intercontinental capability that could be enhanced, while CIA and others contended that it was most suitable for and would be deployed for peripheral theater missions (as it eventually was). There were other considerations, but the US propensity to judge such matters in terms of its own focus on the intercontinental strategic balance still obscured recognition of the Soviet view of its requirements for Eurasian theaters of operations. The same was true of the reaction of the United States and its NATO allies to the large-scale Soviet deployment of SS-20 IRBMs facing Europe in the late 1970s and early 1980s to replace the SS-4 and SS-5 missile deployments of the early 1960s.

There also was a persistent tendency to underestimate Soviet perceived requirements to provide air defenses against potential air attacks from the United States, NATO, and other countries in the Eurasian theater. Soviet air defense against putative US strategic air strikes was well understood, and naturally figured in US operational evaluations. US national intelligence estimates described Soviet air defense forces in detail and projected future forces reasonably well, but they focused on these forces primarily in the context of US strategic air power. Consequently, while finding Soviet air defenses extensive, the

²⁷ NIE 11-8-70, *Soviet Forces for Intercontinental Attack* (24 November 1970), pp. 17-18, and NIE 11-8-71 *Soviet Forces for Intercontinental Attack* (21 October 1971), p. 15, registered split views on the first 120 such SS-11s. All agencies agreed that the missiles had both intercontinental and Eurasian theater capabilities but disagreed as to which were “primary.” (CIA and DIA firmly believed they were primarily peripheral; others varied from regarding them as intercontinental to saying that their employment would be either.) By NIE 11-8-73 *Soviet Forces for Intercontinental Attack* (25 January 1974), pp. 3 and 10, the missiles were carried as ICBMs. The text, however, noted that these missiles (by this time, the final number of launchers was 310) had capabilities for either intercontinental or peripheral theater missions and were oriented for the latter. The total number of SS-11 missile launchers, including these 310, was 1,030.

intelligence estimators also found them consistently deficient in relation to US offensive air capabilities and were perplexed at the heavy Soviet investment in ineffective air defenses. From the Soviet standpoint, these defenses were being measured not only against the US Strategic Air Command (SAC), but also against the other air forces of the United States, NATO, and other countries deployed in Europe, the Mediterranean, the Middle East, and the Far East.

Later, the continued Soviet investment in air defenses ineffective against US strategic air forces and operational capabilities led some US estimators, especially in the Air Force and Department of Defense, to speculate (incorrectly) that such defenses as the SA-5 air defense missile system must have an antimissile capability, since its high-altitude range was not comprehensible given SAC's operational tactics.

Soviet development, and deployment near Moscow, of an antiballistic missile (ABM) system in the 1960s was reported. Although stated only as a potential development, widespread Soviet ABM deployment (up to 7,000 ABM launchers) was forecast in NIEs in the late 1960s, prior to Soviet agreement to the ABM Treaty in SALT in 1972, and to a protocol in 1974 banning all but a single ABM deployment area limited to 100 launchers (the existing Moscow system).

When the comprehensive 11-4 series of estimates on Soviet military policies and capabilities was discontinued in 1961, two new series were initiated, one on intercontinental attack capabilities (11-8), and one on strategic defense (11-3) (after 1974 combined as 11-3/8), in addition to several other new series on various military fields of activity. One was a new annual series (11-14) beginning in 1962 on *Capabilities of Soviet Theater Forces* (later titled *Capabilities of Soviet General Purpose Forces*, and from 1967 on, *The Soviet and Eastern European General Purpose Forces*). Naval theater forces were included, but an additional occasional series on other naval missions (11-15) was also instituted.

Soviet naval forces contributed to strategic offensive capabilities through submarine-launched ballistic missiles (SLBMs) and to strategic defense capabilities through antisubmarine forces, to counter US and NATO offensive missile submarines and aircraft carriers. These forces, were included in the strategic attack and defense estimates. The chief naval elements of strategic defensive and ocean-control forces were surface ships and submarine-launched cruise missiles (SLCMs).

Beginning in the late 1960s, the Soviet Navy acquired a new, third mission, in addition to contributing to strategic offensive and defensive forces and support of land theater campaigns: showing the Soviet flag in distant theaters. Although sometimes termed "distant force projection capabilities," the limited Soviet naval, marine, and air forces

capable of maintaining a presence at sea and at a few available foreign ports and bases were always more important as a presence in support of foreign policy purposes than as a potential combat force.

Soviet military involvement in the “third world” was limited mainly to military advisory personnel in conjunction with arms supply, although there were air and naval reconnaissance activities and important intelligence-collection bases for intercepting regional communications established in Cuba and Vietnam in the 1960s (as well as naval auxiliary ships contributing to that mission). Soviet Army and Air Force combat units were rarely based abroad (briefly in Cuba in 1962 and in Egypt in 1970-72). Soviet naval patrolling was maintained in the Mediterranean Sea from 1967 on, and on a sporadic basis in other oceanic theaters. NIEs occasionally examined Soviet military presence and other limited capabilities for projecting military influence in the third world, but chiefly in terms of Soviet foreign policy, rather than military policy.

In assessing the central Soviet concern for the military balance between Soviet and Warsaw Pact forces vis-à-vis the US and NATO, more attention began to be devoted to analyzing Soviet military doctrine and strategic thinking as, in the 1960s, estimates of Soviet capabilities matured. With the demise of the old comprehensive NIE 11-4 series, although some aspects of Soviet doctrine were raised in the new military series noted above, most discussion of Soviet military strategy and doctrine was found in a new 11-4 series, variably titled but usually denoted as dealing with “Soviet military policy.” The first of these, before the new numbered series was regularized, was SNIE 11-14-61, *The Soviet Strategic Military Posture, 1961-1967* (21 November 1961). It proceeded from the conclusion that the Soviet leaders saw their military power as a deterrent and a support to their foreign policy, but “their political outlook, their military programs of recent years, and intelligence on their current intentions, all suggest that the Soviet leaders do not regard general war as desirable or a Western attack on them as probable.”²⁸ The estimate stated that “such high-level discourse as we know about does not revolve around the question of alternative attack strategies and target systems which are at the center of US military attention.” Instead, it pointed out, the two chief contending schools of thought were divided into primarily military leaders who believed that despite nuclear and other new weapons, “general war is likely to be protracted ground combat on a mass scale,” and others who believed that “a general war is likely to be short, with victory decided primarily in the initial nuclear exchange.” The current official Soviet military doctrine at that time was described as an amalgam of both views. This high-level debate among Soviet military leaders and theorists was said to have been deliberately encouraged by the regime in order to spark original and creative thought. “As a result, strategic doctrine is a lively and argumentative field of professional study in the USSR today.”²⁹ And so it was.

²⁸ SNIE 11-14-61, *The Soviet Strategic Military Posture, 1961-1967* (21 November 1961), p. 1.

²⁹ *Ibid.*, p. 2.

NIEs do not as a rule indicate the sources of their information, and this was especially true in this instance because the source of extensive documentary material on which these statements were based was a still-active CIA spy in Moscow, Colonel Oleg Penkovsky. Although the drafters and chief coordinators of this Special NIE had the requisite *Ironbark* clearance for the documentary materials supplied by Penkovsky—principally Secret and newly initiated Top Secret editions of the Soviet General Staff's theoretical organ *Military Thought*—the SNIE did not refer to those materials directly and did not carry the restrictive codeword, thus permitting more widespread dissemination of the conclusions based on this material. Many of the judgments were similar to earlier ones; for example, that despite public statements that limited and local wars with the West would inevitably escalate into general war, such statements were “not necessarily to be taken as expressions of Soviet military policy.” The Soviet leaders would shy away from such limited engagements, and if involved would avoid escalation, while acting “to minimize the chance of escalation to general nuclear war.”³⁰ Remarkably, concluding that “the Soviet leaders do not regard war as desirable or a Western attack on them as probable”³¹ did not in this instance provoke dissent.

Although SNIE 11-14-61 was a useful step toward more discussion (based on having more intelligence data) of Soviet military doctrine in dealing with capabilities, it was not immune from several then-current errors noted earlier, notably, expressed expectations that the Soviet medium-range missile force would soon level off at much lower levels than it did in fact, and that numbers of medium bombers would drop much more sharply than they did. More important, it foreshadowed an underestimation of the Soviet ICBM buildup of the latter 1960s when it expressed the estimate that the ICBM force would reach “several hundred” in the period 1964-67. In fact, by mid-1967 the Soviet Union had nearly 700 operational ICBM launchers, and the number was rising rapidly. The worst error was arguing that “several hundred” would seem to meet their deterrent and retaliatory requirements. The NIE did not say the Soviets would stop at several hundred, but it implied as much, and did not suggest the force would continue to grow rapidly.³²

A number of NIEs (usually the 11-4 series) in the 1960s and 1970s continued to examine Soviet military doctrine and strategy, but more was done in CIA's Directorate of Intelligence (DDI) (and, on operational doctrine, in the newly established DIA). The analyses in the DI were usually circulated within the Intelligence Community but not beyond it.

³⁰ *Ibid.*, p. 3.

³¹ *Ibid.*, p. 2.

³² *Ibid.*, p. 7.

SNIE 11-14-61, in underestimating Soviet ICBM deployment in the late 1960s in a passing statement, was not in line with the basic NIEs on Soviet strategic capabilities at the time. The “missile gap” gross overestimates of 1959 to mid-1961 were greatly deflated in September 1961 in NIE 11-8/1-61, but even that estimate and NIE 11-8-62 in July 1962 continued to project somewhat higher current ICBM forces and still higher projected forces than were in fact acquired and deployed. The next estimate, NIE 11-8-63 (18 October 1963) was on the mark with its current and short-run estimates (for 1963 through 1965), but it estimated only some 400-700 ICBMs deployed by 1969;³³ the actual count was 858 in mid-1969. NIE 11-8-64 was much worse in its outyear estimates: it deferred the previous year’s estimates of 400-700 to mid-1970;³⁴ the actual number was 1,371 operational ICBM launchers. Even the usually higher Air Force dissent had been only 600-900. NIE 11-8-65 estimated between 500 and 800 ICBMs by mid-1970, and between 500 and 1,000 by mid-1975. The actual force in 1975, limited by SALT, was 1,601 ICBM launchers. These estimated forces, clearly far below what the Soviet Union would deploy, were based on the explicit assumption that the Soviets wanted “a satisfactory deterrent,” with no regard for other purposes of strategic military power.³⁵ NIE 11-8-66 was no improvement; again, while current and near term figures were accurate, future projections were far too low: 800-1,100 by mid-1971, and 800-1,200 by mid-1976. The actual figure by then was the SALT-constrained level of 1,601. The increased levels over previous estimates, although still far too low, were justified by assumptions that the Soviets would wish to have a deterrent plus some damage limitation and a buttress to Soviet foreign policy, while seeking also not to lead the United States to outmatch the increase in Soviet forces.³⁶ NIE 11-8-67, while somewhat better, estimated only 1,000-1,300 by 1972 and 1,000-1,500 by 1977 (the low side if the Soviets chose simply to match the US level).³⁷ NIE 11-8-68 still estimated 1,100-1,500 by 1978, and NIE 11-8-69 estimated at least 1,300; CIA declined to estimate a maximum, the military services set 1,800 as a maximum.³⁸ NIE 11-8-70 counted 1,371 currently (including 80 oriented against targets in the Eurasian periphery) and 1,565 (including 120 with peripheral orientation) in 1972. The estimate contained three alternative future forces in a spread—from 1,350 to 2,100—so broad as to be of little use, but at least the actual SALT constrained force of 1,601 fell within it.³⁹ NIE 11-8-71 also carried alternative projections, but by then the SALT I Interim Agreement of 1972 was taking shape, and there was no further increase in new ICBM launcher construction, so the size of the missile force was fixed.

³³ NIE 11-8-63, *Soviet Capabilities for Strategic Attack* (18 October 1963), pp. 13 and 32-33.

³⁴ NIE 11-8-64, *Soviet Capabilities for Strategic Attack* (8 October 1964), pp. 4 and 16-18.

³⁵ NIE 11-8-65, *Soviet Capabilities for Strategic Attack* (7 October 1965), pp. 11-13.

³⁶ NIE 11-8-66, *Soviet Capabilities for Strategic Attack* (20 October 1966), pp. 2 and 16-20.

³⁷ NIE 11-8-67, *Soviet Capabilities for Strategic Attack* (26 October 1967), pp. 3 and 12-13.

³⁸ NIE 11-8-68, *Soviet Strategic Attack Forces* (3 October 1968), pp. 2, 8, and 12-13; and NIE 11-8-69, *Soviet Strategic Attack Forces* (9 September 1969), pp. 4 and 9-11.

³⁹ NIE 11-8-70, *Soviet Forces for Intercontinental Attack* (24 November 1970), pp. 2 and 17-18.

CIA analysis supporting the NIEs was very important to the intelligence process, even though sometimes in error. It also helped establish a benchmark, or bounding parameters, even when other members of the Intelligence Community dissented. No agency had a perfect record, but CIA's record overall was good and probably the best in the Intelligence Community. Moreover, it was the least influenced by an institutional interest, especially in contrast with the military intelligence services.

CIA also played a special role in supporting policy during the most demanding Cold War crisis, the Cuban missile crisis of 1962. Although CIA had presided over a unanimous Intelligence Community NIE conclusion that the Soviet leaders probably would not deploy long-range missiles in Cuba—a serious error in a political estimate—CIA and SAC U-2 overflights did monitor the military buildup in Cuba and detected the medium-range missile deployment under way there before it could be completed. Throughout the subsequent crisis President John F. Kennedy and his National Security Council (NSC) “Ex Comm” relied on daily reports and briefings from CIA on all intelligence aspects of the situation, military as well as political developments. This support was very effective and was as complete and accurate as available evidence made possible. (There were errors of omission owing to gaps in information, but intelligence performance should not be judged on the basis of expectation of perfection.)⁴⁰

In other crises, such as the Soviet intervention in Czechoslovakia in August 1968, nonintervention in Poland in late 1980 and again in late 1981, and military intervention in Afghanistan in December 1979, CIA and the other intelligence services were able to monitor the buildup of Soviet forces but could not say whether they would be committed. Capabilities for intervention could be monitored, but the intentions of the Soviet leaders were not known. Intelligence monitoring of noncrisis developments in Soviet-Western relations also was stronger in observing actions than in divining intentions.

Although Soviet military power was mainly addressed to the central Cold War confrontation with the United States and its NATO and other allies, the sharp deterioration of relations with China from the late 1950s on compelled Soviet attention also to threat assessment and generation of military requirements vis-à-vis China. This concern was fortified as the United States developed relations with China throughout the 1970s. After clashes on the Sino-Soviet border in 1969 and through the early 1980s, the Soviet Union built up its forces facing China from 15 to more than 50 Army divisions, with a corresponding buildup in air force, air defense, and other forces and infrastructure. This expanded agenda of Soviet threat assessment required Soviet attention to potential

⁴⁰ For the most complete and up-to-date analysis of the performance of US intelligence in the crisis, see Raymond L. Garthoff, “US Intelligence,” in James D. Blight and David A. Welch, eds., *Intelligence and the Cuban Missile Crisis* (Portland OR: Frank Cass, 1998), pp. 18-63; and the same essay in *Intelligence and National Security*, Vol. 13, No. 3 (1998), pp. 18-63. This essay cites and uses declassified CIA DI studies of 1962-64 dealing with the missile crisis.

requirements for defense in multiple theaters of war and complicated their evaluation of requirements vis-à-vis the West. US military intelligence agencies and CIA monitored and reported on this range of developments in NIEs and other intelligence reports. This was a tangential, but not minor, aspect of US intelligence assessment of Soviet military power, intentions, and capabilities.

CIA also played a central role in providing intelligence support in the field of arms control and disarmament. Scientific and technical experts from the Atomic Energy Commission and outside laboratories played the main role in support of the earliest series of negotiations on a nuclear test ban in the 1950s and early 1960s. CIA and other members of the Intelligence Community played a more active role in supporting later negotiations, especially in SALT from 1969 to 1979, as well as later arms negotiations of the 1980s and early 1990s.

Even in the 1950s, CIA analysts briefed members of disarmament talks and participated in the first, brief but major negotiation, the “Surprise Attack Conference” in 1958. CIA drafted the first substantial National Intelligence Estimate on the topic of arms control and disarmament, SNIE 11-8-58, *The Soviet Attitude Toward Disarmament*, in 1958. It did not predict early serious Soviet negotiation, principally on the grounds of relative Soviet military weakness. But after “their position is further strengthened, especially through the advent of a substantial ICBM capability,” the estimate concluded, in the longer term “both foreign policy and security motivations may lead to growing Soviet interest in expanding the areas of serious disarmament negotiations.”⁴¹ This proved to be a prescient estimate a decade before SALT. It was equivocal, indeed somewhat contradictory (owing to the coordination process) in its judgment on whether the Soviets would seek eventual military superiority. Nonetheless, the Air Force Intelligence chief (correctly) believed the overall tenor of the estimate “suggests a Soviet willingness to curtail or limit the development of their capabilities to a level of deterrence rather than to seek the early attainment of an overpowering military superiority.” In his dissent, he wanted the estimate to say that Soviet acceptance of any limitation would only be entered into with the intention of “furthering their drive for world domination” and would “in no way lead them to lessen their efforts to achieve an overpowering nuclear delivery capability at the earliest possible time.”⁴²

⁴¹ SNIE 11-6-58, *The Soviet Attitude Toward Disarmament* (24 June 1958), pp. 2 and 5.

⁴² *Ibid.*, footnotes of dissent on pp. 2 and 5.

In the later SALT and subsequent negotiations, CIA provided support through coordination in Washington, provided representatives on the US delegations, and later chaired an interagency arms control intelligence staff. CIA also took the lead in helping develop policy positions on verification requirements, on the extent of reliance on “national technical means” of monitoring compliance, and on interagency compliance monitoring.

Estimators Reorganized

CIA’s expanding work on analysis and estimates of Soviet military power in the 1960s led to the consolidation of several smaller units in an Office of Strategic Research (OSR) in the DI in 1967. DCI William Colby in 1973 fundamentally restructured the entire estimates organization. He abolished the ONE and replaced it with a group of National Intelligence Officers (NIOs) responsible for various geographic and functional areas (one was NIO for the USSR, another NIO for [Soviet] Strategic Programs, another for [Soviet] General Purpose Forces). The NIOs each had a single deputy but no staff, depending instead on others in the Intelligence Community to provide analytic support. After 1979, the NIOs were members of a loose umbrella organization called the National Intelligence Council (NIC), but there was no equivalent of the ONE Staff or the Board of National Estimates to provide serious collegial review of estimates. This change had many effects, some probably good but some less clearly so. For example, with separate, coequal NIOs for the USSR, Strategic Programs, General Purpose Forces, Science and Technology, and the like, there was no one with responsibility for the overall integrative coverage of Soviet military intentions, capabilities, and doctrine. The DIA played a larger role than before, particularly since the NIOs for General Purpose Forces (now called Conventional Military Issues) were usually generals, and in the 1980s the NIO for Strategic and Nuclear Programs was a former Defense Department specialist rather than a CIA officer. CIA analytic work continued to be important but in some respects it was less central, and this is evident in the NIEs. Also, within CIA in 1981 functional offices of the CIA’s DI (political, economic, military affairs) were dissolved and replaced by geographic offices, one of which was the Office of Soviet Analysis (called SOVA).

One result of the mistaken low estimates of future levels of Soviet ICBMs that the Agency made from 1963 through 1968 was a heightened concern over the actual growing strategic forces from the late 1960s to the mid-1970s. For one thing, this led to a reconsideration of Soviet objectives; for another, it affected future estimates of Soviet capabilities against US forces, in particular the *Minuteman* ICBM force. Ultimately, it led to what may be termed “the second missile gap” alarm of the 1970s and early 1980s, a concern over qualitative improvements of the already large Soviet ICBM force that seemed to many to portend a “window of vulnerability” for the US deterrent and a “window of opportunity” for the USSR.

The earlier described underestimation of the ultimate size of the Soviet ICBM deployment from 1963-68 was based in part on an erroneous assumption that the Soviet leaders would consider a strategic force perhaps even smaller than the one US had already fielded, or at least of comparable size, as sufficient for deterrence. NIE 11-8-64 had even stated, without dissent, that the estimators did not believe the Soviets would aim at matching the US in the overall number of strategic nuclear delivery vehicles (SNDVs). This was reiterated for the next four years. In 1966 the Air Force registered a mild dissent that they believed the Soviets did seek “at least numerical parity with the US” as a goal.⁴³

The reluctance of estimators in the mid to late 1960s to see parity with the United States as a Soviet objective is difficult to understand. They correctly saw that basic deterrent objectives could be met with a few hundred protected ICBMs. But the very fact that the United States, also primarily concerned with assuring deterrence, had already opted for more than 1,000 ICBMs and was rapidly deploying them (plus a very large and capable submarine-launched ballistic missile force) should have suggested both that the Soviets also would seek a redundant force to ensure a survivable deterrent and that they would want to emulate the United States if only to signify they had parity in strategic military power as they were striving for political parity.

Parity, of course, need not mean equal numbers of SNDVs, and could mean still less of each kind of strategic delivery system. In 1969, the strategic forces NIE finally concluded that “rough parity with the US” was the minimum Soviet objective and correctly noted that “in assessing the strategic balance the Soviets would go beyond numbers to consider operational differences in weapons systems and the interplay between offensive and defensive forces.”⁴⁴ NIEs in the early 1970s suggested that parity as the Soviets sought it “cannot be objectively measured; it is essentially a state of mind.”⁴⁵ From 1968 through 1972, as the Soviets reached and passed numerical parity with the United States in SNDVs operational and under construction (and with the US force level not increasing), the NIEs finally recognized that the Soviet leaders were seeking at least parity in numbers; the estimates also assessed them as believing that “marked superiority” was not attainable.⁴⁶ By 1973 the NIE stated that the Soviets had probably decided on no less than parity and would seek “a margin of [numerical] superiority if they can” (that is, if the US did not match a Soviet increase).⁴⁷

⁴³ See NIE 11-8-64, *Soviet Capabilities for Strategic Attack* (8 October 1964), p. 2; and NIE 11-8-66, *Soviet Capabilities for Strategic Attack* (20 October 1966), footnote on p. 1.

⁴⁴ See NIE 11-8-69, *Soviet Strategic Attack Forces* (9 September 1969), p. 8.

⁴⁵ See NIE 11-8-70, *Soviet Strategic Attack Forces* (24 November 1970), p. 5; and NIE 11-8-71, *Soviet Forces for Intercontinental Attack* (21 October 1971) p. 6.

⁴⁶ NIE 11-8-69, *Soviet Strategic Attack Forces* (9 September 1969), p. 8; NIE 11-8-70, *Soviet Forces for Intercontinental Attack* (24 November 1970), pp. 5-6; NIE 11-8-71, *Soviet Forces for Intercontinental Attack* (21 October 1971), p. 6; and NIE 11-8-72, *Soviet Forces for Intercontinental Attack* (26 October 1972), p. 7.

⁴⁷ See NIE 11-8-73, *Soviet Forces for Intercontinental Attack* (25 January 1974), p. 4; and SNIE 11-4-73, *Soviet Strategic Arms Programs and Détente: What Are They Up To?* (10 September 1973), pp. 8 and 10.

In 1974, the CIA drafters of NIE 11-3/8-74 accepted that the major Soviet force-enhancement programs under way raised the question of whether Soviet leaders were seeking “some form of militarily or politically useful strategic superiority,” but their answer was to doubt whether the leadership had “firmly settled on either acceptance of parity or a decision to seek clear-cut strategic superiority.” The NIE reiterated the earlier estimates that the Soviets probably sought to achieve no less than equality with the United States, plus “some degree of strategic advantage” if they could. The three military services dissented, saying they believed the Soviets foresaw “a decisive shift of the strategic balance in their favor” yielding a superiority “umbrella” of extended deterrence permitting a freer pursuit of their objectives in the world without US “interference.”⁴⁸ This divergence continued for the next several years, although by NIE 11-3/8-76 the CIA text suggested that the Soviet leaders “hope” that their strategic capabilities will “give them more latitude than they have had in the past for the vigorous pursuit of foreign policy objectives, and that these capabilities will discourage the US and others from using force or the threat of force to influence Soviet actions.”

While this approximated the dissenting military services’ position of 1974 (reaffirmed in 1975), by December 1976 all the military services went further in a new dissent that argued, *inter alia*, that “in combination with other military and non-military developments, the buildup of intercontinental nuclear capabilities is integral to a programmed Soviet effort to achieve the ultimate goal of a dominant position in the world,” which they expected to move closer to in the next decade (the period of the estimate). The Air Force additionally declared that this estimate and its predecessors understated “the Soviet drive for strategic superiority” and asserted that the Soviets “have made great strides toward achieving general military superiority over all perceived constellations of enemies and for attaining a war-winning capability at all levels of conflict.” The Air Force dissent further cast doubt on the past US conduct of a policy of *détente*, arms control, and trade, contending that the Soviet Union had “exploited” them to the serious disadvantage of the West. Finally, Air Force Intelligence went so far as to state that “at issue is whether present intelligence prescriptions [as expressed in the NIE] provide an adequate basis for averting global conflict in the decades ahead.” This time there was a countering dissent by State Department Intelligence, arguing that the Soviet Union was undertaking a vigorous strategic program in order not to fall behind the United States in the qualitative competition, and expressing doubt that “the Soviet leaders anticipate any improvement in the USSR’s strategic position vis-à-vis the US over the next 10 years which would substantially influence their behavior.”⁴⁹

⁴⁸ NIE 11-3/8-74, *Soviet Forces for Intercontinental Conflict Through 1985* (14 November 1974), Vol. 1, pp. 10-11. Italics in original.

⁴⁹ NIE 11-3/8-76, *Soviet Forces for Intercontinental Conflict Through the Mid-1980s* (21 December 1976), pp. 2-6. The Air Force Intelligence diatribe was the swan song of Major General George J. Keegan, Jr., who soon retired and made a similar alarmist statement publicly.

By the time of NIE 11-3/8-79 (March 1980), the CIA text (this one written in large part by DCI Stansfield Turner) had reverted to describing the Soviet position as one of “approximate nuclear parity” and mutual deterrence, and it concluded that the Soviets might feel they had a somewhat freer hand only in places where the US regarded its interests as less central, such as Afghanistan. There was no State Department dissent, but DIA and the military services all registered an overall dissent from the main volume of the estimate and further expressed the view that the Soviets “may now perceive that they have nuclear superiority,” which would grow over the next few years, and might miscalculate US reactions because of uncertainty about US resolve.⁵⁰

NIE 11-3/8-76 had also revived the issue of Soviet military doctrine on waging, surviving, and winning a general nuclear war. The estimate took the view that “the Soviets are striving to achieve war-fighting and war-survival capabilities that would leave the USSR in a better position than the US if war occurred.” It did not say whether this was regarded as a realistic objective even in the long term. The State Department dissented, arguing that the Soviet leaders “do not entertain, as a practical objective in the foreseeable future, the achievement of what could reasonably be characterized as a ‘war-winning’ or ‘war-survival’ posture.” The military intelligence services all joined in a dissent, expressing the belief that the Soviets did regard as “attainable” an objective of achieving the capability to wage and emerge from a nuclear war “with reserves sufficient to dominate the postwar period.”⁵¹ The same three-way divergence emerged again in NIE 11-3/8-80 three years later.⁵² Meanwhile, an unusual brief estimate on *Soviet Strategic Objectives* in 1977 had posed this and related issues, reaffirming the three diverging views without taking a position on the matter, but with an admittedly “more ominous interpretation” of Soviet aims.⁵³

The ‘Team B’ Exercise

The renewed debate over whether meaningful strategic superiority was a Soviet objective and over Soviet doctrine and the issue of winnability of nuclear war, had arisen in NIE 11-3/8-76 as well as later estimates, fuelled by an unusual exercise in preparation of an alternative “competitive estimate” by an outside panel, called “Team B.” Owing to the growing unease over increasing Soviet strategic forces and capabilities in the mid-1970s, and criticism of détente and arms control from some quarters, several hard-line members of the President’s Foreign Intelligence Advisory Board (PFIAB) began to criticize the NIEs (in particular NIEs 11-3/8-74 and 11-3/8-75) as too complacent both in respect to growing Soviet capabilities, as well as Soviet doctrine and intentions. This was when some of these

⁵⁰ NIE 11-3/8-79, *Soviet Capabilities for Strategic Nuclear Conflict Through the 1980s* (17 March 1980), Vol. 1, pp. 3-4.

⁵¹ NIE 11-3/8-76, *Soviet Forces for Intercontinental Conflict Through the Mid-1980s* (21 December 1976), pp. 3-6.

⁵² NIE 11-3/8-80, *Soviet Capabilities for Strategic Nuclear Conflict Through 1990* (10 December 1980), Vol. 1, pp. B3-B4.

⁵³ NIE 11-4-77, *Soviet Strategic Objectives* (12 January 1977), pp. i, and 1-4.

members and others were organizing what became the Committee on the Present Danger and calling for a repudiation of détente and the SALT negotiation process. Their proposal was for an outside group with more skeptical and critical views of Soviet objectives to be cleared for the same data as the official Intelligence Community estimators and asked to critique the official estimate and draft an alternative one. At first rejected by DCI William Colby, it was agreed to in 1976 by DCI George Bush. The group did its work in the summer and fall of 1976 while NIE 11-3/8-76 was being written and coordinated by the usual interagency estimating process.

The Team B report on Soviet objectives dealt not only with Soviet intentions, objectives, and doctrine, but also with a number of aspects of strategic force development and capabilities. The report was highly critical of the conclusions of the official estimates, and in particular of the CIA drafters.⁵⁴ Moreover, the general thrust of Team B's critical conclusions was swiftly leaked to the press.

The Team B exercise was ill conceived and disappointing in its limited contribution to identifying ways to improve the estimating process, in part because its authors were more concerned with criticizing the message of the NIEs and pushing their own hard-line views. The process terminated without full-scale confrontation of diverging views. The direct impact on the estimating process and on the content of the NIE 11-3/8 estimates was small. As noted above, it did give a boost to the similarly minded Air Force Intelligence chiefs and to some extent to other military intelligence agencies on questions of Soviet objectives, and it made some CIA statements on that subject in the NIEs more cautious and equivocal. But it did not lead to significant changes. (While some of the Team B criticisms on a few specific aspects of the estimated force developments and capabilities seemed to be reflected in subsequent estimates, these were cases where additional evidence, not the arguments of Team B, led to the changes.)

In retrospect, and with the Team B report and records now largely declassified, it is possible to see that virtually all of Team B's criticisms of the NIE proved to be wrong. On several important specific points it wrongly criticized and "corrected" the official estimates, always in the direction of enlarging the impression of danger and threat. For example, the range of the *Backfire* medium bomber was considerably overestimated, and the number of *Backfires* the Soviet Union would acquire by 1984 was overestimated by

⁵⁴ See Intelligence Community Experiment in Competitive Analysis: *Soviet Strategic Objectives, An Alternative View, Report of Team "B"* (Washington DC: CIA, December 1976), p. 55. There were two other more narrowly focused technical Team B reports on missile accuracy and air defenses, which need not be considered here. For an excellent in-depth review of the Team B episode and the context of strategic alarms in the 1970s see Anne Cahn, *Killing Détente: The Right Attacks the CIA* (University Park, PA: Pennsylvania State University Press, 1998). Team B suggested that the NIEs downplayed the military threat because of "bureaucratic rivalry" between the CIA and the military services, with "the civilian analysts" controlling the NIE language and tempering the more pessimistic views of the military intelligence analysts. *Report of Team "B,"* p. 4. To the extent that this was true, it was a credit to CIA.

more than 100 percent (estimating 500 when the real figure was 235). Team B overestimated the accuracy of the SS-18 and SS-19 ICBMs, feeding the unwarranted fears of a “window of vulnerability” for the US ICBM deterrent. Team B estimated that the Soviet Union would field a mobile ABM system, which it did not. It regarded as ominous, rather than reassuring, that no intelligence information had been acquired on Soviet development of a nonacoustic antisubmarine warfare capability, again raising concerns over a looming threat that did not arise.

Team B saw as a “serious concern” the possible upgrading of Soviet mobile intermediate range missiles (SS-20s) to ICBMs and criticized the draft NIE for estimating that the SS-16 mobile ICBM program would remain small. In the event, *no* SS-16s were deployed, and *no* SS-20s were upgraded to ICBMs. With respect to exotic technologies for ABM defense, Team B castigated the NIE for failing to draw more attention to the threat of Soviet development of charged particle-beam directed energy interceptors, stating that it would be “difficult to overestimate” the magnitude of the Soviet effort, yet by those very alarmist words it did so. The large-scale but ineffective Soviet civil defense efforts were also depicted as an important part of a Soviet design to be able to fight, and win, a nuclear war. Team B even suggested incredibly that the ABM Treaty helped the Soviet leaders “to pursue a goal of achieving assured survival of the USSR and assured destruction for its major adversary.”

Team B also reported “an intense military buildup in nuclear as well as conventional forces” and criticized the NIEs for failing to describe adequately the scale of the Soviet military effort. While Team B was estimating a relentless, continuing buildup at a growing pace, it was later learned that, in fact, Soviet leaders had just cut back the rate of spending on their military effort and would not increase it for the next nine years. To be sure, the Soviet Union continued to spend a great deal on its large military programs, but it was not the limitless buildup in pursuit of a war-winning capability that Team B ascribed. Team B went even further. Its report argued at length that there was no constraining effect resulting from the requirements of the civilian economy. The NIEs were attacked for even suggesting that economic considerations might limit Soviet military growth, and Team B itself asserted that “Soviet strategic forces have yet to reflect any constraining effect of civil economy competition, and are unlikely to do so in the foreseeable future.”

“Intentions” are, of course, even more difficult to estimate—and more liable to intentional or unintentional subjective distortion and error—than are evaluations of forces and capabilities. The main Team B report had focused on Soviet objectives and intentions and had presented an unjustified, ominous picture. Team B gratuitously and without foundation asserted that the Soviet arms buildup “certainly exceeds any requirement for mutual deterrence,” which implicitly raised the question of why, then, the United States—with such a deterrence objective—should have built up even larger strategic forces.

Team B sought to make a case for a uniquely dangerous Soviet pursuit of world domination and readiness to countenance the use of its growing military power. It asserted, in a demonstrably untrue statement, that, “There is no evidence either in their theoretical writings or in their actions that Soviet leaders have embraced the US doctrine of mutual assured destruction or any of its corollaries. Neither nuclear stability, nor strategic sufficiency, nor ‘parity’ play any noticeable role in Soviet military thinking.” Moreover, it asserted that “while hoping to crush the ‘capitalist’ realm by other than military means, the Soviet Union was nevertheless preparing for a Third World War as if it were unavoidable.” Military power, it was alleged, was seen by Moscow as “an instrument by means of which, in the decisive moment in the struggle for world hegemony, the retaliatory power of the United States can be preventively neutralized, or, if necessary, actively broken.” Finally, in the judgment of Team B, in a conclusion stated in italics for emphasis: “Within the ten year period of the National Estimate the Soviets may well expect to achieve a degree of military superiority which would permit a dramatically more aggressive pursuit of their hegemonic objectives, including direct military challenges to Western vital interests, in the belief that such superior military force can pressure the West to acquiesce or, if not, can be used to win a military contest at any level.”⁵⁵

There was room for debate as to Soviet objectives and predictive estimates in 1976, but it was evident at the time, and all the more so with the benefit of hindsight, that NIEs were not the place to argue for hard-line, or any other, policy. As it was, the NIEs in this period and later generally erred on the side of overstating the military threat.

Team B was so bold as to suggest a crucial military confrontation with the Soviet Union within the ten-year span of the estimate (a standard maximum span for such NIEs). Yet ten years later we saw not a Soviet Union threatening or launching global nuclear war for world domination, confident of its superiority, but an ever weakening Soviet Union with a radically revisionist leadership under Mikhail Gorbachev urging radical disarmament and launching a mix of concessionary negotiations and unilateral measures to decisively turn down the arms race and end the Cold War. It is clear in retrospect that what had been needed in 1976 was not a hard-line Team B, but a more imaginative and far-seeing “Team C.”

As noted earlier, underlying the renewed debate over Soviet objectives in the 1970s and 1980s (e.g., parity versus superiority) —including the whole Team B episode—was the rise in Soviet capabilities as Soviet forces grew in size and quality. The estimates gave some attention to Soviet reactions to ongoing US developments, but not enough. For example, Team B and others in and out of the Intelligence Community asserted that the Soviet buildup in numbers of ICBMs and total SNDVs was “unprecedented” and represented a

⁵⁵ *Report of Team “B,”* quotations from pp. 14 and 45-47.

“relentless” buildup somehow inconsistent with détente and arms control. The Soviet buildup was rapid and large—1,050 SNDVs were added in the five years 1968 through 1972 (when the SALT I accord set a limit on ICBM and SLBM launchers). Yet this was hardly “unprecedented,” nor did it upset the strategic balance, nor was it inconsistent either with détente or the arms control agreements or positions of both sides. In the preceding five-year period, 1963-67, the United States had added 1,060 SNDVs to its arsenal. Nor was it even very relevant. The reason the United States had unilaterally stopped building up numbers of SNDVs in 1967 was not because “the US faltered in the 1970s” or exercised “unilateral restraint” (as a NIC intelligence assessment asserted in 1983). It was because the US had shifted to a more effective way of enhancing its strategic superiority: increasing the number of multiple independently targeted reentry vehicles (MIRVs) on ICBMs and SLBMs. Accordingly, as the Soviets moved beyond parity in the number of ICBMs on operational launchers in 1969, and beyond parity in the overall number of SNDVs (including also SLBMs and intercontinental bombers) in 1973, they were falling farther and farther behind the United States in overall number of reentry vehicles (RVs, warheads, and bombs). By 1975, when the first Soviet MIRVed missiles became operational (fully five years after the United States had begun to MIRV its forces), the United States had greatly enlarged its superiority in numbers of warheads (RVs). Even after the Soviet Union added 1,000 RVs a year in the late 1970s, in 1980 the United States had a superiority of 9,200 operational RVs to the Soviet’s 6,000. Even if the Soviet leaders had set a goal of strategic parity in terms of numbers of strategic warheads, they *never* achieved it. The Soviet Union came closest to equality only in 1990, on the verge of its collapse (with 10,700 Soviet to 12,700 US strategic intercontinental RVs).⁵⁶

Military planners, of course, had to consider many operational factors, including initiation of a war, in weighing the survivability and deliverability of warheads by both sides in a war. The technical complexities of theoretical advantage to one side or the other are immense. But they are also largely irrelevant. As the NIEs regularly stated, without dissent, the Soviet leaders never had capabilities that could give them confidence in surviving and winning a nuclear war. The debate was always over whether they believed such superiority was attainable and whether they were driven to seek to achieve it. The debates could never be resolved by intelligence information and even now cannot be fully resolved, although there has been no evidence that the Soviet leaders ever believed this to be the case, and in retrospect this seems clear.

⁵⁶ See Raymond L. Garthoff, *Perspectives on the Strategic Balance* (Washington DC: Brookings Institution, 1983), p. 8 for the figures above excepting those for 1990-91, which are given in *Arms Control Today* (December 1994), p. 29, and (November 1995), p. 30. The NIC quotation on US faltering and unilateral restraint is from NIC M83, *The Strategic Weapons Spiral: Soviet Reactions* (August 1983), p. iii.

Debating US Vulnerability

Although (or because) Soviet intentions could never be ascertained with assurance, the critical debates from the mid-1970s to the mid-1980s were over Soviet capabilities—or, to be more precise, overestimated Soviet capabilities—in the mid- to longer-term. From the late 1960s on, the key issue was whether and when the US ICBM force (1,000 *Minuteman* and 54 *Titan* missiles in silo launchers) would become vulnerable to a Soviet surprise attack—in particular, [they wondered] when the Soviet Union would have enough ICBMs with sufficient accuracy to threaten the *Minuteman* force.

From 1972 on, the level of Soviet missile forces—operational ICBM and SLBM launchers—was established by the SALT I Interim Agreement of five-year duration, and the NIEs from 1971 anticipated this. Given the steady level of Soviet heavy bombers at about 150 (with another 50 as tankers) from the late 1950s on, the buildup of SNDVs had for all practical (and estimative) purposes ended. But, as noted above, the United States had already set the new measure of forces some years earlier: the number of RVs, which were not limited by the arms control negotiations (and on which the United States had made clear it would accept no limitation).

The NIEs in the late 1960s and early 1970s overestimated how soon the Soviet Union would have MIRVs and join the RV race. In 1969 there was a dispute over whether a version of the SS-9 (Mod 4) was being developed as a MIRV. In an unprecedented interference with the intelligence estimating process, in June 1969 National Security Adviser Henry Kissinger interceded with DCI Richard Helms to “clarify” (in effect, to reconsider) a statement in the draft NIE (NIE 11-8-68) that the SS-9 variant was not a MIRV, a judgment contradicting a recent public statement by Secretary of Defense Melvin Laird. Helms asked the chairman of the Board of National Estimates to review the estimate on the SS-9, and the language—but not the basic finding—was revised. That ended that particular intervention. But a few months later, the issue of political influence arose again in a broader statement in the follow-on draft NIE (NIE 11-3/8-69). This time Laird interceded with Helms (through his aide William Baroody) to object to a paragraph stating that, even if the Soviets sought to achieve a strategic superiority sufficient to alter the strategic balance, they would not find it feasible to acquire a capability to attack the United States without receiving unacceptable retaliation. Helms did agree to delete that particular statement, although the sense of the Estimate was not changed. Even so, the State Department intelligence bureau inserted the withdrawn passage as a dissent.⁵⁷ By the next

⁵⁷ See *Foreign and Military Intelligence*, Final Report of the Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities, Ninety-fourth Congress, Second session (Washington DC: US Government Printing Office, 1976), Book 1, pp. 77-79; and John Ranelagh, *The Agency: The Rise and Decline of the CIA*, rev. ed. (New York, NY: Simon and Schuster Touchstone, 1987), pp. 494-499.

year or so it was accepted by all that the SS-9 Mod 4 did not carry a MIRV warhead. Each year thereafter, the NIEs estimated the Soviets would introduce MIRVed ICBMs soon and finally, in 1975, they did.

From 1970 through 1977 the NIEs tended to overestimate the numbers of Soviet RVs, but they projected a range of possible numbers and the actual figures were within the range estimates (although a “high within SALT” force included in the range in 1973-74 was twice as high as the actual level). Later, *in every year from 1978 through 1985 even the lowest side of the estimated range exceeded the actual Soviet deployment of RVs*. After the United States did not ratify the SALT II agreement signed in 1979, and the further limitations provided for by it were assumed not to be operative, the estimated range was much higher than the actual levels. Moreover, the estimates used illustrative “SALT-constrained,” non-SALT-constrained, and SALT “breakout” alternative forces, so even when the SALT-constrained estimates were not excessively high, the other “equally valid” alternatives conveyed a pattern and impression of much greater buildup than in fact occurred.⁵⁸

Perhaps most critical for the key issue of *Minuteman* vulnerability were the estimates of missile accuracy. In the early 1970s, Soviet missile accuracies tended to be underestimated. Perhaps in part in overcompensation, the estimates from 1977 through 1980 in turn overestimated Soviet missile accuracies, although this did not become clear until 1983. Although these overestimates of the late 1970s were closer to Team B’s alarmist projections, they were not influenced by the unproven assertions of Team B but by the fact that tests of the SS-18 Mod 4 and SS-19 Mod 3 in late 1977 and early 1978 yielded better results than expected.

NIE 11-8-73 had predicted a high threat to *Minuteman* by 1982, although it (and its successors) correctly noted that the overall US deterrent capability would not be threatened. By late 1974, NIE 11-3/8-74 put off the expected high threat to *Minuteman* to 1981-85. By 1978, because of mistaken newly estimated higher accuracies, it was estimated that the *Minuteman* force would be vulnerable by 1980-81. This opened the period of high concern over a “window of vulnerability” for the United States and a possible “window of opportunity” for the USSR.

By early 1984, when a delayed NIE 11-3/8-83 was issued, the reassessment of Soviet missile accuracy undercut the window of vulnerability alarm. So, too, did the 1983 report of the blue-ribbon Scowcroft Commission, even though it still had used the old, more

⁵⁸ Most of the relevant NIEs, especially the 11-3/8 series, for the 1970s and 1980s have been declassified at least in part. In addition, a particularly valuable internal CIA critical analysis of these estimates prepared in 1989 provides most of the information in this and succeeding paragraphs and in greater detail. Now declassified, this analysis by CIA’s Directorate of Intelligence is titled *Intelligence Forecasts of Soviet Intercontinental Attack Forces: An Evaluation of the Record*, a Research Paper, (April 1989), including a lengthy supplement (cited hereafter as *Intelligence Forecasts*).

alarmist NIE 11-3/8-82. The Scowcroft Commission made the same point that had been made a decade earlier in NIE 11-8-73, that even if the *Minuteman* force were severely threatened by the Soviet ICBM force (unless, of course, launched on warning or under attack), the United States had created a redundant triad of deterrent forces precisely to deal with such a contingency. NIE 11-3/8-84/85 gave the window its *coup de grace* by putting off the estimated time of *Minuteman* vulnerability by a full ten years, to the early 1990s.⁵⁹

This was the most critical issue in the assessment of Soviet strategic capabilities in the 1970s and 1980s. There were many lesser issues, although some were significant in their negative impact on the arms control negotiations or in other ways. For example, from the mid-1970s into the 1980s, the Air Force (sometimes joined by other military services) revived the error of the 1950s by trying to create an intercontinental threat out of the *Backfire* medium bomber, obviously designed and later trained and deployed, as CIA consistently argued, for missions in the peripheral Eurasian potential theater of war. (This too was one of the red herrings boosted by Team B.)

The NIEs also projected a new Soviet heavy bomber to replace the 1950s vintage *Bison* and *Bear* bombers. In 1972, NIE 11-8-72 estimated a new heavy bomber would enter service in 1978. This date had to be put off time and again; a new heavy bomber finally appeared, in very small numbers, beginning only a decade later, in 1988. Estimates in 1975 projected a replacement of 94 percent of the old heavy bomber force by 1985; in fact, except for about a 15-percent replacement of newer-model *Bears*, there was no replacement until the trickle after 1988.⁶⁰

Nor was that example exceptional, albeit extreme. *From 1974 through 1986, every year's NIE 11-3/8 overestimated the rate of Soviet strategic force modernization.* The initial deployment of new or modernized systems was overestimated in 10 out of 17 systems (and underestimated in only one). The rate of deployment of modernized systems was also generally overestimated.⁶¹

There were other alarms raised during the late 1970s and early 1980s to which intelligence overestimates contributed. Team B, for example, argued that the Soviet Union had a large and effective civil defense program as part of an overall design for survival and victory in a nuclear war. CIA had been studying the Soviet civil defense system since the 1950s, although it was not a priority target. Even before the Team B criticism, CIA had been reexamining the evidence and noted in NIE 11-3/8-76 that the Soviet civil defense program was “more extensive and better developed than we had previously understood.”

⁵⁹ The three paragraphs above draw heavily on *Intelligence Forecasts*, in particular the Supplement, pp. 123-127. See also Lt. Gen. Brent Scowcroft et al. *Report of the President's Commission on Strategic Forces* (Washington, DC, April 1983).

⁶⁰ *Intelligence Forecasts*, p. 10.

⁶¹ See *Ibid.*, p. iv.

The estimate nonetheless concluded that “The Soviets probably do not have a highly optimistic view about the effectiveness of their present civil defense.”⁶² The Air Force, which had been pushing the issue, in a broader dissent included a hyperbolic assertion that “War survival and civil defense efforts to date have already placed the US in a position of serious strategic disadvantage by neutralizing much of its capability to destroy or damage effectively those elements of the Soviet leadership, command, military, and urban-industrial structure required for maintaining a credible deterrent balance.” The State Department intelligence bureau went further than the estimate and directly challenged the Air Force view, stating that the Soviets simply saw civil defense as a “prudent hedge,” and that Soviet “civil defense efforts will not materially increase Soviet willingness to risk a nuclear exchange and will not undermine the deterrent value of US strategic attack forces.” Civil defense was a traditional Soviet program to provide damage limitation and had no necessary relationship to concepts of a war-winning strategy. Yet the other military intelligence services essentially supported the Team B and Air Force argument that the Soviet leaders saw their civil defense program “as an essential element in the achievement of the capability to wage intercontinental nuclear war, should one occur, and survive with resources sufficient to dominate the postwar period.”⁶³

By NIE 11-3/8-79, CIA had carried out further studies showing that prompt Soviet casualties would be about 120 million (with 85 million dead) in case of little or no preparation for an attack, about 100 million (60 million fatalities) if urban shelters were fully occupied, and 40 million (with 15 million dead) if both sheltering and evacuation of cities had been fully implemented—and those were only immediate casualties. Moreover, those casualty figures would rise during the 1980s. The CIA text concluded a further discussion with the comment, “Our latest analyses . . . provide additional support to our previous judgment that present and projected Soviet civil defense programs would not embolden the Soviet leaders to take action during a crisis that would involve deliberately accepting a high risk of nuclear war.” DIA and the military services expressed support for an “alternative view” that Soviet civil defense would contribute to Soviet resolve in a crisis, and thus affect “the strategic balance and perception of the balance in the USSR and elsewhere.”⁶⁴

Although NIE 11-3/8-80 included a long discussion of Soviet doctrine on waging a nuclear war, there was only one paragraph on civil defense, increasing the estimated overall casualties to be expected, but omitting any discussion of the impact of civil defense on Soviet policy in crisis or war. And there was no dissent. The “civil defense gap” had

⁶² NIE 11-3/8-76, *Soviet Forces for Intercontinental Conflict Through the Mid-1980s* (21 December 1976), pp. 2 and 12.

⁶³ *Ibid.*, pp. 5, 12, and 13. In NIE 11-4-77, *Soviet Strategic Objectives* (12 January 1977), p. 11, the State Department again dissented from a main-text statement that Soviet civil defense measures could “have a significant impact” on “perceptions of the likely outcome of a nuclear exchange.”

⁶⁴ NIE 11-3/8-79, *Soviet Capabilities for Strategic Nuclear Conflict Through the 1980s* (17 March 1980), p. 23.

essentially evaporated, with only passing reference to the subject in later NIEs. The NIEs did, however, describe the extensive efforts being made to provide protection for the Soviet leadership to ensure wartime command and control.

Another index of the strategic balance derived from the NIEs, defense spending, was publicly depicted in the late 1970s and early 1980s by both Carter and Reagan administration spokesmen as indicating an alarming shortfall in US defense expenditures. From 1976 to 1983, it was estimated that Soviet defense spending was growing at a rate of 4-5 percent per year. In short, there was a serious “spending gap.” Then in 1982, analysts of the DI in CIA determined that in fact the rate of growth of Soviet defense spending since 1976 had been an average of only about 2 percent, and in weapons procurement the rate was almost flat, zero percent growth. While an encouraging finding from the standpoint of comparing performances between the Soviet Union and the West, it was a political embarrassment from the standpoint of the administration’s campaign to boost support in the United States (and in NATO) for higher defense spending. In 1983, the new findings were made known without fanfare in testimony before the Joint Economic Committee of Congress. Administration spokesmen such as Secretary of Defense Caspar Weinberger simply stopped referring to the matter. The “spending gap,” no longer useful, was quietly buried.⁶⁵

During the period from 1980 (after the Soviet intervention in Afghanistan and then the change of US administrations) to the mid-1980s, US policy toward the Soviet Union was more consistently confrontational than it had been before. Given the controversies within the Intelligence Community and in broader policy and public forums, as exemplified in the position of the PFIAB and the Team B exercise, this raised a question with respect to the position of CIA and the estimative process, particularly in view of the fact that former PFIAB (and Committee on the Present Danger) member William Casey was the DCI after January 1981.

Although the Reagan campaign had emphasized the need to meet an ominous Soviet threat (including a military challenge that the previous three administrations were said not to have met adequately in a “decade of neglect”), and the new administration set out to build American military power, there was no quarrel with the Intelligence Community’s NIEs. Director Casey did not involve himself directly in the Soviet military estimates as his predecessor, Stansfield Turner, had done. (Richard Pipes, now on the National Security

⁶⁵ See *Soviet Defense Spending: Recent Trends and Future Prospects*, an Intelligence Assessment, Directorate of Intelligence, CIA, July 1983; and see Raymond L. Garthoff, *The Great Transition: American-Soviet Relations and the End of the Cold War* (Washington DC: Brookings Institution, 1994), p. 41; and Garthoff, “The ‘Spending Gap,’” *Bulletin of the Atomic Scientists*, Vol. 40 (May 1984), pp. 5-6.

Council staff, instituted an inquiry into what CIA had done with the Team B report four years earlier, but that was strictly a personal interest by the head of Team B and the new administration did not pursue the matter.)

The OSR in CIA's Directorate of Intelligence, in what proved to be a kind of valedictory, issued in April 1981 a comprehensive survey on *The Development of Soviet Military Power: Trends Since 1965 and Prospects for the 1980s*.⁶⁶ As a comprehensive survey, it tended to present overall Soviet military power as a somber challenge. It was a more deeply researched and balanced study than the coordinated NIEs, although of course it was compatible with the current estimates.

One issue that had attended the national estimating process from the outset, and was raised directly in 1979 and 1980 by DCI Turner, was the question of including net assessments in NIEs. In NIE 11-3/8-79, Director Turner introduced the use of what he termed "quasi-dynamic indicators" of what forces could actually accomplish—short of full-scale war gaming, but beyond static indicators of force size and performance characteristics. This crossed a line laid down in the late 1940s, since dynamic evaluations by definition involved judgments not only of Soviet force performance but also of US and other Western force performance in their interaction, and the military services believed only the Pentagon should make such evaluations of our own forces. Moreover, the effect of Turner's approach was to reduce the impression of Soviet military capabilities and the confidence Soviet military leaders could have in those capabilities. The Director of DIA and all the military intelligence chiefs strongly objected.⁶⁷

Questioning Net Assessments

In NIE 11-3/8-80, the controversy led to an unprecedented issuance of a split estimate, with two entire sets of key judgments, one representing the view of the DCI and the other that of the Director of DIA and the heads of all the military intelligence services. Elaborating on their dissent in the previous estimate, the DoD argued that the CIA estimate "produces misleading results with respect to trends in the military balance, sheds little light on the question of deterrence or escalation control, and comprises an unrealistic net assessment." They did not offer their own. Instead, they presented a traditional static description of Soviet forces and gross capabilities, and vigorously presented their objection of principle: "net assessments from a US perspective are not a proper function of intelligence . . . analysis based on a US perspective should be accomplished within the Department of Defense with intelligence as a full partner, and should not be included in a

⁶⁶ *The Development of Soviet Military Power: Trends Since 1965 and Prospects for the 1980s*, an Intelligence Assessment, OSR, (April 1981), pp. 145.

⁶⁷ NIE 11/3/8-79, *Soviet Capabilities for Strategic Nuclear Conflict Through the 1980s* (17 March 1980), Vol. 1, pp. 14-16.

National Intelligence Estimate.” The DCI directly rebutted this position and added that he did not “believe it in the national interest that DOD [the Department of Defense] should control all comparisons of the effectiveness of its forces with other forces.”⁶⁸

The divergence in terms of estimates of future Soviet behavior was clearer in tone than in substance. The DCI cited the historical record to conclude that “the relationship between the strategic balance and Soviet behavior in the international arena is uncertain,” but agreed that “during the early-to-middle 1980s, when the Soviets’ strategic capabilities relative to those of the United States would be greatest, we would expect them—as in the past—to probe and challenge the United States . . .” but that it was “highly unlikely” they would “go for broke” and “take military action against Western Europe or the United States.” The heads of DIA and the military services argued “the Soviet leadership is now confident that the strategic military balance has shifted in the Kremlin’s favor and that the aggressiveness of its foreign policy will continue to increase as the Soviet advantage grows.”⁶⁹

This estimate, it should be recalled, was made only months after the Soviet invasion of Afghanistan and in the midst of an election-year debate over Soviet strength and charges of US military weakness. In retrospect, it is not clear that Soviet strength was at its greatest in the early to mid-1980s, as both sides of the US intelligence estimative battle then conceded. What is clear is that the Soviet leadership did not believe the strategic balance had shifted in its favor or that its hands were freed to be more bold and aggressive in its initiatives. Indeed, in 1981, Soviet intelligence instituted an unparalleled alert against the possibility of a US and NATO surprise nuclear missile attack that persisted through much of the decade, with a peak alarm in late 1983.⁷⁰

DCI Casey did not share Turner’s interest in more actively controlling the military estimates, but in SNIE 11-4/2-81 he did reassert the right to make net assessments in NIEs, incurring the same dissent from DIA and the military intelligence services.⁷¹ As in the early 1960s when the issue had previously been raised, the resolution agreed upon in the early 1980s was for CIA to work more closely with the net assessments office in the Department of Defense and not to include net assessments in NIEs.

Another issue with respect to the Soviet military assessments arose in the early 1980s, this time not as an issue between the DCI and the military services, but between members of Congress and analysts in CIA’s Directorate of Intelligence on the one hand, and the DCI as well as the military services on the other. The issue was whether to continue to make

⁶⁸ NIE 11-3/8-80, *Soviet Capabilities for Strategic Nuclear Conflict Through 1990* (16 December 1980), p. B-13.

⁶⁹ *Ibid.*, pp. B17-B18.

⁷⁰ See Ben B. Fischer, *A Cold War Conundrum: The 1983 Soviet War Scare* (Center for the Study of Intelligence, CIA, 1997).

⁷¹ SNIE 11-4/2-81, *Soviet Potential To Respond to US Strategic Force Improvements, and Foreign Reactions* (6 October 1981), see pp. 2 and 17.

overall static assessments of Soviet strategic capabilities and capabilities for theater operations in Europe relative only to US forces and capabilities. CIA analysts (and some in the military) saw the more relevant comparison as Warsaw Pact versus NATO forces and capabilities—the United States and the Soviet Union would not (even could not) fight alone in Europe. But those who wished to place emphasis on “the Soviet threat” did not want to diminish it by adding on the forces of the NATO allies.

Despite the importuning by analysts in CIA’s Directorate of Intelligence, and independently by knowledgeable members of Congress asking for NATO-Warsaw Pact comparisons, DCI Casey and Deputy Director of Intelligence (DDI) Robert Gates (later Deputy Director of Central Intelligence [DDCI]) dragged their heels. NIEs on Soviet and Warsaw Pact capabilities had, of course, as earlier noted, been made ever since 1962. But in the overall assessments made to Congress and the public in the 1970s and early 1980s the US-USSR comparisons were used, for example, on levels of military spending or military manpower, as well as nuclear capabilities. Only late in the 1980s was this to some extent rectified.

Although net assessments and alliance capabilities assessments were eschewed, some interactive comparisons—of a new kind—did enter NIEs in the late 1970s and early 1980s. Assessments of Soviet perceptions of Western policies and capabilities were of course a legitimate and necessary consideration in intelligence assessments of Soviet policy. Sometimes, however, the estimates conveyed only thinly veiled judgments on US policy. Thus, for example, NIE 11-4-78 estimated that the “more assertive Soviet international behavior” observed in Angola, Ethiopia, and Afghanistan (even before the Soviet military intervention) in the latter half of the 1970s was “likely to persist as long as the USSR perceives that Western strength is declining” and its own strength is steadily increasing.⁷² That was a legitimate (if, in retrospect, questionable) assessment, although one senses the authors of the estimate themselves held the view that US and Western strength was declining.

By the early 1980s, direct statements by the estimators, no longer attributed to Soviet perceptions, entered the NIEs. NIE 11-16-83X in March 1983 referred to “the fact that the United States did not make a commitment to strategic force improvements comparable to that demonstrated by the magnitude and vigor of Soviet programs.”⁷³ And a NIC memorandum in August 1983 stated flatly “the US faltered in the 1970s . . . while the Soviets continued modernization” of their strategic programs, and alleged “US unilateral restraint.”⁷⁴ These were net assessments or assessments of US policy to which, however,

⁷² NIE 11-4-78, *Soviet Goals and Expectations in the Global Power Arena* (9 May 1978), p. 1.

⁷³ NIE 11-16-83X, *The Soviet Approach to Arms Control: Implications for START and INF* (8 March 1983), p. ii. Italics added.

⁷⁴ NIC M83, *The Strategic Weapons Spiral: Soviet Reactions* (August 1983), p. iii.

the Pentagon raised no objection. Similar statements were being made by administration spokesmen from the President down, but intelligence assessments were not supposed to address US policy or performance.

The Reagan administration did introduce a new version of intelligence assessment to inform (and influence) public opinion. In 1981, and then from 1983 through 1990, the Department of Defense issued annually a lavishly illustrated publication titled *Soviet Military Power*. It presented an ominous picture of a massive Soviet military buildup, without adequate indication of countervailing American and NATO military forces or programs. Although based on national intelligence (plus uncoordinated Defense Department analysis), the data were selected and embellished to magnify the impression of a threat and to rally support for the US military buildup. DIA prepared *Soviet Military Power*, with informal consultation with CIA (and other) analysts, but the series was not coordinated nor was it an intelligence product; it was a Department of Defense public information publication.

By 1982, the strategic research analysts at CIA had discovered a disturbing trend in the annual NIEs estimating Soviet strategic capabilities: the aforementioned consistent overestimation of strategic forces modernization and enhancement of capabilities since the mid-1970s. The problem was simple, but any solution would be complex, and difficult to obtain agreement on. While projections of future programs for any individual weapons system or category of weapons might be reasonable, the aggregate force projections were more than the Soviets procured and would have required a massive increase in spending that was highly unlikely. Moreover, although the NIE 11-3/8 series now estimated “low” and “high” forces as general parameters, overestimation of the aggregate was consistently true even for the “low” force projections. The CIA analysts became aware of this problem in 1982, but they were unable to determine which of the individual programs should be scaled back or dropped. Finally, by 1986 a new methodology had been devised (involving thousands of Monte Carlo simulations for each system variable) to derive a forecast allowing for uncertainties. Although not determining which programs would be curtailed, this methodology would have permitted bringing the aggregate down to correspond to more probable overall force projections. A proposal by the Director of SOVA to insert a CIA DI footnote into NIE 11-3/8-86 explaining the matter was not accepted.⁷⁵ The problem remained, and was soon compounded by uncertainties and divergent judgments on Soviet policy under Gorbachev. Meanwhile, the annual overestimates of future force enhancements continued.

⁷⁵ Memorandum for Deputy Director for Intelligence [Richard Kerr], From Douglas J. MacEachin, Director for Soviet Analysis, Subject: NIE 11-3/8, *Force Projections* (22 April 1986), 7 pp. For the new methodology, see *Projecting Soviet Military Forces and Weapons Procurement, A Technical Intelligence Report*, Directorate of Intelligence, CIA, SOV 87-10006, (November 1987).

Moscow's Economic Burden

There was also a growing concern in CIA's Directorate of Intelligence on the weight of the economic burden of defense even for existing programs, much less the forces projected for the future. But this was not reflected in the NIEs. In 1985, CIA analysts attempted, unsuccessfully, to get a caution on the Soviet defense burden on the economy into NIE 11-18-85.⁷⁶ Also in 1985 an NIE on Soviet objectives in arms control, while correctly predicting that economic problems were not such as to prompt any significant early concessions in arms negotiations, also suggested that perhaps the Soviets were deliberately exaggerating their expressed concern over the economic impact of the arms competition in order to convince the West of their good faith in arms control.⁷⁷ It did not concede a military burden on the economy to which Soviet leaders might respond. Moreover, it did not recognize, even as a possibility, that the new Soviet leadership might seriously be interested in ending the arms race, for political as well as economic reasons.

CIA's estimates of the economic burden of Soviet defense spending were controversial in the 1970s and 1980s, and the issue remains unresolved even today. The estimates that defense spending amounted to about 15 to 17 percent of GNP were almost certainly low, although the extent remains unclear. In the Soviet command economy, prices and costs were set arbitrarily; even Soviet leaders did not know the real extent of the burden. Accordingly, even the opening of Soviet records does not provide an answer. It does, however, seem clear that while Soviet leaders were not precluded from pursuing a wide range of military programs and were not compelled to seek negotiated arms limitations, they had strong incentives to seek to lower the defense burden, and this affected both their military programs and their foreign and arms control policies.

Meanwhile, the split in the Intelligence Community in the late 1970s following the Team B exercise and under DCI Turner contributed to a polarization of views in the NIEs on Soviet military doctrine and strategy. Basically, the issue was whether the Soviet leaders were seeking a decisive superiority and attainment of a war-fighting and war-winning capability, or were they pursuing deterrence bolstered by war-fighting capability while recognizing the unattainability of a war-winning strategy or capability. The issue could not be conclusively resolved by Soviet pronouncements or military programs, but the fact that the US military intelligence services supported the more dire alternative meant that the inclination to overestimate projections of future Soviet military capabilities, as well as of

⁷⁶ See Kirsten Lundberg, *CIA and the Fall of the Soviet Empire: The Politics of Getting It Right*, Case Study C 16-94-1251.0 for the Intelligence and Policy Project, John F. Kennedy School of Government, (Cambridge MA: Harvard University Press, 1994), p. 11. NIE 11-8-85, *Domestic Stresses on the Soviet System* (November 1985).

⁷⁷ SNIE 11-16-85/L, *Soviet Strategic and Political Objectives in Arms Control in 1985* (March 1985), pp. 4 and 8.

assertive current and future Soviet foreign policy actions, tended to dominate the NIEs. Again, the issue became even more salient with the advent of the Gorbachev administration in the Soviet Union.

From the beginning of Gorbachev's leadership in 1985 to his fall from power from August to December 1991, the highest priority tasks for US intelligence estimation were Gorbachev's political intentions, and his political capabilities, vis-à-vis the Soviet Union as well as toward the West. This was not immediately evident, but during the years 1985 to 1988 the fact that some intelligence analysts came to this conclusion was sufficient to make the issue of Gorbachev's political intentions at home and abroad of high, if controversial, importance. From 1988 to 1991, Gorbachev's intentions were more clear, and the issue increasingly became a question of whether Gorbachev could retain power and maintain his radical *perestroyka* of the Soviet Union and of Soviet policies and, if not, what would follow. Economic problems were recognized to be important in influencing Gorbachev's political agenda, and his failed efforts to find solutions to them (and indeed inadvertently to make them worse) were important.

Although military policy was an extremely important aspect of Gorbachev's reorientation of Soviet foreign policy, and eventually would be very important to his reformation of the Soviet system, it was not an early target for change. Military programs and procurement from 1985 through 1988 continued on the previously established basis of the twelfth five-year plan, which actually involved a modest increase in the rate of growth of military spending (from about 2 to about 3 percent). The NIEs were therefore on a sound foundation in estimating short-term military programs and capabilities. There were many signs that this would change, but the changes were not considered sufficiently clear or certain to modify the usual, somewhat overstated force estimates for later years. The errors of aggregate estimates of individually plausible projections discovered by CIA analysts in the early 1980s had not been corrected, but continued to be quietly adjusted downward each year as they proved too high, generally without modifying new future force projections.

The available declassified estimates of strategic forces in the latter 1980s through 1991 are spotty. They do make clear that as late as NIE 11-3/8-88 (the most recent substantially declassified strategic forces estimate), the projections for the future continued to be inflated. I would not fault the fact that the NIEs continued to estimate little-changed Soviet forces well into the 1990s, even though, in fact, by 1992 there was no Soviet Union (or Soviet armed forces). It was reasonable and prudent to estimate even as late as the summer of 1991 that a largely intact renewed Union, even if pared of some outlying republics, might remain.

The kind of routine overestimation that I have in mind is illustrated by the familiar example of the Soviet strategic bomber force. NIE 11-3/8-88 in December 1988 was still estimating deployment of some 80 to 120 Blackjack (Tu-160) heavy bombers, and up to 150 heavy jet tankers, by the late 1990s.⁷⁸ Although comparably precise estimates of the numbers of the newest ICBM variants being deployed (the SS-18 Mod 5 and SS-24 Mod 2) are not included in the summary sections of the estimate that have been declassified, these programs were described as involving “major changes in the force.”⁷⁹ Yet a CIA DI assessment a little over a year later stated that by 1988, the time of that estimate, the Soviets had already scaled back several intercontinental attack forces deployment programs, including the Blackjack, the SS-18 Mod 5, and the SS-24 Mod 2.⁸⁰

The key judgments section of NIE 11-3/8-91—the next after the 1988 NIE to be available in part in declassified form and the last of the series, issued in August 1991— noted that the Soviets were reducing the estimated future number of Blackjack bombers, down from the 80-120 by the late 1990s previously estimated to some 40 by the year 2000. (There was no longer even mention of heavy tankers.) The estimate also noted that they had completed their SS-24 Mod 2 deployment, although the SS-18 Mod 5 continued to be deployed. The NIE included a general caveat, estimating that “barring a collapse of central authority or the economy,” the Soviets would “retain and modernize powerful, survivable strategic forces throughout the next decade.” While it may have been prudent to include an estimate of possible Soviet strategic forces and capabilities a decade hence by trend-line projections, would it not have been prudent in 1991 to estimate at least two alternative future force projections? The furthest the estimators went, noting a range of discordant views in Moscow, was to suggest that “the possibility remains, therefore, that a reformist regime [not the Gorbachev administration?] might challenge the need to maintain strategic nuclear forces comparable to those of the United States to ensure superpower status and might settle for a lower level of forces solely for deterrence.”⁸¹

The greatest shortcoming of the NIEs on Soviet military power from 1987 to 1991 was the failure to give even cautious recognition to the radical changes already under way in Soviet outlook, doctrine, policy and strategy. NIE 11-18-87, evaluating Gorbachev’s overall policies in November 1987, while belatedly acknowledging his reforms and including some astute observations on the internal scene, still stated that “On the national security front, Gorbachev adheres to traditional objectives: first and foremost enhancing the security of the homeland; expanding Soviet influence worldwide; and advancing

⁷⁸ NIE 11-3/8-88, *Soviet Forces and Capabilities for Strategic Nuclear Conflict Through the Late 1990s* (1 December 1988), p. 10.

⁷⁹ *Ibid.*, p. 7.

⁸⁰ *Gorbachev, Perestroika, and Future Soviet Strategic Offensive Forces*, an Intelligence Assessment, Directorate of Intelligence, CIA, SOV 90-10009JX, February 1990, p. iii.

⁸¹ NIE 11-3/8-91, *Soviet Forces and Capabilities for Strategic Nuclear Conflict Through the Year 2000* (8 August 1991), pp. 1, 3, 6, and 8. There was no 11-3/8-89, and 11-3/8-90 has not been declassified.

Communism at the expense of capitalism around the globe.” Gorbachev was said to seek to “ensure Moscow’s ability to continue to fulfill military requirements,” a formulation that begged the issue and obscured the key fact that Gorbachev had set new military objectives, doctrine, and requirements that would soon be evident. The NIE gave almost no hint of these developments under way and instead explicitly took as a “given” traditional Soviet “superpower ambitions, military power, and ideological predilections” that made it the adversary of the West “whether or not Gorbachev is successful.” Instead, Gorbachev’s “ultimate goal” in his new security policies was reduced to “slowing the overall momentum of US military programs.” Gorbachev’s new thinking on security and foreign and military policy was characterized as having “a substantial propaganda component. . . . Gorbachev wants to further the impression that his leadership is embarked on fundamental new directions.” His main accomplishment in foreign policy was seen as “improving the Soviet image abroad,” and he was said to have “better positioned the Soviet Union to put Western diplomacy on the defensive and to increase Soviet influence.” Yet it was by then evident to many observers of the Soviet scene (including CIA analysts) that there was much more to Gorbachev’s new thinking than improving an “image,” furthering an “impression” of change, and maneuvering to put the West on the “defensive.” The NIE even asserted that the most radical proponents of systemic reform under Gorbachev through the 1990s “would not end the competition, risk the relative gains they have made over the past 20 years, accept an inferior military position, or draw back from the pursuit of a global superpower status.” Yet Gorbachev did all those things and more within the next three years.⁸²

Even a year later, NIE 11-3/8-88 in December 1988 flatly declared that, “to date. . . we have not detected changes under Gorbachev that clearly illustrate either new security concepts or new resource constraints are taking hold.” Instead, “We believe it is prudent to adopt a wait-and-see attitude toward the prospects for longer term change in the Soviets’ fundamental approach to war.” Meanwhile, the NIE declared, “sufficiently compelling evidence is lacking to warrant a judgment in this Estimate that the Soviets already have begun to implement fundamental changes in their approach to warfare under Gorbachev.” Moreover, “Thus far, we see no convincing evidence that the Soviets under Gorbachev are making basic changes in their approach to actually fighting nuclear war.”⁸³

“Convincing” and “compelling” evidence was not long in coming. Less than a week after the issuance of NIE 11-3/8-88, Gorbachev announced in an address to the UN General Assembly in New York that the Soviet Union would unilaterally cut its forces by 500,000

⁸² NIE 11-18-87, *Whither Gorbachev: Soviet Policy and Politics in the 1990s* (November 1987), pp. 3, 7, 21-25, and 35. See also a contemporaneous memorandum by DDCI Robert M. Gates, *Gorbachev’s Gameplan: The Longer View* (24 November 1987), p. 4, a cautionary, self-styled “reminder of the enduring [traditional] features of the regime and the still long competition and struggle ahead”.

⁸³ NIE 11-3/8-88, *Soviet Forces and Capabilities for Strategic Nuclear Conflict Through the Late 1990s* (1 December 1988), quotations from pp. 6, 3, 7, and 6, respectively.

men and—most importantly—withdraw six tank divisions and 5,000 tanks from Eastern Europe. The import of this reduction was even greater than the numbers; it meant unilaterally giving up the preponderant armored striking capability of the Warsaw Pact for any attack on the West, as subsequent estimates acknowledged.

Although none of the NIEs had even posed the possibility of a major Soviet unilateral reduction of its forces in Europe before Gorbachev's December 1988 announcement, CIA analysts were aware of reported studies begun in Moscow on such an action and were open to the possibility. A DI assessment in June 1988 had suggested the possibility of a unilateral Soviet cut, perhaps after testing the new administration in European arms negotiations in 1989, and had cautiously suggested that there was "a good chance that Gorbachev will, by the end of this decade, turn to unilateral defense cuts."⁸⁴

It should not have required Gorbachev's announcement to alert the intelligence estimators to the changes under way in Soviet military doctrine and strategy and their implications not only for future Soviet capabilities but for already operative changed Soviet objectives and evaluations of the role of military power. In this respect, among others, the record shows that the analysts in CIA's Directorate of Intelligence were well ahead of the Intelligence Community as a whole, and their published analyses were well in advance of the NIEs in predicting (or at least catching up with) Soviet actions based on these doctrinal and policy changes.

The above-cited mid-1988 DI assessment of Soviet national security policy had reviewed in considerable detail the published debates by Soviet military and political figures and found that a close correlation of these statements with other (not declassified) sources led to the conclusion that "the Soviet leadership has come to believe that in an all-out nuclear war with the United States the USSR could not achieve victory in any meaningful way, even if it struck first." Moreover, calculations based on Soviet methodologies of damage assessment showed that US second-strike retaliatory capability had grown—not diminished—in the 1970s and had the potential to nearly double again by the end of the 1980s. "Under these circumstances, the prospects of achieving strategic nuclear superiority that could produce a meaningful victory in an all-out war may increasingly have seemed unrealistic."⁸⁵ This was a more forthright statement than the CIA-Intelligence Community position in the NIEs since the early 1980s and a direct repudiation of the Team B position taken by the military intelligence services since the late 1970s. Moreover, the CIA assessment argued that there was "persuasive evidence from both classified and open sources that the discourse goes beyond mere propaganda and involves fundamental issues that have potentially important ramifications for Soviet security policy and military forces over the longer term."⁸⁶

⁸⁴ *Soviet National Security Policy: Responses to the Changing Military and Economic Environment*, SOV 88-1004CX, an Intelligence Assessment, Directorate of Intelligence, CIA, (June 1988), pp. 22 and viii.

⁸⁵ *Ibid.*, pp. 8-10.

⁸⁶ *Ibid.*, pp. v and viii.

That was certainly true and had been for some time. It was reflected in a number of CIA DI analyses and assessments in 1987-89.⁸⁷ But it was difficult to get meaningful discussions into the coordinated NIEs, and the result was usually a sterile standoff of “alternative views” or a brief statement in the text balanced by a dissent, neither going beyond general assertions. Only after the unilateral Soviet initiative of force reduction and retraction from Eastern Europe did the ice crack and begin to move. It also became easier to have discussion of such matters in NIC “Memoranda,” less formal than NIEs but coordinated within the Intelligence Community by the appropriate NIO.

By spring 1990, a NIC Memorandum finally, and belatedly, acknowledged that “in 1986 and 1987 there was mounting evidence that the Soviets were reassessing their military doctrine,”⁸⁸ something only slowly acknowledged at that time in internal CIA analyses (and by nongovernment analysts on the basis of plentiful indications in open sources). It also noted that the reductions then well along in Eastern Europe were “consistent with a movement toward a defensive doctrine,” and further that the Soviet proposal in the negotiations on Conventional Forces in Europe (CFE) “serves as one of the most convincing indicators to date of the defensive orientation of their military doctrine” as well as of “their intent to decrease the economic burden of the Soviet theater forces. . . .”⁸⁹ Another NIC Memorandum in late 1989 had also noted that the unilateral reductions were not only “consistent with the announced Soviet shift toward a more defensive doctrine,” but that “pursuant to the new doctrine’s ‘War Prevention’ tenet, the reductions will virtually eliminate the Soviets’ already limited short warning attack capability.”⁹⁰ This was serious business and was related to the doctrinal revisions now belatedly acknowledged to have been under way since 1986.

The last relevant NIE statement preceding Gorbachev’s unilateral initiative to reduce and withdraw forces from Eastern Europe had appeared only days before his announcement. It had considered the possibility of a unilateral action only to dismiss it beyond the possibility of some gestures for political effects in the West. It also stated with uncharacteristic certainty that in negotiations the Warsaw Pact states would not accept the

⁸⁷ For example, see *Gorbachev and the Military: Managing National Security Policy*, SOV 87-10061X, (October 1987); *The Clash Between Civilian Specialists and the Soviet Military Over “Reasonable Sufficiency,”* FB 87-10021, (4 December 1987); *Soviet Defense Policy: “Sufficiency” Doctrine Gains in Debate*, FB 88-10020, (15 November 1988); *The Changing Role of Civilian Advisers in Shaping Soviet National Security Policy*, an Intelligence Assessment, SOV 89-10004X, (January 1989); *The Nature of Soviet Military Doctrine*, a Research Paper, SOV 89-10037X, (April 1989); and *Gorbachev’s Strategy for Managing the Defense Burden*, an Intelligence Assessment, SOV 89-10036, (April 1989).

⁸⁸ NIC M90-10002, *The Direction of Change in the Warsaw Pact* (April 1990), p. 2.

⁸⁹ *Ibid.*, pp. iii and 12.

⁹⁰ NIC M 89-10005, *Soviet Theater Forces in 1991: The Impact of the Unilateral Withdrawals on Structure and Capabilities* (November 1989), p. 2.

NATO proposal that entailed massive cuts in tanks for minor NATO cuts, establishing parity between the members of the Pact and NATO.⁹¹ Yet that is precisely what the Soviet Union and other Warsaw Pact countries agreed to in the CFE Treaty within two years.

NIE 11-14-89, *Trends and Developments in Warsaw Pact Theater Forces and Doctrine Through the 1990s*, issued in February 1989, assessed the situation after Gorbachev's announced major reduction of Soviet forces in Eastern Europe; it would also be the last comprehensive estimate before the revolutionary changes in Eastern Europe nine months later, portending the disintegration of the Warsaw Pact. It did not foresee dramatic changes. It did, however, recognize that Gorbachev's policies were having a significant impact on Soviet general purpose forces (albeit with a DIA dissent arguing that further large reductions were unlikely and that "present evidence and future uncertainties make the element of continuity in Soviet military policy as important as the changes for US national security and defense planning").⁹²

The NIE stated that Gorbachev's military doctrinal revisions and other initiatives (such as the unilateral reduction) were "designed primarily to help the Soviet leadership reinvigorate the economy by shifting resources from defense to the civilian sector" Although previously NIEs had only reluctantly accepted an economic constraint on defense expenditure, this explanation was more readily accepted than one also attributing to Gorbachev's policy a new world-view and new political objectives, including the dismantling of the East-West military confrontation in Europe. The director of DIA did dissent from the judgment that the concept of "reasonable sufficiency" was a matter of avoiding the costs of an unabated arms race. But he did so only to argue that the concept was advanced primarily "to raise Western expectations regarding the prospects for substantial force reductions and to undermine support for NATO modernization" and that, if Gorbachev failed in these objectives by the mid-1990s, "the Soviets most likely would, despite the extremely heavy costs, revert to their traditional resource-intensive approach to develop the next generation of weapons and modernize their forces."⁹³

NIE 11-14-89 nonetheless marked an important, if incomplete, change in evaluating Soviet military doctrine. CIA DI publications had, as earlier noted, been treating seriously debates and changes in doctrine both in open and classified Soviet sources. The NIEs had generally shied away from serious evaluation of changes taking place even in official doctrine. Although NIE 11-14 was not the most logical in the NIE series to deal with this subject, it was certainly affected, and it appeared at a time when some judgments seemed

⁹¹ SNIE 11-16-88 CX, *Soviet Policy During the Next Phase of Arms Control in Europe* (November 1988), pp. iii-iv.

⁹² NIE 11-14-89, *Trends and Developments in Warsaw Pact Theater Forces and Doctrine Through the 1990s* (February 1989), pp. iii and ix.

⁹³ *Ibid.*, pp. 1-3 (with the dissenting "alternative judgment" of DIA in the text on p. 3).

necessary. The result was an abandonment of the Team B arguments that the Soviets believed in attaining victory in a nuclear war. Indeed, even the record of past acceptance of this view in NIEs was brushed aside:

There is no indication that the Soviets have ever been sanguine about the consequences they would expect to suffer in a nuclear war. Moreover, evidence from the 1980s indicates the Soviets doubt they could prevail in any traditionally meaningful military-political sense because of the expected high levels of damage both sides would sustain from nuclear attacks. Since the early 1980s, Soviet leaders have explicitly renounced the possibility of achieving victory in a general nuclear conflict. We judge that the “no victory in nuclear war” position—publicly endorsed by Gorbachev and incorporated in the 1986 27th Party Congress program—is basic to the political dimension of Soviet military doctrine.

And it was further emphasized that the “military-technical” component of military doctrine was strictly subordinate to the political, and that military doctrine had “the status of state policy.”⁹⁴

But what the NIE yielded to the political dimension of military doctrine with respect to Gorbachev’s new thinking, it offset by saying that “we have not detected any changes in the military-technical dimension of Soviet military doctrine which clearly demonstrate that the Soviets have changed their nuclear war-fighting doctrine under Gorbachev.” Specifically, “The Soviets will remain committed to the offensive as the preferred form of operations in wartime.”⁹⁵

DI analyses in CIA had discussed the presentation in May 1987 of a new Warsaw Pact military doctrine calling for a defensive doctrine at the military-technical level. Previously Soviet military doctrine at the political level was avowedly defensive but, once war had begun, Soviet military doctrine at the military-technical level called for assuming the offensive as soon as possible and pursuing it vigorously. The new doctrine called for a radically new approach, and it was hotly debated. While it was appropriate to weigh carefully its significance, the very fact of a vigorous debate in Moscow suggested that a real and significant change was involved. But despite other demonstrated changes under Gorbachev, the NIE stated flatly in an estimate covering the next decade that “the Soviets will remain committed to the offensive.” Readers of the NIE would not know that, for example, the confidential Soviet General Staff journal *Military Thought* in January 1988 in its lead editorial on the new training year had emphasized that the new doctrine was meant as operational guidance, and that military exercises in 1988 and after gave much greater attention to defense, as did articles in the journal.⁹⁶

⁹⁴ *Ibid.*, p. 6.

⁹⁵ *Ibid.*, pp. 6 and v.

During the years 1989 through 1991, the Intelligence Community sought to catch up with the rapid rush of events. These events were predominantly political, although of course with important military implications and consequences. Soviet military spending, which had remained steady at about 3-percent annual rate of growth from 1985 through 1988, fell with a 15-percent decline in 1989, another 15 percent in 1990 and still more in 1991. As earlier noted, the estimates of strategic forces and capabilities for these years, except for one brief summary, have not been declassified. The declassified materials indicate only one brief NIE on Soviet theater forces after NIE 11-14-89, but there were also several NIC Memoranda in 1989 and 1990. None of these repeated an oddly anachronistic statement in NIE 11-14-89 that, although “we consider Pact initiation of hostilities without mobilization [the new situation after the unilateral reductions] to be extremely unlikely . . . we cannot, however, rule out the possibility that the Pact might initiate hostilities from a condition of partial mobilization if it perceives an opportunity to achieve decisive results against NATO, or a need to forestall NATO from achieving decisive results against the Pact.” Several years into the Gorbachev administration, and with major changes under way in Eastern Europe, to draw explicit attention in 1989 to a possible Warsaw Pact decision to launch a war because of a perceived opportunity to defeat NATO was probably one of the most bizarre estimates in the history of the Cold War.⁹⁷

A constructively imaginative assessment of the military implications of the possible breakup of the USSR was prepared in CIA’s DI in September 1991, as that possibility loomed ever larger. It represented the estimated thinking and views of the Soviet General Staff. The basic alternatives included one then being prepared by Gorbachev (losing only peripheral Baltic, Moldavian, and Caucasian members), one limited to Russia-Belarus-Ukraine and Slavic northern Kazakhstan, and one limited to Russia alone. The latter was, of course, soon the new reality. The estimators (as, no doubt, the Soviet General Staff they were seeking to emulate) assumed that even in that third alternative it would be possible to transfer many military forces if not fixed assets into Russia, so even the postulated “worst case” was not quite as bad from Moscow’s standpoint as reality soon became. The analysis was thorough and professional. The one element not given due attention (in the redacted, declassified version, at least, no attention at all) was the dispersed location of tactical nuclear weapons, although by that time most had been returned from outlying republics (other than Ukraine and Belorussia/Belarus).⁹⁸

⁹⁶ By the summer of 1990, these references were all made public; see Raymond L. Garthoff, *Deterrence and the Revolution in Soviet Military Doctrine* (Washington DC: Brookings Institution, 1990), pp. 156-174.

⁹⁷ NIE 11-14-89, *Trends and Developments in Warsaw Pact Theater Forces and Doctrine Through the 1990s* (February 1989), p. vii. Italics added.

⁹⁸ *The Implications of a Breakup of the USSR: Defense Assets at Risk*, an Intelligence Assessment, Directorate of Intelligence, CIA, SOV 91-10039X, (September 1991).

Conclusions

The most appropriate concluding questions to pose are probably the most basic ones: What was the role of the CIA and its analyses in estimating Soviet military power, intentions, and capabilities? How good were the National Intelligence Estimates of Soviet military power—how accurate were the information and assessments, how complete, and how useful to policymakers? A very general overall judgment might be that the estimates often could have been better but also could have been much worse. Others making “estimates,” in and out of the US government, were sometimes more on target; but many, many such “competing estimates” were terribly wrong. Within the US Intelligence Community, the institution of NIEs, and the reputation for their authority (if not always for their messages), played a positive role in keeping the various intelligence (and non-intelligence) elements in the US government within the parameters set by the NIEs.

Overall, the record of NIE assessments of Soviet intentions shows a tendency in the late 1940s and 1950s, and again in the last half of the 1970s and first half of the 1980s, to overstate a Soviet propensity to rely on military power and its offensive applications. The assessments of Soviet military forces and capabilities also displayed a persistent tendency to overestimation (with the notable exception of the systematic underestimate of future ICBM deployment in the years 1963-68). Thus the Soviet threat was generally overstated throughout the Cold War. It is, however, not easy to evaluate the impact on US policy and defense programs. Moreover, from the early 1960s on, the estimates of current Soviet forces were generally accurate; overestimates concerned projections of estimated future forces, and these errors were corrected with respect to current forces (even if projected future forces continued to be overstated). Least successful were estimates of Soviet doctrine, strategy, and policy objectives in the latter half of the 1970s and early 1980s, and especially in the very slow response to changes in the Gorbachev period from 1986 through 1991. CIA shared in these misestimates but was almost always closer to a correct understanding than the military members of the Intelligence Community, and CIA DI assessments were more correct and more informative than coordinated NIEs.

The DCI, after 1947 also the head of the CIA, never acquired control over the Intelligence Community. But he did have control over the estimating process and the content of NIEs. He could not preclude the expression of diverging and dissenting views, and on occasion was alone against an array of other members of the Intelligence Community. But to the extent he wished to do so, he could determine the official *national* estimate.

DCIs in most cases relied principally on the analysis of the CIA in reaching their positions, although that depended on more convincing evidence or arguments than those offered by other agencies. Occasionally, a DCI would disagree with CIA analysts and

estimators (for example, DCI John McCone over Soviet intentions to deploy medium range missiles in Cuba in September 1962 or DCI William Casey over Soviet responsibility for international terrorism in 1981) or pursue a given line further than they would (as DCI Stansfield Turner in NIE 11-3/8-79 and 11-3/8-80). But by and large, while the NIEs were a coordinated and agreed-on product of the Intelligence Community, or at least of the DCI, from the 1950s through the 1970s, they were drafted in CIA and rested mainly on CIA analysis.

The role of CIA analysis in NIEs on aspects of Soviet military intentions and capabilities grew considerably in the 1950s and became dominant in the 1960s and 1970s owing to the development of greater expertise in CIA in areas such as economic analysis, military production analysis, scientific (including military, space, and nuclear) intelligence, and effective melding of all-source intelligence including overhead imagery, communications intelligence, clandestine human-source intelligence, diplomatic and other reporting, and analysis of broadcast and published open sources. From the mid-1970s, with the institution of NIOs drawn from various quarters, the centrality of CIA military analysis was diluted.

How much were the Soviet military estimates used by policymakers (and their staffs)? It is fair to say that no one waited for an NIE 11-4 (or later an NIE 11-3/8) to see if war was coming or if the United States should or should not negotiate on arms. But the military estimates (and derivatives such as the National Intelligence Planning Projections) were used very seriously in the context of US defense policy, even though US military programs and forces were generally not tailored to match or counter Soviet military forces. It was for that reason that the military services' intelligence chiefs were so keenly engaged on matters affecting their own service programs.

CIA analysis was not always right, nor always accepted as the basis for judgments in NIEs. But it came to have a predominant role in them because it was more correct more often (apart from the fact that it was also ultimately the DCI's choice). On occasion, CIA analysis was not accepted by the DCI because of his own divergent views. CIA DI analyses in the Gorbachev period were often not reflected in NIEs (or disseminated otherwise to senior policymakers) by DDCI Gates because he held a different view. That was his right. But it was regrettable because the CIA analysis was far more correct than the view he held.

CIA analysis, and the estimates process of the Intelligence Community, grew greatly over the four-and-a-half decades of the Cold War. It was a long and tortuous passage and by no means always in a straight line of evolution and refinement. In fact, it was a twisted path. Nonetheless, there was not only improvement over time in deriving intelligence from a greatly expanding combination of rich sources of information, but also in building

estimative methodologies and approaches. CIA analysis not only became the central element generating national intelligence, but also provided a stabilizing function in making intelligence more accurate and reliable, more timely, and more useful to policymakers.

The particular intelligence requirements of the Cold War have now passed into history. Lessons to be learned from a critical evaluation of the performance of CIA (and the other members of the Intelligence Community, and the Community itself) remain, nonetheless, important not only for history but also for considering how best to meet the intelligence requirements of a new era.

Discussant Comments

A panel moderated by Aaron Friedberg, Professor of Politics and International Affairs at Princeton University, discussed Raymond Garthoff's paper and provided views on CIA's military analysis of Soviet military intentions and capabilities during the Cold War. The panelists were Richard Betts, the Leo A. Shifrin Professor of War and Peace at Columbia University; Douglas MacEachin, former Deputy Director for Intelligence at CIA; and Steven Rosen, the Beton Michael Kaneb Professor of National Security and Military Affairs at Harvard University.

Commentator **Richard Betts** agreed with Garthoff that, given the limitations of the process, the record of US analysis of Soviet military affairs was generally good, especially the day-to-day analysis commonly referred to as current intelligence. The problem, according to Betts, was in the conceptualization of the terms *intentions*, *capabilities*, and *politicization*. Regarding *intentions*, Betts argued that it was necessary to distinguish between policy intentions and strategic intentions. Betts defined policy intentions as the USSR's motives and objectives with regard to its offensive and defensive weapons. He defined strategic intentions as how the Soviets would use force to win a war. Betts asserted that the Intelligence Community could not address Moscow's policy intentions issues because they were wrapped up in theology, ideology, and politics. He suggested that the Agency's analysts should have assumed that the inherent conflict of interest between East and West made war possible, even if neither side considered its own arms policies overly aggressive. Rather, they should have focused on discerning the Kremlin's strategic intent and assessing Soviet military capabilities. Betts opined that estimates of military *capabilities* are more useful because forces are more observable than intentions, although it is hard to quantify levels of training and the fighting ability of conventional forces.

Betts then discussed *politicization*, which he defined as the shaping of analytical conclusions to conform to policy predispositions. He defined three types of politicization. The first type is the deliberate corruption of analysis done by changing conclusions in order to conform to policymaker preferences. Betts concluded that this type of politicization of

the Agency's analysis during the Cold War was rare. The second type is the slanting of analysis because one's biases and assumptions are based on a particular political point of view. Betts said this form of politicization usually was done unconsciously based on one's assumptions of how the world works. He maintained that we all have biases, based on our experiences, study, and ideology; anyone without some bias "hasn't learned anything about how the world works." Finally, Betts discussed the organized confirmation of biases in the analytical process, which he defined as making conscious and explicitly competitive the unconscious biases that organizations or individuals bring to a problem. According to Betts, this is what the Team B exercise should have been all about. It troubled him that the Team B exercise was terminated without a full-scale confrontation of diverging views.

Betts also introduced the idea that the most useful function of the NIE process was to force attention to the differences between what we know from direct observation, which is generally undisputed, and what we deduce from evidence, which may be questionable, as well as what we assume or guess on the basis of logic and our biases.

Finally, Betts said that the most difficult debates about nuclear strategy during the Cold War were the ones involving issues of nuclear deterrence; NATO's reliance on the threat of escalation and first use; measurements of parity and superiority; and the assumption of NATO inferiority in conventional forces. For Betts, these issues had major implications for US and Allied defense and domestic policies. In his view, they were never resolved satisfactorily.

Douglas MacEachin began his comments by supporting Garthoff's and Bett's contention that the unique political climate in which National Intelligence Estimates on Soviet military forces were produced had an enormous impact on the estimates. MacEachin argued that the biggest single trap in producing NIEs was their attempt to assess Soviet intentions, which were impossible to know. According to MacEachin, nothing is more subject to social-political atmospherics than one's perception of intentions. In his view, the United States needed to reexamine how it did NIEs in order to avoid the "intentions trap." He went on to say that Soviet policies during the Cold War also were driven by internal politics in the Soviet Union, which the Intelligence Community had no way of foreseeing. Attempts to do so, in MacEachin's view, would lead to "intelligence failures."

Overall, MacEachin concluded that CIA did provide good military intelligence to policymakers during the Cold War. However, he was skeptical that it had much overall impact or influence on US policy.

Steven Rosen took exception to Raymond Garthoff's harsh criticism of the Team B experiment. Rosen asserts that the Team B exercise was a positive step toward improving the overall analytical product. He maintain that because individuals are reluctant to give up their views of the world and their predisposed mindsets, it is beneficial to the analytical process to force people to confront divergent views or to force them to deal with ideas they don't like. While agreeing with Garthoff that Team B reached some wrong conclusions in certain of its projections and estimates, Rosen thought the exercise raised the level of the debate by forcing intelligence analysts to realize that the Soviet leadership had different views about nuclear war and nuclear weapons than we did. According to Rosen, the Soviet leadership believed that more was better and that nuclear superiority in offensive and defensive capabilities was "worth spending a lot of money."

Rosen agreed with Garthoff that part of the problem was the tendency by CIA analysts and others to assume that Soviet views on military affairs were the same as those that dominated American thinking at the time. Rosen cited, for example, the Intelligence Community's underestimation of the production of Soviet medium range bombers and missiles and its overestimation of its intercontinental range forces. Rosen argued that the erroneous estimates were caused by US analysts assuming that the Soviets were most interested in striking the continental United States, an assumption based entirely on Western thinking. In Rosen's view, the Soviets way of looking at the world differed markedly from that of US policymakers.

Rosen concluded by saying that it was best to let a new generation of scholars examine the legacy of Cold War intelligence because most of the experts currently engaged in the debate were personally involved in assessing Soviet military power during the Cold War. He suggested that the Soviet biological warfare programs and the growth of the Soviet naval forces needed further study. He also said that Moscow's preoccupation with China from the early 1960s on needed to be assessed more carefully because much of the Soviet military buildup was directed at China rather than at the United States. Rosen also questioned why communications intelligence and SIGINT were not discussed at the conference, given their central role in the internal US debate on Soviet military doctrine.

Chapter VI

Western Analysis and the Soviet Policymaking Process

Vladimir G. Treml

Although the USSR ceased to exist more than a decade ago, we still do not have a complete understanding of the system that governed the flow of information to its higher authorities, particularly information originating outside the country. In the past, Soviet academic and government economists worked under a number of severely debilitating ideological and Communist Party-imposed restrictions. Soviet economists were not allowed to deviate from the official view of the Soviet economy. They could not use or cite any statistic or quantitative measure not published in the open literature or approved by central statistical authorities, no matter how distorted these data were. The secrecy was pervasive—even researchers cleared for basic classified documents would not find much¹ and were essentially isolated from the outside world, particularly from the outside international scholarly community. The Soviet open economic literature paid scant attention to Western analyses of the Soviet economy or offered short, critical, and largely defensive summaries of Western research.

But as this study shows, we now have evidence that behind closed doors a number of Soviet academic and government economic specialists with appropriate clearances

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¹ I found and carefully examined about 25 classified statistical compendia published in the 1970s and 1980s, as well as a few published in the 1990s. By and large, I was disappointed in the coverage—the industrial abstracts offered more details than those openly published, but the sectors and products which were considered secret remained hidden. There was no mention of nonferrous metallurgy, the data for machine-building included several products normally deleted in open sources such as output of railroad rolling stock, but nothing at all from the defense industries including civilian shipbuilding, radio-electronics, and civilian aircraft.

Classified financial compendia offered a little more data than published in the open literature but not much more. Nonferrous metallurgy was covered in terms of overall output indexes, costs, and profitability, but without any details or references to specific metals such as copper, aluminum, silver, or gold; detailed listings of costs and profits by ministries omitted all defense-related data.

reviewed a large number of Western studies of Soviet economic performance, selected some studies to be translated into Russian, and commented on them or made specific policy recommendations to higher authorities based on these studies. Until the dissolution of the Soviet Union, the Western economic Sovietological studies remained buried in “closed repositories” (*spetskhrans*) while memoranda, comments and recommendations related to these studies stayed hidden in classified files.

The need to seek out Western sources of data for the Soviet Union was not restricted to Soviet economists. For example, William Odom cites a case in which researchers of the Moscow Institute for the Study of the USA “denied access to Soviet military thinking and information, resorted to Western data on Soviet forces, and adopted Western concepts to the Soviet internal debate.”²

The purpose of this study is relatively narrow. It is to investigate the different channels by which Western Sovietological literature entered the USSR and to evaluate the literature’s potential impact and influence on high-level Soviet policymakers and leading economists. My research concentrates primarily on studies by Western academic and government economic researchers who focused on the performance, policy effectiveness, and structural changes in the Soviet economy. To make the project manageable, Western political, legal, historic, and sociological studies (with some exceptions) will not be included. Broader issues related to the potential impact of mainstream Western economic ideas on the development of Soviet economic thought, interesting as they are, will not be considered. We should note, however, that with some exceptions Western theoretical and policy-related economic literature was banned from open circulation in the USSR, and a few translated texts carried a restrictive “for scientific libraries only” classification. The system and scope of Soviet external and domestic censorship are considered here only as they pertain to Western Sovietological studies entering the USSR.

The period covered in this study is approximately from the beginning of Nikita Khrushchev’s reign in the mid 1950s to the beginning of Mikhail Gorbachev’s *glasnost* policy in the late 1980s, when the internal restrictions on Western scholarly literature were significantly relaxed if not completely lifted, and many new channels of interaction between the Soviet Union and the outside world emerged. Although internal censorship rules governing access to and utilization of Western publications changed somewhat over this long period, the basic patterns remained relatively stable.

The conclusions of this study are based on formerly classified and open documents found in Russian central archives, interviews with Russian economists, general Soviet and post-Soviet literature, and contributions from Western economic Sovietologists. A

² William E. Odom, *The Collapse of the Soviet Military* (New Haven, CT: Yale University Press, 1988), p. 150.

comprehensive search in the main central Russian archives—that is, GARF, RGAE, and *TsKhSD*—and in the numerous archives of former USSR ministries, state agencies, and academic institutes for all documents related to the study would have required a much larger research effort. The archival work for this project had to be highly selective and discriminating. A list of Russian archives searched appears at the end of this chapter.

This paper is not focused exclusively on studies of the Soviet economy by the CIA but on the broader scope of Western, primarily American, economic Sovietology. But it must be recognized that in the postwar period the Agency was a major player, some would say the dominant player, in the development and progress of research on the Soviet economy, polity, and society. CIA's involvement took many forms—preparation, publication, and wide distribution of numerous classified and unclassified reports and studies; participation by Agency researchers in various open domestic and international seminars and conferences; contributions to published compendia; direct funding of economic research at various academic centers and think tanks; and administrative and financial support of miscellaneous projects. The Joint Economic Committee (JEC) of Congress became a major vehicle for disseminating CIA studies; since 1955 more than 25 compendia of studies of the Soviet economy have been published and widely distributed to the public. Some of these were produced exclusively by CIA researchers, while others were composed of studies by academics (US and foreign), researchers from other US government organizations, and CIA specialists. Some were slim, single volumes; others were published as multivolume sets of close to a thousand pages. It is impossible to be precise, but roughly more than 40 percent of JEC compendia on the Soviet economy had been completely translated or summarized, excerpted, or reviewed in classified Soviet publications and, occasionally, in open publications in Soviet economic journals. In addition, the JEC sponsored publication of a large number of similar compendia devoted to socialist countries in Eastern Europe and to China.

My knowledge of the public dissemination of internal analytical reports by intelligence agencies of major countries is only cursory. But a superficial scanning of available documents suggests that CIA during the years of the Cold War was unique in widely sharing the analytical findings of the economic and political research by its analysts compared to countries such as Germany, France, the United Kingdom, and the USSR. At least in this respect the debilitating “culture of secrecy” critically assailed by Senator Moynihan in his 1998 book does not apply to the Agency.³

An exhaustive collection, collation, and analysis of all pertinent documents, were it feasible, was not deemed necessary for the purposes of this study. The massive, secret Soviet effort to select, translate, review, analyze, and disseminate Sovietological economic

³ Daniel Patrick Moynihan, *Secrecy: The American Experience* (New Haven, CT: Yale University Press, 1998), pp. 154-201.

studies to higher authorities was essentially unknown in the West and even in the USSR. The main purpose of this study therefore is to establish the existence of and to ascertain the approximate scope of this effort, to understand its administrative structure and the rules under which it operated under the controls of the Central Committee, and to sample the Western studies involved.

Programs of the Institute of the USA and Canada of the Academy of Sciences of the USSR, although close to the main subject of this study, will not be considered. The Institute, established in 1967, was responsible for studying American (and later Canadian) economic and political developments and advising the Central Committee and the government on foreign relations with the United States. The institute staff apparently had unrestricted access to a broad range of American publications including Sovietological sources. Sovietologists were considered only from the perspective of their influence on American public opinion and government policies toward the Soviet Union. Otherwise (at least in the open literature) they were contemptuously dismissed as “overt enemies of détente,” and “the product of the cold war which, in turn, they did everything to stimulate.”⁴ According to the Institute director, Georgiy A. Arbatov, the Sovietologists “multiplied errors and miscalculations” concerning the USSR while “trying to come forward as advisors to the governments of Western countries...”⁵ The house organ of the Institute, the journal *SSHA: Ekonomika, Politika, Ideologiya*, did not offer any factual analysis and evaluation of Sovietological studies. Accordingly, whatever impact Western Sovietology had on Soviet policymakers was affected through channels other than the Institute.

This study is of more than historic interest because, unfortunately, Russia and other newly independent states have inherited a number of systemic features of the old Soviet Union, and the political characteristics of the emerging societies are by no means clear. The roles of the independent press, of self-governing autonomous academic research institutions, and of mechanisms for independent scholarly or scientific exchanges with the outside world have not been fully defined. The findings of the research into the previously concealed Soviet system of channeling the findings of Western Sovietological studies to selected policymakers (or controlling information flow generally) could be profitably used by Western and Russian contemporary scholars.

⁴ Morton Schwartz, *Soviet Perceptions Of The United States* (Berkeley, CA: University of California Press, 1978), p. 77.

⁵ G. Arbatov, “Sovietology or Kremlinology,” *SSHA: Ekonomika, Politika, Ideologiya*, 12, (6 June 1970), pp. 208-209, in a review of William Zimmerman’s *Soviet Perspectives on International Relations* (Princeton, NJ: Princeton University Press, 1969), p. 209.

The System of Ideological Controls

Suspicion of foreign ideas and influences, particularly in the social sciences and humanities, was long a part of the Soviet authoritative mindset and, in fact, predates it. Evaluation and criticism of the Russian and later Soviet economic and political system offered by foreigners was particularly distrusted. Censorship of foreign publications in Russia has been commonplace for at least two centuries. The censor's controls covered both foreign publications in original languages and Russian translations of these publications. Works in original foreign languages, however, received more lenient treatment. Thus a foreign-language book might be allowed to enter the country while a Russian translation of the same book was prohibited. Only the elite—that is, intelligentsia and aristocracy—knew foreign languages, and they were either already corrupt or could handle foreign subversive ideas without harm. As Marianna Choldin, a noted specialist on pre-1917 censorship in Russia, observed, “the fear of popularization, translation, and cheap editions for the masses...runs through the censors' reports.... Well-to-do Russian intellectuals traveled abroad and read freely and widely. . . carrying the pernicious ideas of these authors and thinkers back home to Russia. Common people were another story; there were so many of them and they might be difficult to control if aroused.”⁶

The censorship of foreign publications under the imperial system was not very effective. Many books did get through, and Western ideas circulated in Russia fairly unobstructedly. In this respect, the post-1917 Soviet censorship was much more severe and effective; most Western publications in the social sciences, politics, and humanities were completely banned. In an ironic twist, selective Western works were made available to a limited number of trusted, high-level Communist Party officials. Unlike the generations of Lenin Bolsheviks, most of the officials in Nikita Khrushchev's and Leonid Brezhnev's days did not know foreign languages, thus making Russian translations necessary.

A quotation from Gorbachev's memoirs serves as a good introduction to this paper, because it stresses the role of the Central Committee and specifically refers to “prohibited” literature:

The introduction of *glasnost* was handicapped not only by “nomenclatura.” The roots went into the very system of control of means of information inherited from Stalin's days. The center retained total control of this sphere from Moscow to far away regions. AGITPROP [The Department of Agitation and Propaganda of the Central Committee of the CPSU] was above everybody—party newspapers, trade unions, Komsomol, organizations of

⁶ Marianna T. Choldin, *A Fence Around the Empire: Russian Censorship of Western Ideas Under the Tsars* (Durham, NC: Duke University Press, 1985), pp. 201-202.

fishermen, hunters, veterans or whomever. All editors were approved by the party. The Department of Propaganda of the Central Committee would meet once or twice every month with chief editors...

I must mention the censorship, which played a major role in protecting the system. Officially, this organization, politely called GLAVLIT, was responsible for protecting state secrets. In fact it was an ideological KGB, and editors and publishers were in mortal fear of it. GLAVLIT was responsible for the control of periodic publications, libraries, and archives. It prepared for approval the lists of prohibited literature, and directed what should be kept in "*spetskhrans*," classified as "secret," "absolutely secret," or "for administrative use only."⁷

The details of the ideological control over foreign publications becomes clear from the following document. On 2 September 1969, the Central Committee adopted a secret resolution "on measures of orderly organization of preparation and dissemination of restricted foreign information materials of political-ideological nature." I did not find the original resolution, but the *TsKhSD* archive contains a secret report dated 23 February 1970, addressed to the Central Committee concerning the fulfillment of the 1969 resolution (*TsKhSD*, F5, O62, D44, L58-61). From selected parts of this report signed by the Chief Scientific Secretary of the Academy of Sciences of the USSR, the main points of the resolution can be deduced:

- To decisively end all instances of publication in the open literature (*razglasheniye*) of classified information.
- To establish strict control over the quantity and the nature of publications requested by the individual libraries operated by the Academy of Sciences of the USSR, under book exchange programs with foreign libraries.

Meanwhile, the Presidium of the Academy of Sciences uncompromisingly prohibited institutes, research councils, and other organizations from publishing bulletins and compendia containing foreign politico-ideological information (including information provided by TASS) without approval of the Propaganda Department of the Central Committee. Subscription to foreign scientific literature by Academy of Sciences libraries and by scholars for personal use also was strictly limited by the scope of their scientific profiles.

⁷ Mikhail Gorbachev, *Zhizn' I Reformy*, Volumes 1 and 2, (Moscow: Novosti, 1995), pp. 323-324.

The Academy of Sciences, with the approval of the Central Committee, allowed a small number of its social research institutes to publish classified (“closed” or “for administrative use only”) foreign information and reference bulletins. The list included:

- The Institute of Oriental Studies published *Information Bulletin* and *Reference Bulletin*.
- The Institute of International Workers’ Movement published the *Scientific Bulletin*.
- The Institute of History of Belorussia published *Review of Foreign Literature on Belorussia*.
- The Institute of World Economy and International Relations published *Information Bulletin* and was permitted to send it to organizations interested in military economics and the military technology of capitalist countries.

The system of control of Western Sovietological studies consisted of several components with complex interrelations. As a strictly observed rule, original Sovietological publications in foreign languages or in Russian translation were not allowed to circulate openly in the USSR. Several academic research institutes discussed below, and selected key state agencies and organizations—such as the KGB, the Intelligence Administration of the General Staff of the Armed Forces of the USSR (GRU), the Ministry of Foreign Affairs, the Soviet news service TASS, and probably some others—had the responsibility of examining Western Sovietological economic studies, and, when deemed important, of translating them into Russian and passing them on with their comments and analysis to the Central Committee and key Party and state officials on a classified basis. Occasionally, staff members of the Central Committee apparatus learned about an important Western publication through their own channels and directed one of the organizations listed above to procure it. The largest share of the translation and distribution to a restricted list of cleared individuals was entrusted to a secret department of the PROGRESS Publishing House (see PROGRESS’s Restricted Mailing List at the end of this chapter).

Compendia of reports on the economy of the USSR prepared by academic and government analysts and published periodically by committees of the United States Congress, particularly the JEC, were of special interest to Soviet policymakers and occupy an important place on lists of classified Russian translations and reviews prepared by PROGRESS and other organizations. The censorship organization GLAVLIT provided a second channel of entry of Western literature. All “bourgeois” literature coming into the country through numerous channels (mailed by private foreign citizens or organizations to Soviet contacts, brought in by Soviet citizens returning from abroad, or carried by foreign

visitors to the USSR) was intercepted by GLAVLIT, classified “for administrative use only,” and distributed to state organizations and agencies cleared to handle the given subject. GLAVIT officials destroyed or deposited with *spetskhrans* literature they deemed to be “Anti-Soviet.” In the mid-1960s, four *spetskhrans* were authorized to collect all foreign publications: the Lenin Library, the library of the Institute of Scientific Information on Social Sciences (INION), PROGRESS Publishing House, and the Union of Soviet Societies of Friendship and Cultural Ties with Foreign Countries (*TsKhSD*, F5, O59, D34, L25-26). It is possible that the list varied over time.

As a rule, GLAVLIT handled the foreign publications and listed only the titles in its reports to the Central Committee. Occasionally, however, GLAVLIT included in its reports summaries and comments on confiscated sources. For example, the head of GLAVLIT, P. Romanov, sent to the Central Committee a Top Secret memorandum reporting on the control of foreign literature in November 1970. The memorandum included a review of Michael Kaser’s book, *Soviet Economics*.⁸ A similar memorandum covering the June to August 1971 time period reviewed Stanley Cohn’s 1970 book, *Economic Development in the Soviet Union* (*TsKhSD*, F5, O59, D44, L198-202 and D98, L30-36).⁹

Western Sovietological studies in the open economic literature were not completely ignored in the USSR. The 1966 Joint Economic Committee of Congress publication of a six-volume compendium on the Soviet economy was discussed in a memorandum by the head of the Information Department of the Central Committee, D. Shevlyagin. He recommended that a number of Soviet newspapers and journals publish critical reviews of the compendium. His recommendation was supported by several Central Committee Secretaries.¹⁰

From time to time, articles surveying specific broad topics—such as Soviet industrialization, use of profit category, economic reforms, or effectiveness of central planning—appeared in economic journals, particularly in the conservative journal *Voprosy Ekonomiki* published by the Institute of Economics of the Academy of Sciences of the USSR.¹¹ Most of the authors managed to be disparaging of Sovietological studies without revealing much, if anything, of substance about the studies themselves. The work of Sovietologists, usually referred to as “ideologists of anti-communism,” or “petty-bourgeois

⁸ Michael Kaser, *Soviet Economics* (London: McGraw-Hill, 1970).

⁹ Stanley H. Cohn, *Economic Development in the Soviet Union* (Lexington, KY: Heath Lexington Books, 1970).

¹⁰ I.I. Kudryavtsev and V.P. Kozlova, eds, *Arkhiv Kremlya I Staroy Ploshchadi. Dokumenty Po Delu KPSS* (Novosibirsk: Sibirskii khronograf, 1995), p. 59.

¹¹ In the period between 1960 and 1987, less than 1 percent of all full-length articles published in *Voprosy Ekonomiki* addressed Sovietological studies. Two authors, both senior members of the Institute, S.A. Khavina and Yu. Ya. Ol’sevich, contributed more than one-third of all these survey articles. In 1978, the same two authors published under the auspices of the Institute a compendium of papers focused on Western critics of Soviet-type socialism similar in tone and contents to the journal articles (Yu Ol’sevich, S.A. Khavina, and K. Jyuller, *Burzhuzaznye I Melkoburzhuzaznye Kritiki Sotsializma* [Posle Vtoroy Mirovoy Yoyny]: *Kriticheskiye Ocherki* (Moscow: Nauka, 1978).

critics of socialism,” was castigated for “unscientific fabrications” and “falsehoods.” Although bibliographic references to original foreign language sources were numerous and complete, they were of little help to an ordinary Soviet economist who did not have access to Western scholarly books or journals, except for the few who had been cleared for reading rooms in *spetskhrans*.

As a rule, more factual as well as longer descriptions, and formal reviews of Western Sovietological studies could be found in classified review bulletins and other documents prepared by PROGRESS Publishers and in different research institutes. The dual treatment of reviews and sundry reports covering Western Sovietology (i.e., in the open literature and in classified sources) often involved duplication.

It is impossible to estimate how many people in the USSR had the opportunity to familiarize themselves with Western Sovietological research through different channels. Depending on the time-period, PROGRESS distributed, in classified form, documents, translated monographs, and compendia to between 200 and 500 people; the number of copies of different documents varied from only a few to several hundred. These high-ranking officials retained the books in their personal or office libraries. Most original foreign language and translated works ended up in *spetskhrans* of main academic research institutes or in the general purpose *spetskhrans* in the Lenin Library,¹² INION, the Academy of Sciences, or KGB special libraries. A clearance to read documents in *spetskhrans* was not easy to obtain. For example, an applicant to the *spetskhran* of the Library of the Academy of Sciences of the USSR who already had a general admission library card had to provide a letter from the head of his research institute giving the applicant’s position and requesting access to specific subjects. Permission would be granted for one year before a new letter had to be provided.¹³

It is likely that people who had the clearance would share what they learned from classified documents with interested friends and colleagues. We can speculate that a good share of the Sovietological analyses “trickled down.” But the KGB, or its representatives in Department One (*Pervyi otdel*), who were responsible for security in all government and academic research organizations, were never far away, so that secrecy rules were fairly well observed in the USSR.

¹² In the late 1980s, the Lenin Library *spetskhran* had 300,000 foreign books, 550,000 issues of journals, and 10,000 annual newspaper volumes located on 19 levels of stacks. T.V. Gromova, ed., *Tsenzura V Tsarskoy Rossii I V Sovetsom Soyuze. Materialy Konferentsii 24-27 Maya 1993 G* (Moscow, 1995), p. 21.

¹³ *Ibid.*, p. 151. Some idea of the number of specialists with clearances to read foreign literature can be obtained from the data on the use of *spetskhran* of the Lenin Library, the largest *spetskhran* in the country. The number of cleared visitors—2,000 in 1960—rose to 3,700 in 1974 and to 3,940 in 1985; on average a cleared reader visited the library about eight times per year. These numbers cover all sources in the *spetskhran*, including foreign language and Russian books, newspapers, and journals from all countries and on all subjects (*ibid.*, p. 21). Of course the number of specialists having access to Western economic Sovietological sources would be only a small fraction of the total.

Western Sovietological sources that found their way into the private libraries of Soviet economists did not stay there long. For example, a Moscow economist told me that in the late 1970s an American colleague sent him a copy of one of John K. Galbraith's books on economics (1971), addressing the package to him at his academic institute.¹⁴ The institute's Department One intercepted the package and placed the book in the *spetskhran* with a note about the confiscation sent to the addressee. In another case, the censors at the Soviet Post Office apparently slipped up and a copy of a US Congressional hearing on the Soviet economy was delivered to the private address of another economist. The rule prohibiting possession of Western literature was strict, and the addressee immediately turned over the Congressional compendium to the *spetskhran* of his institute.

The overall impression I have from discussing the accessibility of Sovietological studies with many Russian friends and colleagues in the early 1990s is that most prominent Soviet economists had seen a few translated Western studies or heard about summary results provided in others. But the immense scope of the system of translating, reviewing, and commenting on Western Sovietological research has always been a closely held secret and the findings of this study came as a surprise to most of my professional colleagues in Russia. Generally speaking, the system of severely restricting the dissemination of Western ideas to a small number of trusted officials was successful.

It is interesting to note that the whole massive Soviet operation of selecting, translating into Russian, reviewing, commenting, and distributing hundreds of selected Sovietological books and studies to higher authorities remained equally unknown in the West. My correspondence with a large number of Western economic Sovietologists yielded relatively little documentary evidence. Several specialists I contacted remembered hearing of a specific book or a study of theirs being known to a few Soviet colleagues. None, however, had seen the actual documents.

Robert M. Gates, the former Director of Central Intelligence, in describing the research work of the agency in his memoirs said that "CIA estimates have been accepted as authoritative throughout the world, including the Soviet Union..."¹⁵ In his personal communication to me, he explained that the quote was from "a study group by the House Intelligence Committee" and that it was based on "a number of informal comments from Soviet defectors and émigrés as well as casual comments by a few Soviet officials in the Central Committee apparatus."

¹⁴ John K. Galbraith, *Contemporary Guide to Economics, Peace, and Laughter* (New York, NY: Houghton Mifflin, 1971).

¹⁵ Robert M. Gates, *From the Shadows: The Ultimate Insider's Story of Five Presidents and How They Won the Cold War* (New York, NY: Simon & Schuster, 1996), p. 563.

Mistrust of official views and acceptance of Western evaluation of the Soviet system was fairly common among the elite. For example, speaking at a closed meeting of Leningrad editors in July 1965, the director of the Novosibirsk Institute of Economics and later one of Gorbachev's key advisors, Abel Aganbegyan, casually dismissed official Soviet economic statistics as "absurd" and "lies" and contrasted them with the "absolutely accurate assessment of the economy" made by CIA.¹⁶

The fact that most controls over the selection, translation, summary, review, and restricted distribution of Sovietological and other Western sources was handled in "Agitprop" could be interpreted to mean that the purpose of this massive and expensive operation was to learn foreign adversary opinions and views of the Soviet system in order to counteract it and to guide Soviet media specialists in preparing defensive counter-propaganda. This was probably true in a limited sense. We have evidence that the Central Committee "Agitprop" staff would occasionally instruct newspaper and journal editors on how to react to a specific Western publication. But the results of the defensive counter-propaganda measures were meager and definitely not commensurate with the scale of the effort.

Evidence and Cases

The extent of the impact of the Sovietological studies on high-level Soviet policymakers is difficult to fully assess. The absence of most archival records documenting the decisionmaking process at the Central Committee level has several possible explanations. The main one is that many Central Committee documents remain classified or were lost or destroyed. A second reason is that a "paper trail" of important policy decisions originating at the Central Committee often does not exist or is impossible to trace. Russian contemporary specialists refer to this Soviet practice as *telefonnoye pravo* ("telephone right" or "telephone license"). Under the Soviet system, the power of the party over the state apparatus was vast, and many facets of party-state relations were not formal in an administrative (or, one could say, constitutional) sense. Many Central Committee decisions and instructions thus bypassed or ignored the formal chain of administrative command and were conveyed by a telephone call from a member of the Central Committee or his subordinate to the appropriate state official rather than by an official document.¹⁷

In most cases, one could theorize that high-level researchers and advisors associated with the Central Committee would assemble a dossier of Western Sovietological (and possibly some Soviet) studies of specific problems, debate the issues and possible solutions, and prepare a short report. This report, with or without sources, would be reviewed and rewritten by a senior Central Committee member, and, if deemed worthy,

¹⁶ Stephen Cohen, ed., *An End of Silence: Uncensored Opinion in the Soviet Union* (New York, NY: W.W. Norton, 1982), p. 227.

would be passed on for inclusion in the Politburo agenda. Yuli Ol'sevich, the author of many open articles on Western economic analysis, however, told me in a recent interview, "In the 1970s and 1980s senior (and older) Politburo members, with some exceptions, would not have read Western studies translated for the Central Committee. They were still influenced by these studies through their younger colleagues and Central Committee staffers."

The issues described below are grouped under five headings and presented in roughly chronological order. They have different historic importance—some may even appear to be trivial—but I chose to include all of them to illustrate the variety of mechanisms and channels through which Western Sovietological studies and Western ideas found their way to Soviet authorities.

1. *Large-Scale Translation and Dissemination of Western Literature to a Restricted Audience.*

A. PROGRESS Publishers. PROGRESS was the main Soviet publishing organization responsible for translating and marketing Soviet books abroad and foreign language books inside the USSR. One large department of PROGRESS dealt with the selection, translation into Russian, and publication of selected Western nonfiction monographs and compendia, which for ideological reasons could not be published in the country openly. In the early 1950s, this department was headed by Georgiy A. Arbatov, who became a major Central Committee functionary and the director of the Institute of the US and Canada.¹⁷ Beginning in the early 1960s, PROGRESS concentrated on foreign books in the social sciences and humanities while the translation and distribution of books in natural sciences and mathematics were entrusted to a separate publishing organization, MIR. In addition to translated books, PROGRESS also published classified compendia written by Soviet authors that summarized and commented on specific topics and issues. A classified bulletin, *New Books Abroad*, also was published; it contained reviews of selected Western books. The circulation of these classified publications was strictly controlled, and they were distributed to a small list of cleared people and institutions.

¹⁷ T.V. Gromova, *Tsenzura V. Tsarskoy Rossii I. V. Soretsom Soyuze*, p. 153. A Moscow historian and an archival specialist who assisted me in this study summarized the issue with reference to PROGRESS publishers as follows: "Central Committee staff members preferred to instruct the editors and to resolve administrative issues not in writing, but by telephone. This is seen from numerous reports addressed to the Central Committee and found in the archives which started by saying, "'in accordance with oral instruction of comrade...'" (Personal communication). One archival document illustrating this practice is worth discussing here. V. Pavlov, the chief editor of PROGRESS, recorded that on 2 January 1969, V. M. Vodolagin, an instructor of the Department of Propaganda of the Central Committee, called him and referred to instructions given him by telephone by the deputy head of the Department, A.N. Yakovlev. According to these instructions, PROGRESS was allowed to publish the book by Galbraith [title not given, VGT] earmarking it "For scientific libraries" and "Accepted for information and execution," (GARF, F9590, O1, D804, L 1).

¹⁸ G. Arbatov, *Zaiyanuvshyiesya Vyzdorovleniye (1953-1985 GG): Svidetel'stvo Sovremnika* (Moscow: Mezhdunarodnyye Otnosheniya, 1991), p. 17.

Regardless of the formal lines of subordination, PROGRESS was always under the de facto control of the Central Committee that reviewed its operations, made recommendations concerning the selection of Western sources, and decided on the list of people authorized to receive classified documents. The process of selection was complex and often caused disputes within the Central Committee. For example, in 1970 memoirs by Konrad Adenauer, Mao Tse-tung, and a book by Jean-Jacques Servan-Schreiber were initially approved and translated but subsequently dropped from the list of publications (TKhSD, F5, O62, D44, L148-149).

The list of people authorized to receive PROGRESS's classified translations varied over time between 200 and 500 and was periodically revised. According to documents in the Central Committee archives, in the 1950s they were sent to 464 people; the *New Books Abroad* bulletin was distributed to 956 people. In January 1958, the Department of Agitation and Propaganda of the Central Committee, in consultation with the Politburo (approved by Politburo members Suslov, Kuusinen, and Furtseva), ruled that since "distributed translated foreign books contained anti-Soviet materials and are becoming available to a significant number of readers" the distribution list should be reduced (TsKhSD, F11, O1, D230, L138). It subsequently was cut to about 200 names. What happened to the bulletin subscribers list was not reported, but the same document notes that "the Bulletin did not contain anti-Soviet materials" and could be distributed to a larger number of subscribers. The decision also stressed that the PROGRESS translations and reviews are marked "for administrative use only" and should be kept with other classified documents in the *spetskhrans* of responsible organizations. Our research uncovered a copy of such a list approved by Suslov, Furtseva, and Kuusinen in 1958. It included all members of the Presidium of the CPSU (Politburo), about 100 members of the Central Committee, leading regional party officials, and representatives of the Council of Ministers, the KGB, the Academy of Sciences of the USSR, the Central Statistical Administration of the USSR (TsSU USSR), the Central Committee of Komsomol, and others. Being on the list was an important status symbol in the USSR.

Between the late 1950s and late 1980s, PROGRESS and its predecessors selected hundreds of books that were translated into Russian marked "for administrative use only," and distributed to a limited number of officials. The books dealt with the social sciences and humanities—that is, economics, politics, international affairs and diplomacy, contemporary history, current affairs, philosophy, religion, military affairs, and sociology. Most of the books selected for translation or review were policy-oriented or of an "applied" nature versus theoretical or abstract manuscripts. The list of selected authors was fairly wide, ranging from journalists and statesmen to academic scholars. It included such names as Louis Aragon, Frederick Barghoorn, Abram Bergson, Giuseppe Boffa, Chester Bowles, Zbigniew Brzezinski, Robert Byrnes, Robin Clarke, Nicholas Daniel, Allen Dulles, Raymond Garthoff, Marshall Goldman, Herman Kahn, Edward Kennedy, Henry Kissinger,

Walter Laqueur, William Lederer, Walter Lippmann, Alfred Meyer, Richard Nixon, George Orwell (the only book of fiction found on the restricted PROGRESS list), Richard Pipes, Bertrand Russell, Palmiro Togliatti and many others. Americans authored about two-third of the books focusing on the Soviet Union, socialism, and communism. Congressional compendia (mainly prepared by the JEC) and collections of Western materials devoted to such topics as the energy crisis, the military strategy of the West, the Communist Party, and economic reforms prepared by Soviet specialists also were published. I have compiled an index of more than 200 Western monographs and compendia published and distributed by PROGRESS, but the list is probably not complete.¹⁹

PROGRESS published a bulletin, titled *Novye Knigi za Rubezhom*, 24 times a year between 1956 and 1987. It contained short (two-to-five pages), published reviews of Western studies. My research uncovered more than 100 of them. The bulletin was classified “for administrative use only” and was distributed to between 500 and 1,000 people; it was kept in the *spetskhran* of the Lenin State Library. Economics dominated the series, accounting for close to one-third of all the reviews during the period covered. Within the economics disciplines, more than half reviewed monographs and compendia written by American authors. The work of British, German, Italian, and French authors also was reviewed. The reviews done initially appeared anonymously but, starting in 1969, the names of the reviewers were given.

The tone of the reviews markedly “mellowed” over time. In the 1950s and 1960s, the reviewers frequently included disparaging adjectives and comments describing the reviewed studies as “tendentious,” “biased,” and “unfounded,” and suggested that the authors “did not hesitate to slander the USSR economy,” or “to distort the Soviet reality.” The style of writing became notably more balanced and factual in the 1970s. Nevertheless, even the earlier reviews were much more restrained in their language than references to Sovietological studies appearing in the open literature. The reviewers also were skilled in selecting the most important, novel, and controversial issues and problems.

More than 80 percent of the books reviewed under “economics” focused on the Soviet economy, and a few addressed general or theoretical economic issues. The selection of monographs and compendia dealing with the Soviet economy for inclusion in *Novye Knigi za Rubezhom* appears to have been comprehensive. It included practically all established Western economic Sovietologists and reviewed most Congressional JEC publications dealing with the Soviet economy as well as most standard English-language, college-level textbooks on the Soviet economy (e.g., by Nove, Gregory, Stuart, and Dyker).

¹⁹ See Vladimir G. Treml, *Censorship, Access, and Influence: Western Sovietology in the Soviet Union* (Berkeley, CA: International and Area Studies, 1999), pp. 49-61.

B. The Scientific-Research Economic Institute of GOSPLAN (NIEI Gosplana SSSR). One of the functions of this influential and large institute was to provide Soviet authorities, including the Central Committee and selected economic academic institutes, with analyses of economic performance of foreign (mainly nonsocialist) countries. The institute also frequently identified, translated, reviewed and commented on Sovietological economic studies in classified publications. The archives of the institute are partially closed or are being reorganized, and this summary is based on documents found in Central Committee archives.

The work of GOSPLAN's Scientific-Research Economic Institute differed from the similar, though much larger, PROGRESS operation in several ways. First, the analytical papers prepared by the sector were, as a rule, not meant to be distributed outside the institute; the number of copies varied from three to five. There were, of course, exceptions, and copies of some reports ended up with the Central Committee, with academic economists, or in other institutes. Special reports often were prepared for a high government official. Commentaries by the Institute staff on foreign economies, on the other hand, frequently appeared in the open literature.

Second, the focus of the research was almost exclusively economic and often topical—that is, it addressed economic problems and issues being researched elsewhere in the GOSPLAN Institute. An editorial board consisting of about a dozen of the institute's leading economists was responsible for the selection of topics. Third, most of the Sovietological studies selected were from Western (mainly American, British, West German, and French) academic economic and business journals, government reports, and newspapers. Less emphasis was placed on books. For example, an analysis of the 1965 Soviet reform of management and planning offered by the London *Economist* was summarized in one lengthy study; a similar study of reforms was based on articles published in scholarly journals such as *Soviet Studies* (Glasgow), *Problems of Communism*, *Foreign Affairs*, *Dissent*, and *KYKLOS*. In one case, a book by Barry Richman on management development in the Soviet Union (1967) was summarized in a twelve-page document.²⁰

Between the late 1950s and early 1960s, the Scientific-Research Economic Institute of GOSPLAN also periodically published a bulletin under the title *Ekonomika Za Rubeshom*. It was distributed, judging from the few copies found, to some 200 addressees. This bulletin was marked “not for publication” and individual issues were numbered for security purposes. We found only a few copies of it in the Moscow archives.

²⁰ Barry M. Richman, *Management Development and Education in the Soviet Union* (Ann Arbor, MI: University of Michigan Press, 1967).

C. The Institute of the World's Socialist System (Institut Mirovoy Sotsialisticheskoy Sistemy) of the Academy of Sciences of the USSR. This institute (renamed in the 1990s the Institute of International Economic and Political Studies) was organized in the late 1960s when, after the Soviet invasion and occupation of Czechoslovakia, the central authorities realized they needed to "carefully watch the ideological, economic, and political developments in socialist countries."²¹ Among other responsibilities, the institute was involved in translating, summarizing, reviewing, and analyzing foreign economic literature with one "closed" department responsible for Western Sovietological economic studies of socialist countries and a second one for the economic literature of these countries.²² A classified bulletin of reviews and abstracts, *Vestnik Instituta*, was published periodically. Most of the documents produced by the USSR Academy of Sciences' Institute were classified. Its operations with studies of foreign origin were similar to those of the GOSPLAN Institute. The Central Committee and some key research institutes received a small number of copies. Most of the thirty to forty copies prepared were distributed within the institute.

The USSR Academy of Sciences' Institute concentrated on Western scholarly papers and surveys of the foreign media. One notable exception was the translation of a book by Michael Marrese and Jan Vanous examining foreign trade among socialist countries in the 1960-80 period. Using officially published foreign trade statistics in value and physical terms, the authors quantified the USSR's massive subsidy to the rest of the Soviet Bloc.²³ According to knowledgeable Moscow economists, the book created a major sensation in the Central Committee and led to several meetings with heated discussions between the Central Committee staff and institute analysts. Similar topics involving protracted interaction with the Central Committee covered Yugoslavia, Poland, and economic reforms in Hungary. Listings for several translated Sovietological documents that originated with this institute are in the archives of the Central Committee. Unfortunately, all we have are the titles; the documents remain classified.

D. Others. The list of state agencies and organizations allowed to receive Western publications and engaged in their translation, analysis, and distribution is much longer than the few described here. We have evidence that the Institute of Economics, the Institute of World Economy and International Relations, INION, the KGB, and the GRU were doing similar work, although on a smaller scale. For example, a condensed version of the Congressional JEC 1976 compendium on the Soviet economy was translated and published

²¹ O. Bogomolov, "Nauchnyye znaniya i politika: soperniki ili soyuzniki?" *Problemy Prognozirovaniya*, # 4 (1997), pp. 144-149 (an interview given by Bogomolov to Dr. G.S. Lisichkin).

²² *Ibid.*, p. 144. According to the director of the Institute, the events of the late 1960s led to the tightening of ideological controls in the Soviet Union, while the Prague Spring swelled liberal thinking among intellectuals in Central and Eastern Europe. The staff of the Institute "greedily gulped" translations of Czech newspaper and journal articles.

²³ Michael Marrese and Jan Vanous, *Soviet Subsidization of Trade with Eastern Europe* (Berkeley, CA: Institute of International Studies, 1983).

“for administrative use only” by PROGRESS in 1977. The *TsKhSD* archive records show that the Central Committee received an earlier “secret” translation done by the GRU. The translation was accompanied by a summary prepared by the Minister of Defense D. Ustinov, addressed to Leonid Brezhnev, and dated 29 January 1977. Signatures of Central Committee members B. Gostev, V.I. Dolgikh, Ya. P. Ryabov, I.V. Kapitonov, B. N. Ponomarev, Katushev, K.U.Chernenko, A.P. Kirilenko, F.D. Kulakov, and A.Ya. Pelshe indicate that they read the summary. The documents remain classified (*TsKhSD*, F5, O73, D1882, L1-28).

In 1982, the Ministry of Defense of the USSR sent to the Central Committee a Russian translation of the 1981 brochure *Soviet Military Power* published by the US Department of Defense, accompanied by an analytical report. Both the brochure and the report remain classified (*TsKhSD*, 1982, F5, O88, D1107). In 1983, the General Staff of the Soviet Armed Forces sent to the Central Committee a Russian translation of a NATO document on the evaluation of Soviet military expenditures in the 1970-81 period and their projected growth to 1990. The document remains classified, and all we have is its Russian title (*TsKhSD*, 1983, F5, O89, D898).

2. General Cases Illustrating the Possible Influence of Western Sovietology on Soviet Authorities.

In a description of the October 1964 plenary meeting of the Central Committee at which Nikita Khrushchev was forced to resign, the author says, “Khrushchev was accused of ruining agriculture; according to projections of American specialists Soviet purchases of grain from capitalist countries would continue until year 2,000.”²⁴ We should not, of course, conclude that the critical American evaluation of the state of Soviet agriculture doomed Khrushchev as the leader of the Communist Party and of the Soviet state. But it is noteworthy that an American Sovietological study (probably by CIA) that, to the best of my knowledge, had not been published or discussed in the open Soviet press was cited as an authoritative source at a closed Central Committee meeting.

In 1978, Professor Marie Lavigne published an article in which she critically reviewed and contrasted two recently published Soviet books on money and credit in capitalist countries.²⁵ She suggested that the volume, edited by a well known and oft-published Lidia Krasavina, offered a standard “orthodox” treatment of the subject, full of ideological clichés and of little or no utility to Soviet students seeking practical understanding of international finance.²⁶ The second book, by Grigory Matyukhin—a then-little-known

²⁴ S.V. Kuleshov et al., *Nashe Otechestvo. Opyt Politicheskoy Istorii*, Vol. 2 (Moscow: Terra, 1991), p. 482.

²⁵ Marie Lavigne, “Diversite des points de vue sovietiques sur le systeme monetaire inter-national,” *Banque*, No. 271 (1978), p. 317-320.

²⁶ L. Krasavina, ed., *Denezhnoe Obrashchenie, Finansy I Kredit Kapitalisticheskikh Stran* (Moscow: P.P., 1997).

professor of the Moscow State Institute of International Relations (MGIMO) —was in Marie Lavigne’s opinion much more scholarly and balanced, offering a relatively good and comprehensive primer on Western banking and financial markets.²⁷

At an international conference in the early 1980s, Grigory Matyukhin sought out Professor Lavigne and told her that her review article was translated into Russian and discussed “in camera” at the Collegium of the Ministry of Finance of the USSR. Participants at the meeting reportedly said that “the West is making fools of us because we are writing vapid things about their economics and finance as if we still were in Lenin’s days, while we have good people who understand what is going on...” According to Matyukhin, Lavigne’s review and the favorable reaction to it at higher echelons of the Ministry of Finance “changed his life” and started him on a fast career track in teaching and publishing in the field of finance and banking. Later, visiting Paris in his capacity as the first governor of the newly created Central Bank of Russia, Matyukhin again “attributed the start of his career to Professor Lavigne’s article.”²⁸

In the early 1980s, a Soviet demographer at the Moscow State University (MGU), N. N. Zhuravleva, completed her “kandidat” dissertation on studies of Soviet demography by Western specialists. The authorities considered the dissertation too sensitive to be openly released and classified it “for administrative use only.” Zhuravleva’s dissertation advisor and the head of the demography department at MGU, Dmitri Valentei, wrote a forty-page summary, which was sent to the Central Committee where it created quite a stir. The importance of differentials in Slavic and non-Slavic birth rates and the implications for population and employment growth emphasized by American demographers alarmed Central Committee and Soviet demographers. As a result of these debates, Valentei became the head of the “Laboratory for the Study of Population” at the Tashkent University and visited Uzbekistan several times.

Zhuravleva’s dissertation remains classified and could not be located in the archives, but in 1987 she published a 190-page condensed version under the same title.²⁹ Despite the tendentiousness of the title, the book was quite balanced and factual, and it offered a serious review of a whole range of American studies. Zhuravleva discusses the work of 96 authors, presenting a rather comprehensive picture of American studies of Soviet demography of the past forty years.

In his recently published memoirs, Vladimir Kryuchkov, the last KGB Chairman, devoted several critical paragraphs to Gorbachev’s anti-alcohol campaign. Among other things, Kryuchkov said that “there had been many people who expressed doubts concerning

²⁷ G. Matyukhin, *Problemy Kreditnykh Deneg Pri Kapitalizme* (Moscow: Nauka, 1977).

²⁸ Personal communication to the author from Professor Lavigne.

²⁹ N. N. Zhuravleva, *Antisov'etizm Burzhuaznoy Demografii* (Moscow, 1987).

the effectiveness of the anti-alcohol campaign; negative consequences were being anticipated. Intelligence (that is, the KGB's Foreign Intelligence Directorate that was headed by Kryuchkov at the time) sent to higher authorities several summaries of foreign evaluations of the massive anti-drinking campaign. These evaluations contained rather serious warnings of what to expect and the probable damage to the Soviet economy was predicted fairly accurately."³⁰ One can conjecture that Western studies and the accompanied endorsement by the KGB had something to do with the subsequent reversal of the campaign.

3. Publishing Summary Results of Sovietological Studies without Attribution.

Soviet censors would not allow, as a rule, an open-literature publication of a general description or summary measurement of adverse Soviet developments or phenomena unless it had been mentioned or quantified in "official" sources, such as the State Statistical Agency, or in a statement made by a person in high authority. Such developments as growing drug abuse, prostitution, abortion, suicide, illegal home-distillation of alcohol, graft, theft of state assets, and the like were not mentioned in the media at all, or were described in terms of specific cases from which no generalizations concerning the entire economic system could be made. Academic or government statisticians, while often fully capable of identifying and quantifying these adverse phenomena, were not allowed to engage in sensitive research, and journalists familiar with the issues involved had no domestic, officially approved source of general information.

A subterfuge employed on some occasions by journalists was to publish a report using summary results of a Western Sovietological study without attribution or any reference to its "foreign" origins. We do not have the complete background and details of such cases. Had the journalists been given the Western estimates or the whole study with instructions to publish a brief summary by higher authorities? Or did they find the Sovietological references themselves and somehow manage to publish them without attribution and without being caught by their editors or censors? Several cases described below illustrate such subterfuges.

In the 1970s and 1980s, the Soviet media published frequent reports on "left" gasoline, the theft and resale of state gasoline coupons by state drivers to private car owners and the like. However, all of these stories covered specific and isolated instances and no estimate of the overall size of the gasoline black market ever was made. In June 1981, Professor Michael Alexeev published a study in which he estimated that about 4.3 million tons of gasoline were illegally diverted from state use to private car owners in the USSR.³¹ In

³⁰ V. Kryuchkov, *Lichnoye Delo*, Vol. 1 (Moscow: Olimp, 1996), p. 323.

³¹ Michael Alexeev, "Illegal Gasoline Consumption in the USSR," *Radio Liberty Research Bulletin* 240/81 (June 1981).

October of the same year, a well known Soviet journalist, V. Selyunin, wrote an article in *Sotsialisticheskaya Industriya* in which he said that “according to expert opinion, about four million tons of state gasoline end up in the tanks of private cars annually...”³² It is reasonable to assume that Selyunin obtained the estimate, directly or indirectly, from the study by Alexeev.

In the 1980s, CIA analysts periodically published their estimates of per capita calorie consumption in the USSR. For most years the estimates had been rounded off, but for some reason the 1980 estimate was given as an unusually precise 3,280 calories per day per person.³³ Soon after the CIA estimate appeared, the Soviet news agency NOVOSTI reported that Soviet daily per capita consumption amounted to 3,280 calories without mentioning the source.³⁴ Daily calorie consumption calculations are inherently approximate, and the fact that the two figures are identical strongly suggests that NOVOSTI used the CIA estimate. Why was it used? One possible explanation is that Soviet official statistical publications never published calorie-consumption estimates and the infrequent estimates made by Soviet scholars were, as a rule, somewhat lower than the one given by Henry Rowen in the CIA estimate. The publication of the Rowen estimate was probably of a propagandistic nature.

In the late 1980s, Soviet estimates of the illegal narcotics market ranged between 300 million and 3 billion rubles.³⁵ Kimberly Neuhauser, in her study of the narcotics market in the USSR, dismissed Soviet figures as unreasonably understated. She estimated the overall market at between 5.5 and 18.1 billion rubles, with a mid-point of 11.2 billion rubles.³⁶

In a PRAVDA article, KGB Chairman Kryuchkov, noted that “according to American experts we do not have an effective mechanism for combating the shadow economy” and reported, among other figures on economic crime, that the illegal narcotics trade generated about 14 billion rubles.³⁷ Kryuchkov’s figure, which contradicted the latest official Goskomstat and MVD data, is very close to Neuhauser’s estimate.³⁸

³² V. Selyunin, “Istoki i pripiski,” *Sotsialisticheskaya Industriya* (18 October 1981), p. 2.

³³ Henry Rowen, “Soviet Food Self-Sufficiency,” in Joint Economic Committee, US Congress, *Allocation of Resources in the Soviet Union and China - 1982* (Washington, DC: US Government Printing Office, 1982), pp. 262-264.

³⁴ *Radio Liberty Monitoring Service*, 5 May 1983, Soviet News Agency NOVOSTI (English Language).

³⁵ S. Shatalin et al., *Perekhod K Rynku; Kontseptsiya I Programma*, Part 1 (Moscow, 1990), p. 126; A. Illesh, “Skol’ko u nas narkomanov,” *Izvestiya* (29 August 1990), p. 6; and V. Ivanov, “Tenevoy kapital v rynochnoy ekonomike,” *Ekonomika I Zhizn’* # 36 (September 1990), p. 20.

³⁶ Kimberly C. Neuhauser, “The Market for Illegal Drugs in the Soviet Union in the Late 1980s,” *Berkeley-Duke Occasional Papers on the Second Economy in the USSR*, #23, The WEFA Group (November 1990), p. 106.

³⁷ V. Kryuchkov, “Znayem li my vsyu pravdu o tenevoy ekonomike?” *Pravda*, (18 August 1990), pp. 1-2.

³⁸ Neuhauser’s study referred to the late 1980s; applying the average growth rates given in the study to her mid-point of 11.2 billion rubles, the overall narcotics market would have grown to 14-15 billion rubles by 1989 or 1990.

Kryuchkov's statement is significant in that it came from the head of the KGB. While journalists may have felt that the publication of the results of a Sovietological study was in the public interest, Kryuchkov was probably motivated by different considerations. In 1990, KGB officials periodically published alarming reports on the deterioration of the Soviet economy and deepening social problems—such as the growing underground economy, prostitution, and drug and alcohol abuse—implying that they were the results of Gorbachev's *perestroika*. It is not unreasonable to speculate that, having seen an internal KGB document summarizing Neuhauser's study, Kryuchkov decided to dramatize the issue by making public an estimate of the narcotics turnover several times higher than figures given by official sources.

Valentin Falin, one of Gorbachev's principle political advisors in 1980s, in his major report on the state of the Soviet economy to the July 1987 Plenary Session of the Central Committee said that "according to Western estimates personal consumption in the USSR comprises one-third of the US level and that 70 percent of Soviet consumption is devoted to basic needs (food, clothing, and footwear)." ³⁹ These ratios were taken directly from a 1981 CIA report on consumption in the USSR. ⁴⁰

4. Important Western Studies Which Probably Had Significant Impact in the USSR but the Documentation for Which Remains Incomplete or Cannot Be Found.

In 1950, an American economist, Naum Jasny, published a study of gaps in and shortcomings of Soviet economics statistics in *The Review of Economics and Statistics*. ⁴¹ The paper was translated into Russian and its archival copy (RGAE F1562, O329, D4592, L1-22) carries a notation that it was "read by all members of the Collegium of the Central Statistical Administration (TsSU) of the Gosplan of the USSR." This reference was discovered in a collection of historic documents. ⁴² Neither the organization responsible for the translation and its dissemination, or the date of publication are known.

In 1961, Robert Campbell published a paper titled "Marx, Kantorovich and Novozhilov: Stoimost' Versus Reality," which was very well received in the United States and also became known in the USSR. ⁴³ University of Pennsylvania Economics Professor Aron Katsenelinboigen, who at that time was associated with the Institute of Economics of the Academy of Sciences of the USSR, told me that Campbell's paper was translated into

³⁹ Valentin Falin, *Konflikty V Kremle* (Moscow: Tsentropoligraph, 2000), p. 314.

⁴⁰ Central Intelligence Agency, *Consumption in the USSR: An International Comparison. A Study Prepared for the Joint Economic Committee of Congress* (Washington, DC: US Government Printing Office, 1981) pp. 6-7.

⁴¹ Naum Jasny, "Soviet Statistics," *The Review of Economics and Statistics*, Vol. 32, No. 1, (February 1950).

⁴² A. F. Kiselev and E.M. Shchagina, eds., *Khrestomatiya Po Otechestvennoy Istorii, 1946-1995* (Moscow: Vlastos, 1996), pp. 25, 26 and 138.

⁴³ Robert W. Campbell, "Marx, Kantorovich and Novozhilov: Stoimost' Versus Reality," *Slavic Review*, Vol. 20, No. 3 (1961), pp. 402-418.

Russian by a special department of the institute and widely discussed. According to available reports, the institute's authorities apparently viewed the paper as important enough to warrant a special closed meeting to review and refute it. Unfortunately, no references to the translated Campbell paper or reactions to it were found in the archives. Somewhat belatedly, the Russian version was published without comments in Moscow in 1992.⁴⁴

By the mid-1970s, the Soviet Union became the largest oil producer in the world, and its oil output was growing at a high annual rate of 8 to 9 percent. It came as a surprise to the world when in 1976 President Carter announced that, according to a CIA study, the Soviet petroleum industry was beset by serious problems. As the result of the looming crisis, the CIA projected that by the early 1980s Soviet oil production was likely to reach a plateau and later would decline to the point that the USSR would become a net importer of oil.⁴⁵

CIA's oil study was translated into Russian and submitted to the Central Committee with comments by the GRU of the General Staff of the Soviet Armed Forces. Unfortunately, all documents related to the CIA oil study remain classified.⁴⁶ Did the CIA study alarm the Soviet leadership and force them to reassess their priorities in the energy field? The full story will not be known until we have the minutes of Politburo meetings and other relevant documents, but it is reasonable to conjecture that it did. In his 1980 book, Marshall Goldman speculated that the CIA's projection of the forthcoming petroleum crisis was taken very seriously by Soviet policymakers, causing them to direct a major shift in both investment patterns in favor of the fuel sector and in extraction and exploration policies.⁴⁷ Soviet statistics support Goldman's description of changes in the oil industry introduced in the late 1970s and early 1980s. Around 1978, the year in which the CIA study became available to Soviet leaders, capital investment in the oil and gas industry increased significantly compared with earlier years, employment in oil extraction grew significantly, and Soviet imports of oil and gas machinery and equipment and pipeline hardware rose. Would the Soviet leaders have acted as vigorously as they did in the late 1970s without

⁴⁴ Robert W. Campbell, "Marx, Kantorovich i Novozhilov: stoimost' protiv real'nosti," *Ekonomika i Matematicheskie Metody*, Vol. 28, issues 5-6 (1992), pp. 974-986.

⁴⁵ CIA, *Prospects for Soviet Oil Production* (ER77-10270), (Washington, DC, April, 1977) and CIA, *Prospects for Soviet Oil Production: A Supplemental Analysis* (ER77-10425), (Washington, DC: July, 1977).

⁴⁶ I found two documents related to the CIA oil study in the Central Committee archive, but they remain classified. The first was a translation of the study accompanied by a separate document written by the Deputy Head of the General Staff, Kozlov, under the title "The Information by the General Staff on the CIA study on prospects of oil extraction in the USSR," dated 21 December 1977. The documents (of which only three copies were made) carry a note by the then-Secretary of the Central Committee responsible for defense, V.I. Dolgikh, directing I.P. Yastrebov and V.T. Arkhipov to read the documents; their signatures recorded on the document indicate that they have done so on 30 December 1977 (*TsKhSD*, F5, O73, D1881, L1-2 and 3-37).

⁴⁷ Marshall Goldman, *The Enigma of Soviet Petroleum: Half-Full or Half-Empty?* (New York and Boston: Allen and Unwin, 1980), pp. 5-10 and 173-186.

having read the CIA study and were changes in oil policies “stimulated by the CIA assessment”?⁴⁸ The statistical evidence strongly suggests that the CIA studies had a significant impact on Soviet authorities.

A knowledgeable Moscow economist told me that, starting in the late 1960s, the Science Department of the Central Committee translated and distributed CIA’s estimate of the growth rates of the Soviet economy. In the mid-1970s, Nikolai N. Inozemtsev, then the director of the Institute of World Economy and International Relations (IMEMO), ordered translations and summaries of American (mainly CIA) studies of the defense expenditures of the USSR in rubles and dollars. The classified summaries were sent to the Central Committee and directly to Brezhnev. All such documents in *TsKhSD* remain closed.

The work of Morris Bornstein, one of the leading American specialists on Soviet prices, was well known in the USSR. As noted above, 150 copies (an unusually large number) of the classified Russian translation of his 1964 paper on the Soviet price reform were prepared in the Scientific-Research Institute of GOSPLAN. Three of his papers were included in the translated PROGRESS compendia. Several knowledgeable Moscow economists told me that in the 1970s and 1980s, Chairman of the State Committee on Prices Glushkov frequently referred to issues and criticism raised in Bornstein’s studies. No references or discussion of his work was found, however, in the Central Committee or other archives.

For many years, Soviet authorities and academic researchers disregarded the evidence of the USSR’s growing private underground, or “second economy,” dismissing it as marginal and mainly criminal in nature. When Professor Gregory Grossman and I, and our colleagues began to study the second economy in communist countries, in the late 1970s a number of the studies found their way to Soviet economists and triggered their interest. It appears that the studies made the Soviet authorities aware of the scope and importance of the second economy (termed “the shadow economy” by Soviet specialists) and of the fact that it was rooted in systemic features of the Soviet economy such as, for example, in the method of setting prices and perennial shortages.⁴⁹

⁴⁸ Joseph P. Riva, Jr., “The Petroleum Resources of Russia and the Commonwealth of Independent States,” in Joint Economic Committee, US Congress, *The Former Soviet Union In Transition*, Vol. 2 (Washington, DC: US Government Printing Office, 1993), p. 465

⁴⁹ Discussions of Western studies of the second economy appeared occasionally in the open Soviet literature. For example, a lengthy critical review was published in *Voprosy Ekonomiki* in 1986 (Khavina and Superfin, 1986), pp. 104-112. At the December 1989 session of the Congress of Peoples’ Deputies, the MVD Chairman, Bakatin, complained about the absence of reliable Soviet research and statistical data on the second economy and referred in general terms to the importance of Western studies on the subject (V. Bakatin, “Ob usilenii bor’by s organizovannoy prestupnost’yu,” *Sotsialisticheskaya Industriya*, [23 December, 1989] p. 2).

In 1992, Professor Valeriy Rutgaizer published a paper in *Berkeley-Duke Occasional Papers* on Soviet academic research on the “shadow economy” describing the work he and Tatiana Koryagina began at the Scientific-Research Economic Institute of GOSPLAN in the mid-1980s. Rutgaizer reported that Soviet academic analysts were familiar with at least some American research and were influenced by it.⁵⁰

Following many years of continuous decline, infant mortality in the Soviet Union started inexplicably to rise in the early 1970s from 22.9 deaths per 1,000 live births in 1971 to 27.9 in 1974. The TsSU continued to print the infant mortality series for a few years after the alarming reversal of the long-term trend, but it stopped open publication of the data in 1975. Christopher Davis and Murray Feshbach published a research report in 1980 depicting the deteriorating state of public health in the USSR and—with what later proved to be an accurate set of estimates for the missing years—suggesting that infant mortality in the Soviet Union was continuing to rise.⁵¹ Several of my colleagues and I, while visiting Moscow in the early 1980s, heard Soviet demographers and economists say that “Feshbach saved thousands of infant lives in the Soviet Union,” implying that the Davis-Feshbach study was made available to high Soviet authorities who directed beneficial changes in public health policies. Feshbach heard similar comments.

A large collection of documents related to infant mortality found in the archives remains inaccessible with the explanation that the documents have not been cataloged or declassified. We do not know whether and by whom the study was translated, evaluated, and disseminated and to whom. Infant mortality rates were published in *Narodnoye Khozyaystvo*, 1975 (p. 45), but were not resumed until twelve years later in *Narodnoye Khozyaystvo*, 1987 (p. 408).

A full interpretation of these and similar cases is difficult. The TsSU and the Ministry of Health of the USSR probably continued to collect statistics on infant mortality, and the rise in the rates in the early 1970s was known to at least some specialists. The Soviet statistical system, including the Central Statistical Administration and other agencies processing statistical data, however, was known for its reluctance to be the bearer of bad news. In the case of infant mortality, as in many similar cases, the data on adverse developments were simply deleted from the open literature. One can thus speculate that the information on the rise in infant mortality and other adverse health developments in the USSR in the 1970s had been buried by the statistical agencies. It took an alarming and well-publicized American report to alert higher authorities to the critical situation and to introduce remedies.

⁵⁰ Valeriy Rutgaizer, “The Shadow Economy in the USSR,” *Berkeley-Duke Occasional Papers on the Second Economy in the USSR*, Paper # 34, The WEAFA Group, (February 1992).

⁵¹ Christopher Davis and Murray Feshbach, *Rising Infant Mortality in the U.S.S.R in the 1970s* (Washington, DC: US Department of Commerce, Bureau of the Census, Series P-95, No. 74, June 1980).

In July of 1982 Barry Kostinsky and I completed a study of Soviet foreign trade based on input-output data.⁵² The study showed that the USSR was much more dependent on foreign trade than had been assumed in earlier Western analyses and that this dependence (particularly on critical imports) was growing rapidly. The USSR appeared to be more open to the world economy and vulnerable to external forces. Our findings were discussed at a press conference in Washington and widely reported in the media.

TASS distributed a highly critical commentary two days after the press conference but there were no reports about the study in open Soviet sources. I did not find any relevant documents in the Moscow archives (*TsKhSD*, GARF, and RGAE; Ministry of Foreign Economic Relation) and do not know whether the study was translated into Russian or reviewed in a classified source. However, the study and a followup report published later that year apparently became available in the Soviet Union. I was repeatedly asked specific questions about it during my visits to Moscow in 1982 and 1983. Moreover, I learned in an interview with a Dr. Kudrov and others at the Institute for Europe that, in the mid-1980s, the Chief Soviet representative with the United Nation Economic Commission for Europe, Zoya Mironova, called a special meeting of the Soviet staff at which she described and criticized our study in detail. She concluded her report, however, by asking the staff not to disregard the study completely as it had some merit. The study also was known and discussed on several occasions in the Institute of the World's Socialist System.

5. *Miscellaneous.*

A somewhat different case is instructive because it shows how Western Sovietological research helped Soviet economists work with their own statistics despite being constrained by secrecy rules. In 1972, a group of economists with the US Census Bureau published a book focusing on “reconstructing,” that is, filling in large gaps in the published, truncated 1966 Soviet input-output table.⁵³ The book, however, went beyond the transaction details of the input-output table. Because of numerous gaps and ambiguities in the available Soviet national income data, the authors had to address a large number of statistical issues, such as foreign trade accounting, definitions and relationships among various elements of national aggregates, differences between administrative and economic production data, labor and capital data, production of military hardware and commodity classification systems. The treatment of these issues was based on the interpretation of obscure Soviet sources. This book became a useful primer on Soviet national statistics. Copies of it were sent to several Soviet economists.

⁵² Vladimir G. Treml and Barry Kostinsky, *The Domestic Value of Soviet Foreign Trade, Foreign Economic Reports* (Washington, DC: Bureau of the Census, Department of Commerce, 1982).

⁵³ Vladimir G. Treml, Dimitri M. Gallik, Barry L. Kostinsky, and Kurt W. Kruger, *The Structure of the Soviet Economy: Analysis And Reconstruction Of The 1966 Input-Output Table* (New York, NY: Praeger, 1972).

According to the testimony of a former staff member, the book was placed with the *spetskhran* of the Institute for Scientific Information on Social Sciences. The reason given by the censorship organization, GLAVLIT, was that the American authors had used secret Soviet economic statistics in making their estimates. A special investigation with representatives of several state agencies (including the KGB) determined somewhat later that this was not true and that all the data underlying the estimates contained in the book were from the open Soviet statistical literature. The process of removing a book from a *spetskhran* had always been a tedious one, but in this case the book was “freed” from *spetskhran* and placed in a general reference section.⁵⁴

- The book clearly was used by Soviet economists. According to Professor Gregory Grossman: “In the summer of 1973, in Sofia, I visited Evgeni Mateev in his office in the Council of Ministers Building. Mateev, an economist whom I had met previously at several international gatherings, was at that moment the ‘super minister’ for economics, with specialized ministers under him. I noticed your input-output book on his desk, and said that I knew well both it and its author. He volunteered that he kept the book regularly on hand and consulted it frequently, since it was very useful to him in his work.”⁵⁵
- According to the son of a prominent Soviet economist and author of many books on the Soviet economy, “whenever my father was too busy to get a clearance to get some classified national statistics he would use Trembl’s book.” (April 1997).
- At a meeting with me in August 1997, Yuri V. Beletsky, at the time a department head in the Ministry of Economics of Russia, recalled that he knew the input-output book very well and for him and others it was “a bible” for national statistics (*nastol’naya kniga*).

Conclusions

A massive Soviet program of selection, translation, and distribution to higher authorities of Western Sovietological socio-economic studies existed in the USSR. The program, orchestrated by the Central Committee, operated for most of the postwar period. The history of the Cold War is fraught with many ironies and certainly more will be uncovered as we get full access to Western and Soviet classified documents. One such irony is found in the realm of East-West cultural exchanges. In the postwar period the US government (with the help of private foundations) sponsored many far-reaching and expensive programs designed to familiarize the outside world with America by means of

⁵⁴ April 1997 interview with an INION employee.

⁵⁵ Letter to the author dated 14 May 1996.

educational and cultural exchanges, foreign broadcasts, and the distribution of books and magazines in English or translated into foreign languages.⁵⁶ While many programs had wide popular appeal, the targeted audiences were mostly foreign professional and political elites. Programs focused on the Soviet Union and socialist Eastern Europe were frustrated by relentless internal censorship, and apparently not many books in the social sciences, politics, and humanities got through. What would State Department staffers have said had they known that hundreds of books by such influential American authors as George W. Ball, Chester Bowles, Zbigniew Brzezinski, Allen Dulles, Herman Kahn, Edward Kennedy, George Kennan, Henry Kissinger, Walter Lippmann, Richard M. Nixon, Richard Pipes, and Marshall Goldman, as well as full texts of Congressional hearings, were being secretly translated, printed, and distributed by PROGRESS to hundreds of key policymakers in the USSR?

The list of Western Sovietological economic studies that were made available to Soviet authorities through secret channels is, in my opinion, remarkable. Looking back at thirty-five years of Sovietological research and comparing it with titles identified in various classified Soviet programs, I see few serious omissions and few names which did not deserve inclusion, at least at the time of the original publication. The list is exhaustive, balanced, and shows little ideological bias. If anything, the bluntest and the most knowledgeable of the serious scholarly critics of the Soviet economic system are somewhat overrepresented, while the few “progressive,” economic writers such as Victor Perlo (United States), Charles Bettelheim (France), or Maurice Dobb (Great Britain) are absent.

It will be difficult to fully evaluate the influence of Western Sovietology on Soviet policymakers until Russian archives are open and we can scrutinize such documents as the minutes of the Politburo, the deliberations of different departments of the Central Committee and the Council of Ministers. Even then, direct documentary links between specific Western studies and the formulation of Soviet economic policies may not be apparent. But we can reasonably conclude that officials on or near the top of the Soviet hierarchy read, or at least scanned, restricted Sovietological and other Western sources. All the ostensible contempt for Western scholarship notwithstanding, they apparently paid attention to what they were reading.

A person close to Khrushchev, for example, recalled the following exchange. “One evening, after having listened to a Voice of America broadcast, Khrushchev said ‘Not everything they say is correct. But there is also some bitter truth. It is remarkable how accurate their information is. Even I, in my time a well-informed person, often knew less...’ The person talking with him said something about [Western] intelligence services. Khrushchev responded angrily ‘What the devil, intelligence service...it is an elementary

⁵⁶ Richard Pells, *Not Like Us* (New York: Basic Books, 1997), pp. 69-76.

skill in the analysis of facts, understanding of economics, and a sober look at things.”⁵⁷ While the reference is to Voice of America broadcasts, the evaluation could be easily applied to the Western Sovietological studies.

Evidence of interest in Western classified sources can be found in recently published memoirs. Soviet Premier Alexei Kosygin, for example, “systematically read sources, references, and books translated into Russian that were not available in the open literature but had been sent to a special list of people.”⁵⁸ And in a Pravda discussion of the 1987 Congressional compendium on Soviet reforms, Mikhail Gorbachev said that American specialists “offer much factual and objective assessments... We could debate some of the opinions but in some instances, I would say, they would be worth listening to.” Gorbachev also wrote in his memoirs that:

Life forced me to thinking, to search for answers... Our publications on these subjects had little new to offer. Creative thought was not encouraged—on the contrary, it was suppressed in all kinds of ways. As a member of the Central Committee I had access to books by Western politicians, political scientists, theoreticians published by the Moscow publisher PROGRESS. Even today on the shelves of my library you will see... Reading these sources allowed me to familiarize myself with different views of history and on contemporary processes taking place on both sides of the ideological fault line.⁵⁹

Another example of Soviet interest can be found in a recent Russian publication. As described above, in the 1970s and 1980s the Institute of the World’s Socialist System (*Institut Mirovoy Sotsialisticheskoy Sistemy*) was engaged in classified studies of translated Western Sovietological research that focused on East European socialist countries. Summarizing the achievements of the Institute during the 1970s and 1980s, its director, Oleg Bogomolov, said that “despite all the difficulties, the staff succeeded in utilizing the opportunities for objective analysis...and acquainted the leadership of the country...with the developments in these countries.”⁶⁰

Yuli Ol’sevich, a prominent economist with the Institute of Economics, sees “a direct impact of translated Sovietological studies on the already shaky ideology of the ruling elite at the center and in the regions (in which career bureaucrats have long replaced monolithic

⁵⁷ P. M. Krimerman, *N. S. Khrushchev, 1894-1971* (Moscow: Gorbachev Fond, 1994), p. 194, and V. Shestakov, “Nachalo kontsa ery Khrushcheva,” *Komsomol’skaya Pravda* (3 June 1997), p. 2.

⁵⁸ T. I. Fetosova, ed., *Prem’er Izvestnyi I Neizvestnyi: Vospominaniya O A.N. Kosygin* (Moscow: Respublika, 1997), p. 201.

⁵⁹ Mikhail Gorbachev, *Zhizn’ I Reformy*, Vol. I (Moscow: Novosti, 1995), pp. 144-145.

⁶⁰ Oleg Bogomolov, “Nauchnyye znaniya i politika: soperniki ili soyuzniki?” *Problemy Prognozirovaniya*, No. 4 (1997), p. 145 (an interview given by Bogomolov to Dr. G. S. Lisichkin).

Bolsheviks). The work of Sovietologists undermined the faith in the ‘advantages of central planning’ and created a foundation for the future fissures among the Soviet leaders, turning away from the large part of systemic values, and from the Marxian ideology.”⁶¹

The massive scale of this effort, so carefully hidden from Western and domestic audiences, is in itself instructive. The primary, albeit unspoken, reason for this effort must have been the recognition of the weakness of Soviet economic science, the paucity of Soviet economic analysis, and the significant shortcomings of information systems, including gaps and distortions in official statistics. This recognition probably was gradual and not equally shared by all economists and policymakers, but it was genuine and caused alarm among the Soviet elite.

The deteriorating performance of the Soviet economy was evident to some officials by the late 1960s, and by the late 1970s it was obvious to most. Soviet academic and government specialists were seeking a better understanding of the underlying economic forces in order to formulate remedial policies. Among their sources were Western Sovietological studies. Consider this statement made by a prominent and experienced Soviet planner, Gennadi Zoteev:

Even before I started to work at GOSPLAN, I realized (thanks primarily to Western literature on the Soviet economy) that the planning system was highly inflexible, sluggish, and inefficient... My thesis, shared by many of my colleagues at GOSPLAN, was that the Soviet system was inefficient but stable....⁶²

Dr. Pekka Sutela suggests that: “One should finally emphasize that learning from other countries influences Soviet reform discussions in many ways that are difficult to pin down. For example, there is the possibility of an echo effect. People have for centuries used foreigners’ opinions as a mirror for looking at their own society. The economist who is in words condemning the Sovietologists’ talk about an economic crisis in the USSR—or the views of the non-Bolshevik Soviet economists of the twenties on agricultural institutions—may in fact have wanted to make such interpretations better known in the USSR. Until *glasnost*, after all, any open advocacy of such views was impossible.”⁶³

⁶¹ Yu Ol’sевич, ‘Nuzhno li zanovo issledovat’ ekonomicheskuyu istoriyu SSSR?’ *Voprosy Ekonomiki*, 11 (2000), p. 82.

⁶² Gennadii Zoteev, “The View from GOSPLAN: Growth to the Year 2000,” pp. 85-93, in Michael Ellman and Vladimir Kontorovich, eds., *The Destruction of the Soviet Economic System: An Insider’s History* (Armonk, NY: M. Sharpe, 1998), p. 87.

⁶³ Pekka Sutela, *Economic Thought and Economic Reforms in the Soviet Union* (New York, NY: Cambridge University Press, 1991), p. 128.

In the post-World War II period, Western Sovietologists successfully disentangled the intricate blend of myths, distortions, and real accomplishments of the Soviet economic system. They have provided a rich and diverse literature used by professional economists, area specialists, government analysts and policymakers and, generally, students of the country Winston Churchill called “a riddle wrapped in a mystery inside an enigma.” Many of these studies made their way to selected audiences in the USSR. Needless to say, Western Sovietological studies differed in analytical quality and in the accuracy of their estimates and projections. Some outstanding ones may have been disregarded or misinterpreted by Soviet policymakers. Some, no doubt, were used for political purposes or to further parochial goals. But by and large, I believe their overall impact was mostly positive.

The history of Western studies of the Soviet Union has not been written yet, but Western influence on Soviet economists and higher authorities deserves scrutiny. I believe there is sufficient direct and indirect evidence to suggest that Western economic Sovietologists did have significant influence on the Soviet economic profession and higher authorities. There is no doubt that in the last twenty to thirty years of the Cold War the Soviet economic profession and policymakers gradually became less ideological and intolerant of Western views, more pragmatic and respectful of factual information, and more balanced in their assessment of the performance of the Soviet economy. These changes, in fact, prepared the way for Gorbachev’s reforms. A number of different factors contributed to those changes, and the exposure to Western Sovietology likely was one of them.

Discussant Comments

A panel moderated by Christopher Andrew, Professor of Modern and Contemporary History at Cambridge University, discussed Vladimir Treml’s paper and provided comments on the influence Western analysis had on Soviet policy during the Cold War. The panelists were Sergo Mikoyan, a former aide to Deputy Prime Minister Anastas I. Mikoyan (his father) and a researcher at the World Economic and International Institute in Moscow; Oleg Kalugin, retired KGB Major General and Director of IntelCon International; and Timothy Naftali, Associate Professor of Soviet and Russian History at the University of Virginia.

Sergo Mikoyan, an insider in the Soviet Union during much of the period, began by stating “...one should not overestimate the influence of Western analysis on Soviet policymaking. Still, to reject it altogether would not be correct. In different periods the degree of influence changed.” He described the extreme measures that were taken by the Communist Party and Soviet Government to censor and restrict the dissemination of Western materials in the USSR. Among the measures he described were efforts by the KGB

to enforce censorship by keeping samples of the fonts of every typewriter in the country and stationing representatives of the Agency for the Protection of Military and State Secrets at every large publishing house and newspaper in the Soviet Union.

Mikoyan described a process whereby Western materials were routed to selected Party and government officials who were interested in them, particularly Agency publications. He implied, however, that more of these materials were available to academics and other interested analysts than Treml had found. According to Mikoyan:

- Western materials were reviewed, translated, and selectively routed to a *spetskhran*—a special reading room in Soviet libraries where admission was restricted and controlled. In his view, however, some of the libraries did a poor job of enforcing such restrictions, which allowed relatively easy access to these materials.
- The Publishing House of Foreign Literature (PROGRESS) translated and published limited copies of books and published works—including unclassified CIA reports—that were often sent to Politburo members and members of the Party Secretariat. Sometimes, according to Mikoyan, copies were sent to the Council of Ministers, local Party members, and to *spetskhrans* of research institutes.
- Every member of the Central Committee received daily reviews of foreign press articles called “white TASS” that were marked “For Administrative Use,” and Politburo members were allowed to subscribe to two or three foreign periodicals.
- Party and government officials in the Kremlin, the Council of Ministers, and GOSPLAN (the State Planning Organization) preferred to use CIA’s analyses of grain crops in the USSR rather than reports from local Party bosses.
- Western studies were a factor in decisions by Alexey Kosygin, Mikhail Gorbachev, and others in the USSR to undertake various reform measures.

Mikoyan also addressed the question of how much influence Western analyses had on the Soviet policymaking process. According to the former Soviet official, Politburo members during the Khrushchev and Brezhnev years were not highly educated. The degree to which they used and paid attention to Western analyses depended on the assistants and consultants who worked for them. In many cases, he noted, the assistants were academicians and directors of institutes, who were well educated and able to contribute to a serious dialog on important issues. The use of Western studies depended as well on how open the Politburo member was to frank advice. Mikoyan cited Yuri Andropov, Andrei

Gromyko, and perhaps Dmitri Ustinov as receptive to open and frank briefings by their staffs or by Central Committee advisors. Khrushchev, on the other hand, was unpredictable so his advisors usually were reluctant to provide objective assessments on important issues.

Oleg Kalugin provided a somewhat different view of the impact of western analyses on Soviet leaders. Speaking from the perspective of a former KGB senior officer who had served as the head of political intelligence in Washington in the late 1960s, Kalugin described a process by which information was collected in the field and sent to the Party Central Committee where it was “filtered, scanned and emasculated, if necessary; sent to the Party Secretariat; and then, probably, to Politburo members.” With reference to CIA estimates, however, he indicated that they usually were ignored, never sent to senior officials, or simply destroyed. He cited two reasons for this. First, Kalugin said that top officials in the Kremlin possessed a kind of arrogance, stemming from their indoctrination in Marxist concepts that preached that capitalism was doomed. This was considered to be preordained and, according to Kalugin, no one in the higher echelon of power would dare to challenge the notion. Second, the Soviets had a deep-seated suspicion of foreign influence. Consequently, relatively few officials were authorized to read Western materials.

Kalugin offered a third reason why Western studies had little impact in the USSR, namely a lack of desire or willingness on the part of Politburo members to read anything except gossip type information collected on US officials. According to the former Russian general, the KGB would often try to provide a dose of realism to Soviet leaders about problems in the Soviet economy and society by citing information and statistics collected in the West, or by relaying information related to some important military development in the United States. Usually the information was simply ignored.

There were exceptions, according to Kalugin, such as the 1976 CIA study of the Soviet oil industry. He confirmed that this study did catch the eye of the Soviet leadership. The Academy of Sciences shortly thereafter issued its own report which concluded that “Soviet oil production will go flat in the 1980s and decline by the end of the century”—a message strikingly similar to the one contained in the CIA paper.

Timothy Naftali used the Khrushchev years as a reference point for his comments on the role of Western ideas on the Soviet leadership. His overall conclusion was that:

Soviet intelligence clearly added much good Western analysis to the reservoir of Western ideas the Kremlin collected through other channels. But, in most cases, at least in the Khrushchev era, this information was ignored or misused. So, despite the hemorrhaging of US secret documents to the East, the US taxpayer can be assured that it was not paying for Soviet analysis.

Naftali stated that during the Khrushchev years the Soviets collected information from the press, scoured the public statements of Western leaders, closely monitored information gotten from meetings with foreigners, and purloined diplomatic messages and foreign intelligence reports. In some ways, according to Naftali, this information proved useful to the Kremlin. As an example, he claims that the decision to build large-scale fertilizer plants in the USSR in 1963 was motivated by Khrushchev's relationship with Roswell Garst, an Iowa farmer.

Naftali characterized the quality of the Soviet intelligence take, based on his research with Alexander Fursenko of the Russian Academy of Sciences, as "excellent." In his view, however, Soviet leaders hardly ever used the information collected. The problem was the inability of the system to absorb the information in a meaningful way. He cited as an example the fact that Western sources consistently argued that the only way the United States would intervene against Cuba would be if the Soviets put missiles on the island, a message that obviously was overlooked or ignored by the leadership.

Perhaps more important was the total absence of a mechanism to analyze information in the Soviet intelligence and foreign policy communities. According to Naftali, the KGB's reports from the period were compilations of excerpts of raw intelligence, mostly HUMINT reports, with some weak and often self-contradictory interpretative paragraphs. There were no National Intelligence Estimates or similar products to help the leadership make decisions. Overall, the reporting lacked rigor, was incomplete, and devoid of analytic content.

Finally, Naftali opined that the personality of the General Secretary together with the Soviet penchant for not sharing information often resulted in decisions being made for reasons other than an objective and thorough vetting of facts and logic. Rather, they were often made on the basis of, for example, Khrushchev's own interpretation of world events based on his personal experiences in life.

Russian Archives Searched

The following archives or parts of archives, all located in Moscow, were selectively searched for documents in conjunction with this study:

1. *Tsentr Khraneniya Sovremennoy Dokumentatsii (TsKhSD)*, formerly the Archive of the Central Committee of the Communist Party of the Soviet Union. Collection (“Fond”) of the Secretariat of the Central Committee (# 4), and Collection of Departments of the Central Committee (# 5) from mid-1950s to mid-1980s.

2. *Gosudarstvennyi Arkhiv Rossiyskoy Federatsii (GARF)*. Collection of PROGRESS Publishing House documents from mid-1950s through mid-1980s.

3. Collection of *spetskhran* of *Rossiyskaya Gosudarstvennaya Biblioteka* formerly the Lenin State Library of Moscow.

4. Collection of *spetskhran* of the library of the *Institut Nauchnoy Informatsii po Obshchestvennym Naukam (INION) Akademii Nauk Rossii*.

5. Archive of the *Institut Makroekonomicheskikh Issledovaniy Ministerstva Ekonomiki Rossii*, formerly the *Nauchno-Issledovatel'skiy Ekonomicheskii Institut Gosplana SSSR (NIEI)*.

6. Collection of documents of the *Nauchno-Issledovatel'skiy Ekonomicheskii Institut Gosplana SSSR* located in *Rossiyskiy Gosudarstvennyi Arkhiv Ekonomiki*, (formerly *Tsentral'nyi Gosudarstvennyi Arkhiv Narodnogo Khozyaystva SSSR*), covering 1955-65 period.

7. Collection of the *Gosudarstvennyi Komitet po Delam Izdatel'stv*, (the agency which supervised the work of PROGRESS Publishing House) located in GARF.

8. Collection of annual editions of *LETOPIS'* in the *KNIZHNAYA PALATA*, which contained indexes of all publications, was searched selectively but, as a rule, classified publications were not included in *LETOPIS'*.

References to archival documents used in this study follow the standard Russian practice (*Prasolova et al.*, 1994): Name of the archive, fond (F) number, opis' (O) number, delo (D) number, and list (L) number(s).

PROGRESS's Restricted Mailing List

The list covered only monographs and compendia. PROGRESS's *Bulletin* was distributed to a much larger list. (Based on *TsKhSD*, F11, O1, D7, L116-117, dated 24 March 1958.) The mailing lists were marked Top Secret and approved by M.A. Suslov, E.A. Furtseva, and O.V. Kuusinen.

Part 1. List of people to receive all restricted publications (one copy each).

All members or candidate members of the Presidium of the Central Committee of the CPSU (later Politburo):

A. B. Aristov	E. A. Furtseva
N. I. Beliaev	N. S. Khrushchev
L. I. Brezhnev	N. M. Shvernik
N. A. Bulganin	Ia. E. Kalnberzin
K. E. Voroshilov	A. P. Kirilenko
N. G. Ignatov	D. S. Korotchenko
A. I. Kirichenko	A. N. Kosygin
F. R. Kozlov	K. T. Mazurov
O. V. Kuusinen	V. P. Mzhavanadze
A. I. Mikoyan	M. G. Pervukhin
N. A. Muhitdinov	P. N. Pospelov
M. A. Suslov	

Part 2. List of people cleared to receive restricted publications dealing with economic issues:

A.N. Kidin - CC of CPSU Administration, Trade and Finances Division
S.I. Kislin - CC of CPSU Administration, Trade and Finances Division
V.S. Frolov - CC of CPSU Engineering Industry Division
A.P. Rudakov - CC of CPSU Heavy Industry Division
I.D. Serbin - CC of CPSU Defense Industry Division
P.E. Doroshenko - CC of CPSU Agricultural Division

V.P. Mylarshchikov - CC of CPSU Agricultural Division
I.A. Grishmanov - Construction Division
S.A. Aristov - Transportation and Communication Division
S.A. Baskakov - CC of CPSU Industry and Transportation Division for RSSFR
M.V. Romanov - CC of CPSU Division of Consumer Goods and Foodstuffs Production
I.I. Kuz'min - USSR Council of Ministers
P.I. Ivashutin - KGB (Committee of State Security)
V.N. Starovskiiy - Central Statistical Administration
A.N. Nesmeyanov - Presidium of the Academy of Sciences of the USSR
K.V. Ostrovitianinov - Presidium of the Academy of Sciences of the USSR
S.S. Nemchinov - Economics, Philosophy and Legal Sciences Division of the Academy of Sciences of the USSR
A.N. Efimov - Institute of Economics of GOSPLAN (State Planning Committee)
I.D. Laptev - Institute of Economics, Academy of Sciences of the USSR
L.M. Gatovskiiy - editorial staff of "Voprosy Ekonomiki"
N.I. Orlov - Scientific-research Institute of the Ministry of Foreign Trade
A.A. Arzumanian - IMEMO (Institute of International Economics and International Relations)

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Chapter VII

Concluding Observations

The National Security Act of 1947 charged the Central Intelligence Agency with coordinating intelligence activity for the United States and with correlating, evaluating, and disseminating intelligence concerning America's national security. The mission of CIA implied in that legislation is to inform the President and other senior-level officials responsible for formulating effective foreign and security policies. That mission was especially important during the Cold War when the global contest between the United States and the Soviet Union dominated the international relations of both countries.

The goal of the conference at Princeton University was to determine how well the CIA, in concert with the rest of the Intelligence Community, helped US national security policymakers understand events in the Soviet Union during the Cold War and thereby equipped them to formulate policies to cope with the threat from what was perceived as a belligerent nation bent on destroying the United States.¹ In evaluating the Agency's work, the conference participants in essence considered two related questions:

(1) How good was the analysis on the Soviet Union that CIA and the Intelligence Community provided to policymakers?

(2) How much impact or influence did it have on the making of US government policy?

The consensus of the conference on the first question was that, overall, the analysis CIA's DI provided on Soviet issues across the board was good to excellent—although the author of each conference paper pointed out that there were significant shortcomings along the way. Zbigniew Brzezinski, former National Security Advisor to President Jimmy Carter, said in a luncheon address to the conference that he found CIA analysts over the years to be “intensely able, dedicated,” and deserving of “truly high praise for their inventiveness, for their daring.” He singled out the President's Daily Brief—CIA's most sensitive and closely held current intelligence product—as perhaps the most important communication between the Agency and the President. He found the quality of the reporting to be excellent and “very helpful to the President on some major issues,

¹ The conference examined the record with regard only to the finished analytic documents produced by the Directorate of Intelligence as well as selected National Intelligence Estimates on the Soviet Union. The current intelligence documents produced on a daily basis by the Intelligence Community, as well as an assortment of raw intelligence provided to policymakers, were not examined. As a result, the conference considered only a partial picture of the analysis provided to US policymakers during the Cold War, albeit a very large and important segment of the intelligence that was made available.

most notably arms control and the strategic dimension.” As noted earlier in this volume, Douglas Garthoff gave CIA’s political analysts high marks for analysis that represented the views of well-grounded and politically impartial experts. In the economics field, James Noren’s paper described an impressive array of high-quality CIA analysis including ground-breaking national income accounting work and production-function analysis. Ernest May gave the Agency’s analysis of the US policymaking process a grade of “A-.” Richard Kerr said that, although the process of producing analysis at the Agency was “messy,” the resulting product was good.

Critics of the Agency continue, of course, to maintain that CIA’s analysis often should have been much better, as it missed such important developments as the timing of the Soviet atomic bomb, the Cuban missile crisis, and the Soviet invasion of Czechoslovakia. They point out that the Agency also overestimated the size of Soviet strategic forces and underestimated the Soviet’s regional force deployment and buildup. Also, as mentioned earlier, they assert that CIA failed to foresee the collapse of the Soviet Union in 1991.

Measuring the degree to which US policymakers read, understood, and acted on the intelligence assessments they received is a much more difficult and complicated task. Conflicting views on this were expressed at the conference. Ernest May borrowed Sir Jeffrey Vickers’ concept of “reality judgments”—that is, analysis that answers the question, “What’s going on?” versus “What difference does it make?” or “What should be done about it?” In May’s view, the Intelligence Community is responsible only for answering the question “What’s going on?” He concluded that the “reality judgments” provided by the DI did “shape the appreciation of the US government as a whole” and “did so decisively.”

On the other hand, a number of speakers and audience participants thought the DI’s analysis often was less effective than it could have been. Richard Kerr, for example, pointed out that the Intelligence Community often fell short in its responsibility to find out what was important and how to deal with policymakers. “We sometimes didn’t have the slightest idea about the nature of the immediate consumers we were providing the information to,” he said. “We didn’t understand what drove them. We didn’t understand their biases.” Some participants complained that CIA’s analysis was too late, too long, too complex, or did not answer the questions policymakers wanted answered. Others said policymakers often were too busy to read the intelligence that was provided to them and noted as well that high-level officials often were reluctant or unwilling to communicate their pressing policy concerns to the Intelligence Community. Brzezinski, while stating that he was a voracious consumer of the DI’s analytic products, indicated that “we, at the level at which I was working, did not assist the Agency all that much in determining what would best help us. This I regret because I know that the Agency would have been more helpful if it had been more

deliberately tasked, very specifically tasked, with clearer emphasis on what was needed, and perhaps with clearer identification earlier of what really is not all that helpful to the top policymakers.”²

CIA’s Directorate of Intelligence has wrestled with how to best serve the policymakers’ need for analytic intelligence since it was first established. In the mid-1990s, the DI underwent a number of fundamental changes in approach and emphasis in an effort to make the policymaker the driving factor in intelligence production and to redefine its analytic tradecraft to emphasize “facts” and the “findings” derived from them.³ Deputy Director of Central Intelligence John McLaughlin, in luncheon remarks to the conference, spoke of the continued attention being given to how the Agency does its analysis and how it focuses its analytical resources:

I am conscious every day of how important it is for our analysts to challenge the conventional wisdom, to separate what we really know from what we merely think—to consider alternatives; in short, not to fall victim to mindset, overconfidence, or maybe someone’s pet paradigm. Our country and its interests are at their most vulnerable if its intelligence professionals are not always ready for something completely different.

McLaughlin said that the Intelligence Community currently was:

- Repositioning itself institutionally to meet the changing nature of the new world, including paying more attention to nontraditional areas, such as demographics, disease, and water scarcity while continuing to chart trends in energy, economic development, and weaponry.
- Giving a high priority to providing analysts with the technical tools they need to deal with the growing problems of the volume and speed of information.
- Strengthening the community’s analytic ranks through recruiting drives, intensive training programs, more opportunities to travel, and by various programs to engage outside experts in the Intelligence Community’s work.

² A critical assessment of the DI’s tradecraft done in the early to mid-1990s found that the DI’s analysis failed to recognize that high-level officials were almost always up-to-date on events in the Soviet Union that affected their most pressing policy concerns. They had staffs dedicated to keeping them informed, and they had ready access to reporting through diplomatic and defense channels, open sources, and even raw intelligence. They also routinely talked to the “DI’s competitors,” such as their foreign counterparts, journalists, academicians, contractors, and lobbyists. See Douglas J. MacEachin, *The Tradecraft of Analysis: Challenge and Change in the CIA* (Washington, DC: Consortium for the Study of Intelligence, 1994), p. 9.

³ Douglas J. MacEachin, *The Tradecraft of Analysis: Challenge and Change in the CIA* (Washington, DC: Consortium for the Study of Intelligence, 1994).

All things considered, the results of the conference at Princeton University indicated that although CIA's analysis during the Cold War was not always correct, it played an important role in US decisionmaking process. The Agency sought to establish a larger strategic context for assessing Soviet intentions, threats, and capabilities. Understanding that Moscow's military power required a strong economy, it produced regular assessments throughout the Cold War of Soviet economic problems. It grasped early the virulence of revolutionary nationalism in the Soviet Union and warned about the Kremlin's ability to harness it for its own ends. In the final analysis, the fact that the Cold War did not become a "hot" war is a powerful indicator that US policymakers, with Intelligence Community assistance, generally had a good understanding of military, political, and economic issues in the Soviet Union and their implications for the West.

Chapter VIII

Speeches Delivered at the Conference

- I. Opening Remarks of the Director of Central Intelligence
George J. Tenet
- II. Remarks of the Deputy Director of Central Intelligence
John E. McLaughlin
- III. Address by former DCI
James R. Schlesinger
- IV. Former National Security Advisor's Recollections and
Recommendations for CIA
Zbigniew Brzezinski

**Opening Remarks of the Director of Central Intelligence
Conference on *CIA's Analysis of the Soviet Union, 1947-1991*
Princeton University
March 2001**



George J. Tenet

Princeton University's Center of International Studies and CIA's Center for the Study of Intelligence have done a great job in organizing this Conference on the Agency's Cold War Analysis of the Soviet Union. It is just the newest example of Princeton's famous motto: "Princeton in the Nation's Service and in the Service of All Nations." I have no doubt that these discussions will make an important contribution to the understanding of intelligence analysis and of the role it played in shaping policy during the defining conflict of the latter half of the 20th century.

Back in 1997, CIA held its 50th anniversary gala. Dick Helms, a legend in the world of espionage well before he ever became Director of Central Intelligence, delivered the keynote address. I had expected Dick to focus on the operational side, but he surprised me by reminding everyone that analysis—putting all the information together, evaluating it, and warning US policymakers of key elements in the international environment—was in fact the CIA's original and central mission.

Of course, each Director of Central Intelligence has his own perspective on analysis. William Colby, a Princeton alumn, believed that, while a DCI must juggle many different things at once, his responsibility for substantive intelligence is his most important charge. A DCI should do his homework, discuss with his analysts the basis of their

assessments, then be prepared to brief—and defend—the Agency or Intelligence Community views with precision and conviction before the President—or perhaps even more daunting—the likes of a Henry Kissinger. According to Colby, Kissinger had a voracious appetite for intelligence, but he didn't necessarily believe it. "Bill," Kissinger would tell him, "give me things that make me **think**."

Allen Dulles, the only other Princeton graduate to become Director, had his own way of processing analysis. It could be tough to brief him. There were always distractions and phone calls, invariably ops-related. According to one war story, an analyst was ushered into the inner sanctum. Dulles was watching a baseball game from a reclining chair (for his gout, he said) placed directly in front of his TV. The analyst stood facing him from behind the set. As the analyst pressed ahead with his briefing, Dulles would remark "good fielder, can't hit" or something like that, leaving the hapless briefer totally at a loss. Which is not to say that Dulles was not listening—it was just hard to tell sometimes. For example, when Khrushchev kicked out the anti-Party group in 1957, he evidently took in what everyone said, then dictated his own briefing for the President. By all accounts it was brilliant. He did not miss a single nuance.

This conference coincides with the release of over 850 CIA analytic documents on the Soviet Union, totaling over 19,000 pages of text—all part of a larger effort begun by DCI Bob Gates to illuminate the intelligence component of the Cold War's history. This latest tranche of documents, combined with the approximately 2,700 CIA analytic products and National Intelligence Estimates on the USSR that were previously declassified, constitutes the largest trove of intelligence analysis on any single country ever released by any nation.

That achievement is significant, but it is not sufficient. I am determined to make more of the analytic record available. And so, the office that does most of our declassification work will be releasing to scholars within the next couple of years a substantial additional amount of CIA analysis on the Cold War and more National Intelligence Estimates on the USSR.

Declassification is not easy. There are no shortcuts. It takes experienced, knowledgeable people sitting down with each document and painstakingly going over it page by page, line by line. There is no alternative. A mistake can put a life in danger or jeopardize a bilateral relationship integral to our country's security.

Despite the difficulties involved in the declassification process, no other nation's foreign intelligence agency has voluntarily released as much information about its past as has the Central Intelligence Agency and we will continue to build upon that achievement in the years ahead.

CIA will be as forward-leaning as possible consistent with our security responsibilities. We will be forthcoming for two major reasons: One—because US intelligence is a servant of America’s democratic system. We are accountable for our actions and the quality of our work to elected leaders and ultimately to the American public. The American people are best served by having available the information necessary to understand how their government functions. And two—because the men and women of US Intelligence are proud of the contributions they made to defending the security of the Free World during the Cold War. We believe that a careful study of our role in that great global struggle will show that, time and again, US Intelligence provided American leaders with critical information and insights that saved American lives and advanced our most vital interests.

Keeping the Cold War from becoming a hot one was the overriding goal of US Intelligence and American national security policy for over four decades. An intelligence effort of such magnitude and fraught with such great risk and uncertainty was bound to have its flaws and failures, both operational and analytical. I believe, however, that the overall record is one of impressive accomplishment.

I know that each of you here tonight has arrived at this conference with deep expertise, unique experiences, and strong opinions that should make for interesting discussions. This is, of course, not the first time that we have sought the views of outside specialists. For example, from the early 1950s to the early 1970s, CIA’s Office of National Estimates benefited from the counsel of its “Princeton consultants”—a group of scholars who met at Princeton and exchanged ideas with CIA’s top analysts. Others in universities and think tanks, individuals with family or other ties to Russia and Eastern Europe, diplomats, business people, and others from many walks of life who were interested in and knowledgeable about Soviet affairs helped our analysts greatly. Our products were enriched by their inputs, but any errors that may be found in our products are entirely our own.

We in US Intelligence never claimed to have had a monopoly on wisdom regarding the Soviet Union. It always pays to have a little humility on that score, particularly here on George Kennan’s stomping ground. In recent years, as you know, Ambassador Kennan has warned American policymakers against (quote) “creating a Russia of our own imagination to take the place of the one that did, alas, once exist, but fortunately is no more.” It was no less a challenge for America’s scholarly, diplomatic, military—and intelligence communities—throughout the Cold War to understand the Soviet reality—so that our national leaders could base their decisions not just on fears, but on facts.

Analyzing the Soviet Union was anything but an exact science for all of our communities, and dealing effectively with Moscow was every Cold War President’s ultimate leadership test. Among the first to admit the difficulties for Cold War analysts and policymakers alike was George Kennan’s good friend, fellow Soviet expert and “Wise

Man,” Chip Bohlen. Bohlen said (quote): “There are two statements which indicate beyond doubt that the person making them is either a liar or a fool. The first is: Whiskey has no effect on my judgment. The other is: I know how to deal with the Russians.

Bohlen’s statement holds just as true today.

Assessing CIA’s Analytic Contributions

To the men and women of the CIA’s Analytic Directorate—the Directorate of Intelligence—their Cold War mission was very clear: to use all sources at their disposal to gauge the capabilities and intentions of the massive, closed, totalitarian system that was the Soviet Union, and by so doing, to provide the President and other US policymakers with the information and insights they needed to act and plan with confidence.

Allow me to give you only a few examples of the ways CIA analysis informed US decision making toward Moscow. I will draw from a sampling of the Agency products that were released for this conference, but in so doing I do not in any way wish to ignore the substantial analytic contributions of CIA’s companion agencies in the Department of State, the Department of Defense, the armed services, and other parts of the federal government. Of course, intelligence analysts were not the only ones working on the Soviet puzzle. It should be interesting at this conference to explore how our assessments measured up to contemporaneous judgments from other quarters. And, as the former policymakers in the audience will attest, many other factors besides intelligence reports and judgments shaped their thinking and actions.

Those caveats aside, what does the record show?

From the mid-1960s on to the Soviet collapse, we knew roughly how many combat aircraft or warheads the Soviets had, and where. But why did they need that many or that kind? What did they plan to do with them? To this day, Intelligence is always much better at counting heads than divining what is going on inside them. That is, we are very good at gauging the size and location of militaries and weaponry. But for obvious reasons, we can never be as good at figuring out what leaders will do with them. In regard to the “unmeasurables,” CIA analysts were keenly aware of the importance of what they would conclude and of the political pressures attendant to the issues on which their judgments were sought. And for a quarter of a century, our national leaders made strategic decisions with confidence in our analysts’ knowledge of the Soviets’ military strength. The record shows that confidence was justified.

In the early—and mid—1980s, for example, a radar under construction in Krasnoyarsk generated considerable debate in Washington. The Intelligence Community’s analysts were at center stage, providing policymakers with their assessment of the radar’s true purpose. As it turns out, the Community assessment was on the mark. The analysts maintained—correctly—that the station was to be used primarily for tracking ballistic missiles, not space tracking as the Soviets had claimed. This analysis served as the basis for the Reagan Administration’s policy, which was to declare the radar a clear violation of the Anti-Ballistic Missile treaty and to call for its dismantling.

Intelligence analysts perform a critical service when they help policymakers think through complex issues, identify possible strategies, and project likely outcomes. A case in point is the role CIA played in assessing the potential implications for the United States vis-a-vis Moscow of President Reagan’s Strategic Defense Initiative. Our Office of Soviet Analysis, or SOVA, forecast in late 1987 that Moscow could not effectively counter SDI without severely straining the Soviet economy, discounting Moscow’s assertions that it could do so quickly and cheaply. SOVA maintained that anything more than a modest acceleration of existing offensive and defensive strategic deployments would divert advanced technologies desperately needed to modernize the civilian economy. Indeed, SOVA predicted that Moscow would defer key decisions on deployments and “continue to pursue arms control measures to gain American concessions on SDI.” And so it did.

Leadership analysis remains perhaps the most difficult of analytic specialties. Mikhail Gorbachev’s rise to power in the Soviet Union—assessing his evolving thinking and policies, their implications and the chances for their success—posed huge analytical dilemmas. One of the first papers done in the Gorbachev era was devoted to the promises, potentials, and pitfalls of his economic agenda. Published in the fall of 1985, it expressed doubt that the economic reforms that Gorbachev had announced would actually be carried out, or that resources could be found to meet his modernization goals. Two years later our analysts were even more doubtful that he would succeed. They predicted that the radical reforms that Gorbachev might be tempted to implement risked “confusion, economic disruption, and worker discontent” that could embolden potential rivals to his power.

It is tough to divine leadership intentions in a secretive, centrally controlled society—particularly if that leadership, as was true under Gorbachev, ceases to be static. Assessing thinking beyond the leadership—identifying other societal forces at work and weighing their impacts, is even tougher. Take nationalist and ethnic pressures, for example. For decades, Moscow’s policies toward minorities had combined gradual modernization with rigid suppression of any hints of separatism. CIA’s analysis reported that this long-standing combination of concessions and coercion had kept a lid on a “potentially explosive source

of political instability.” Our analysts picked up, however, on signs of change in Soviet policy and rising ethnic tensions under Gorbachev and drew the attention of US decision makers to their far-reaching implications.

A Business Built on Uncertainty, Analysis Based on Judgment

Obviously our record was not perfect. Intelligence analysis—even the most rigorous—can never be error-free. Our analysts may have the best information available, but they seldom have the luxury of complete information before making a judgment. The glints and glimmerings of insight that they get from examining shards of information help them peer into the unknown. But getting some forecasts wrong is an unavoidable part of the intelligence business—a business built on uncertainty.

Although we could fairly accurately count how many they already had, projecting the future development of Soviet military forces, for instance, proved to be one of the most difficult problems for the Intelligence Community during the Cold War. Every National Intelligence Estimate (NIE) written on the subject from 1974 to 1986, to which CIA analysts contributed, overestimated the rate at which Moscow would modernize its strategic forces.

But there is an important difference between getting it wrong despite thoughtful analysis, and deliberately exaggerating the threat. I think that an honest review of the documents shows that our analysts made a good-faith effort. I would also note that, in many cases, the very same analytic teams that overestimated future Soviet procurement also published volumes of analysis about existing Soviet nuclear missiles and warheads and other weapons programs that Moscow very much wanted to keep secret. It was their painstaking analysis that gave successive American Presidents and Senators the confidence to pursue, sign and ratify arms control agreements—agreements that helped contain and mitigate the very real dangers of the Cold War.

The fact that some of our analysis became controversial—and remains the subject of heated disagreement today—does not necessarily mean that the judgments were wrong. The Agency’s work in assessing the state of the Soviet economy, for example, has come under criticism since the Soviet collapse. This topic will be debated at the conference, and that is all to the good. I will only note that it is all but forgotten—and the declassified studies are there to remind us—that CIA analysts reported a deceleration in Soviet economic growth as early as 1963. President Lyndon Johnson thought this analysis so important that he dispatched a delegation to brief the findings in West European capitals. American academics and the national press, however, were skeptical of CIA’s analysis. Indeed, many economists of that era believed that the Soviet Union’s command economy possessed

inherent advantages over the market-based systems of the West. But whatever the prevailing currents of popular thinking may be, it is the responsibility of our analysts to call it like they see it, whether the evidence supports the conventional view or not.

We can even point to an instance where CIA analysts helped to shape not only US policy, but even may have helped to shape Soviet policy as well. We now know that the Kremlin monitored economic studies done in the West on the Soviet Union, especially CIA reports published by the Joint Economic Committee of Congress. President Jimmy Carter drew particular attention to such a CIA study when he declared to a surprised world that the Soviet petroleum industry was beset by serious problems. The Agency had projected that Soviet oil production was likely to plateau by the early 1980s and then decline to the point where the USSR would become a net importer of oil. As it turned out, CIA was right on the fundamental problems that eventually brought about a fall in production. But our analysts underestimated the Soviets' ability to avert the worst by shifting investment in favor of the energy sector and changing the USSR's extraction and exploration policies—changes that perhaps resulted from Moscow's reading of the Agency's published assessment. And those changes have real implications for Russian energy production today.

US Intelligence capabilities clearly were not omniscient during the Cold War, and we are not all-seeing now. Our Soviet analysts were not prescient then and our Russia analysts are not all-knowing today. Our analysts continue to work in a climate that President Kennedy described in his day when he said that intelligence successes are often unnoticed while our failures are paraded in public.

And that is fine. Our analysts are not in this business for headlines or kudos. They are in it to make a critical difference—to advance our nation's interests and values. And that is what they do every single day. I make it a point to remind them that the fear of sometimes getting it wrong should never, ever get in the way of them doing their job. And when my analysts do call it wrong, they take responsibility and they learn from their mistakes. That means taking apart the evidence or the assumptions that got them off track. It can be a painful process, but it makes for better analysis.

What, then, if not infallibility, should our national leaders, and ultimately the American public, expect of our analysts?

- First and foremost, they should expect our analysts to deliver intelligence that is objective, pulls no punches, and is free from political taint.
- Next, that our analysts think creatively, constantly challenging the conventional wisdom, and tapping expertise wherever it lies—inside the Intelligence Community or in the private sector and academia.

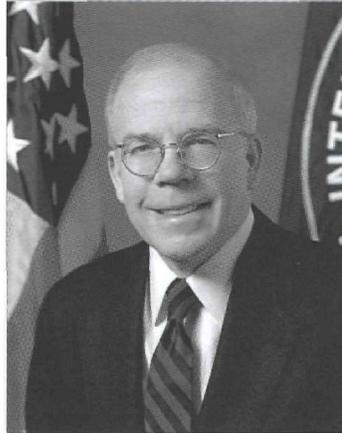
- That our analysts always act with the highest standards of professionalism.
- That they take risks—analytic risks—and make the tough calls when it would be easier to waffle.
- That they respond to the President’s and other decision makers’ needs on demand—juggling analytic priorities and capabilities to meet the most urgent missions.
- And lastly, that our analysis not only tell policymakers about what is uppermost on their minds—but also alert them to things that have not yet reached their in-boxes.

Making a Critical Difference, Then and Now

In closing, I will only say that more than a decade after the Soviet Union’s demise, we live in a world still in transition from something that was well understood—the bipolarity of the Cold War—to something that has yet to crystallize. In such a world, our country needs a strong analytic intelligence capability more than ever to help the President separate fact from fiction, avoid danger, seize opportunities, and steer a safe course to the future.

On behalf of CIA’s analytic community, I want to thank you for your participation and interest in this conference and in our work—past, present and future. As always, we welcome and value your insights, and we hope that you will find the discussions stimulating.

**Remarks of the Deputy Director of Central Intelligence
Conference on *CIA's Analysis of the Soviet Union, 1947-1991*
Princeton University
March 2001**



John E. McLaughlin

When the conference organizers asked me to give its first keynote address, I reminded them that my principal work on this part of the world came after the Soviet Union had broken up. In fact, it was just three months after that breakup that I was put in charge of the Office of Slavic and Eurasian Analysis—the name we gave to the organization that picked up the responsibility for analysis of the former Soviet Union, once it had ceased to exist. Because I had the opportunity to lead our work on this part of the world at that pivotal moment, I thought that is what I ought to talk about rather than looking back at our effort on the Soviet Union. You are going to be doing that non-stop for a day and a half, so perhaps you will welcome a brief excursion into the decade that just passed into history.

This topic is germane to the conference for a number of reasons. First, what I encountered back in March of 1992 was in every way the inheritance of our long focus on the Soviet target. And the experiences we had in those early post-Soviet years were emblematic of the Agency's efforts, successful I believe, to adjust to a new world that no longer had a universally accepted organizing principle for American intelligence.

So let me take you back to the spring of 1992 and tell you something about the journey we have been on since then. Let me begin with an anecdote that I believe says a lot. On my first day on the job in 1992, I made the rounds, shaking hands with my new colleagues. I remember stopping by one officer's cubicle, and there, sitting on top of her computer, instead of the usual souvenirs, was a big can of peas with Cyrillic lettering. When I asked why, she replied: "I'm the canned goods analyst." We also had a timber analyst back in those days.

To me, that anecdote says volumes about Soviet analysis during the Cold War. For reasons that this audience will readily grasp, it was actually important that we understand things like the food processing industry—symbolized by that can of peas—in order to gauge the underlying strength of Soviet society. As you know, we tried every conceivable way to gain insights into that fundamentally closed system—a system whose functioning was opaque in the most basic respects, not only to the rest of the world, but to its own people—even to its leadership, as Vlad Treml will attest tomorrow. Sherman Kent, the founding father of national intelligence estimates, once said: "Estimating is what you do when you do not know." We did a lot of estimating during the Cold War, and we are doing a lot of estimating now. But what we didn't know then about the Soviet Union is different in so many ways from what we don't know now about Russia. Most of what we needed to know then was at least discoverable. Much of what we'd like to know now may not even be knowable.

Today, our Office of Russian and European Analysis does not employ a canned goods analyst, or even a timber specialist. The Russia that our analysts are trying to understand is no longer cloaked from view by a totalitarian regime. But in many ways I think it is even harder to grasp—by us and by the Russians themselves.

It was not always this way. Dick Lehman, the creator of what we now call the President's Daily Brief, once remarked that the basic analytic training he got back in 1949 came down to a single piece of advice from his boss: "Whatever you do, just remember one thing—the Soviet Union is up to no good!" Simple, but that said it. To be sure, there were other targets, but as someone who worked on many of them, I can tell you that our interest was mostly derivative. For something to gain priority attention or command resources, there had to be a connection to the Soviet threat.

Many CIA analysts cut their baby teeth in SOVA—the legendary Office of Soviet Analysis—or in one of the celebrated offices that preceded SOVA's creation in 1981. And young analysts soon learned that the ultimate objective of their collective efforts—whether their expertise lay in peas or trees or tanks—came down to helping us gauge the Soviets' military strength and intentions. Everybody understood the paradigm. Everybody knew what the top analytic priorities were: the frontal threat to NATO, Moscow's first strike

capabilities, the Soviet command and control system, arms control monitoring, the capacity of the Soviet economy to sustain military power. As many of you will recall vividly, the butter-guns question of how many dishwashers equals a tank was a serious analytic calculation—also I might add, a difficult proposition from a collection standpoint, considering that Soviet dishwashers actually looked like tanks.

With the demise of the Soviet Union, the nature of our analytic questions changed. Before, threats emanated from Soviet strengths. Now, dangers stemmed largely from Russia's weaknesses or simply from the uncertainties associated with its transformation. Now, we were not so much concerned about a deliberate, surprise attack by Moscow or the sheer numbers of military forces and equipment. Instead, we worried about instability in 15 sovereign states instead of one, about the cohesiveness of Russia itself, about whether it was reconciled to the independence of the other fourteen states, about the safety and security of weapons, about proliferation fueled by Russia's economic straits, and about how to maintain momentum in arms control when your original partner no longer existed.

And this was a time of wrenching change for our analysts. Economists who had worked their entire professional lives on a command economy were suddenly confronted with free prices and privatization. And it was not enough just to apply the tried-and-true lessons of macro-economic and micro-economic theory, for this was an economic transition unlike any that preceded it. We quickly discovered that no one had the market cornered on analyzing such a thing, and we had to actually devise from scratch methodologies to do things like gauge the size of the private sector.

Our political analysts, meanwhile, had to plunge into real electoral politics while our military analysts, sharply reduced in numbers, could stop worrying about the cost of Soviet defense while they refocused on more qualitative questions such as whether the military would play a stabilizing role in the new Russia. For their part, the canned goods and timber specialists were retooling in Uzbek language class, brushing up on Ukrainian politics, or starting to focus in detail on places like Chechnya.

While we were wrestling with these challenges, outside the Intelligence Community, in the world of politics, the pundits and the press, there was expectant talk of a "Peace Dividend." The "End of History" had come—the last, great ideological conflict was over. Skepticism was rife about the need for the US to sustain a global presence—diplomatic, military and intelligence. There was talk of a US-Russian strategic partnership and after a protracted post-Tiananmen policy rollercoaster, Washington and Beijing were getting back on track. Osama bin Laden and the missile threat hadn't made headlines—yet. Sanctions had put Saddam in a straitjack. The world seemed like a much less dangerous place.

When DCI James Woolsey talked about the proliferators, traffickers, terrorists, and rogue states as the serpents that came in the wake of the slain Soviet dragon, he was accused of “creating threats” to justify an inflated intelligence budget.

As was the case with the State Department and the Defense Community, the Intelligence Community was downsized. By 1995, CIA’s analytic ranks had shrunk by 17 percent from what they were in 1990. By the end of the 1990s, we were down by about 22 percent. I reduced the office I headed by 42 percent in the space of three years. Overall, our Russia effort decreased by 60%, as personnel were justifiably shifted in the ways I’ve described and to non-Russian areas.

Well, almost a decade has gone by since the Soviet collapse and even though there still is no organizing principle that pulls our priorities into an alignment comparable to the Soviet period, there is no shortage of work for the Intelligence Community. If anything, the list of issues the Director must discuss in the threat assessment he delivers annually to Congress grows longer and more complex each year. Those thirsting for the clarity of the Soviet period may have to live with the likelihood that what we see is what we may continue to get for a long time: a kaleidoscopic world of rapidly shifting, interconnected problems—the kind of world that presents the toughest challenge to an analyst trying to help decisionmakers minimize the risk of strategic surprise.

The future-ologist Peter Schwartz believes that we have entered an era of what he calls “fundamental discontinuity” which will go on indefinitely due to globalization and the accelerating speed of technological innovation. I think he is right. Maybe because our analysts are used to thinking in geopolitical terms and five to ten years out, they tend to refer to this post-Cold War period as a “strategic pause”—or what Paul Kennedy might call the gap between “strategic epochs.” Policymakers used to worry about a missile gap—until our reconnaissance and imagery pioneers proved it didn’t exist. Now, it’s an “epoch gap,” but I’m not so sure we can help with that.

My point is that after any great upheaval—in this case the Soviet collapse—there has usually been a period of confusion, uncertainty, and turbulence while the world sorts itself out.

Think back on the last time empires disintegrated on anything like the scale we witnessed when the Soviet Union came apart and imagine the challenge it presents to our intelligence analysts.

- For example, if we had had a US Intelligence Community when the Austro-Hungarian and Ottoman empires collapsed after World War I, could it have predicted the enormity of what came next: the rise of Hitler, the Holocaust, Stalin's purges, World War II, the atomic bomb, the Cold War?

Just as there was high potential for surprise in that period of transition, I believe that our nation has entered an era when the potential for unwelcome surprise is greater than at any time since the end of the Second World War. There are a number of reasons for this:

- As we have seen in places as diverse as the Balkans, East Timor, and the Congo, the crumbling of Cold War constraints and the surge of globalization have unleashed forces that rapidly spill-over into open violence that can engulf entire regions.
- Second, the revolution in technology enables, drives, or magnifies dangers to us. DCI Gates has said that after the 1960s, the US was never surprised by a Soviet weapons system. We cannot be as confident today that we know about our adversaries' capabilities, because paradigm-busting advances are occurring simultaneously in so many scientific and technical fields. As we point out in our report on the world in 2015, in science and technology, the time between discovery and application is shrinking every year.
- Third, the advanced technologies that once were the preserve of the superpowers have passed into other hands. Access to advanced technology gives hostile states and non-state actors new shields and new swords. Greater power and longer reach. In today's networked world, they have easier access to information, finances, deception-and-denial techniques, and to each other. And the perception of America's so-called "hegemony" has itself become a lightning rod for the disaffected. Related to all of this, America's sole superpower status has created a global climate conducive to what I would call "experimental alliances," as various aspiring powers search for common cause, usually with the aim of off-setting American preeminence.
- Fourth, the American public—for the first time—has to face the fact that the territorial United States—our power grids, our water and transportation systems, and our public communications networks are vulnerable to new and unconventional dangers like chemical and biological weapons and cyber attacks, and also to some older conventional threats like ballistic missiles.
- Last but not least, Russia and China and other key countries in volatile regions—Iran, and the Korean peninsula—are undergoing political, economic, demographic and strategic transitions whose outcomes could have widely varying national security consequences for the United States.

From the perspective of an intelligence officer, it seems that America's next move these days must always be calculated on a three dimensional chess board.

Given such a world, I tell our analysts that I do not belong to the Peter Schwartz School of "fundamental discontinuity" or the Paul Kennedy School of "epochal gaps." I belong to the Monty Python School of "Now for Something Completely Different." I am conscious every day of how important it is for our analysts to challenge the conventional wisdom, to separate what we really know from what we merely think, to consider alternative outcomes—in short, to not fall victim to mindset, overconfidence, or anyone's pet paradigm. Our country and its interests are at their most vulnerable if its intelligence professionals are not always ready for "something completely different."

On that score, today's Russia seldom fails to disappoint. Our Russia analysts would be the first to admit that at times they have had to struggle hard to anticipate what is coming next. But they have found some consolation in the thought that Yeltsin and Putin have probably felt the same way.

That said, I think when someday we have a conference about this latest decade, our analytic record on Russia will stand up well. Among the things I think it will show:

- We got an early grip on the newly independent states and their likely evolution along different paths. In March of 1991—nine months before the Soviet breakup—a new division was created in SOVA to devote more attention to the republics.
- Our analysts anticipated the violent crisis in the fall of 1993, when Yeltsin dissolved the communist-dominated Supreme Soviet to break the constitutional gridlock that paralyzed the country.
- In 1994, we warned of the first Chechen War.
- We were forward-leaning on the outcome of the presidential and parliamentary elections in 1995-1996 and 1999-2000, and we published and briefed extensively on corruption and the rise of Russian organized crime, long before it became such a prominent issue.
- In the economic sphere, we warned policy makers of the looming economic crisis two months before the August 1998 ruble crash and called the rebound in the economy long before business and academic experts did.
- And we were frequently able to stay ahead of the curve in anticipation of Yeltsin's frequent government shake-ups.

- On the things that can inflict harm on Americans or America's vital interests or those of our allies—such as loose nukes, proliferation and efforts to stymie NATO enlargement—we didn't know everything, but we put together a pretty good picture because we had a strong factual base from which to speculate.

But there were many “softer” issues—subjects which don't lend themselves to measurement—that were more difficult for us to assess with high levels of specificity. Putin's meteoric rise to the presidency is a case in point. When he was plucked from obscurity to become Premier, we would not have told you with confidence that he would rise to the Presidency—until his handling of the Chechen war dramatically increased his popularity. But in early 1999, Putin probably did not foresee this either. On such “unmeasurables,” analysts must operate with greater degrees of uncertainty—they must work in the realm not just of the unknown, but of the unknowable.

What is knowable is that Russia's efforts to find its identity at home and its place in the world cannot be divorced from larger 21st century realities—the realities of a world in which countries globalize or get left behind, where national strength is measured not just in a military's access to hardware but in civilians' access to software—an increasingly borderless world of hope and hazard and unremitting change—realities which all countries confront, including our own.

Just like their targets, to be successful in this new century, our intelligence analysts must adapt. US Intelligence must find new ways of doing its analytic business. And that is exactly what we are doing. Let me briefly describe some of the steps we are taking:

First, we have repositioned institutionally to meet the changing nature of the threats. Today we devote only a fraction of the effort we once did to Russia. In the old days, SOVA was the largest office in the Directorate of Intelligence; today, given the cross-border nature of many current and emerging threats, that distinction goes to the Office of Transnational Issues.

We also have channeled substantial analytic resources to specialized centers staffed by experts from across the Intelligence Community to deal with Nonproliferation and Crime and Narcotics issues.

And, as the National Intelligence Council's 2015 report demonstrates, we are paying increasing attention to non-traditional areas such as demographics, disease and water scarcity while continuing to chart trends in energy, economic development, and weaponry. We are spending more time on how these factors inter-connect and on how they affect security and stability.

Next, we have placed a high priority on getting our analysts the technical tools they need to deal with the growing problems of volume and speed. Information increases by about a million documents per day, and that's just on the web. Five years from now, our all-source analysts will have to deal with ten times the amount of information that they now receive from open sources and clandestine collection. One analyst recently told me that the way she does her job has changed more in one year than in the preceding nine due to her desk top links with the Internet and classified intelligence networks. Today, providing vital "value added" analysis to consumers sometimes depends as much on our analysts' ability to pluck key information out of the flood and move it quickly as it does on the analysis itself. Information-mining technologies and connectivity among our analysts within CIA, across the Intelligence Community and with our customers will help us stay ahead of the competition—I don't mean our commercial competitors, but the hostile actors who can—and will—exploit what is commercially available.

But being smart about how we configure ourselves, allocate resources and use technologies will not be enough. As Sherman Kent put it decades ago: "There is no substitute for the intellectually competent human—the person who was born with the makings of critical sense and who has developed them...through firsthand experience and study."

With that in mind, we have over the last several years begun very aggressively to strengthen our analytical ranks that were so dangerously thinned after the Cold War. CIA, for example, is engaged in the largest across-the-board recruiting drive in a decade, and we are bringing in first-rate talent. We have established a new Sherman Kent School for Intelligence Analysis to intensively train the new recruits. Beyond increasing our bench strength against key targets, we are going all out to achieve greater analytic depth. We are providing incentives for analysts to stay on their accounts longer. We are affording our analysts greater opportunities to travel and to broaden their experience. Because we claim no monopoly on wisdom, we are bringing in outside experts for short tours as scholars-in-residence. We also are encouraging our analysts to expand their contacts with specialists elsewhere in government, in the private sector and in academia.

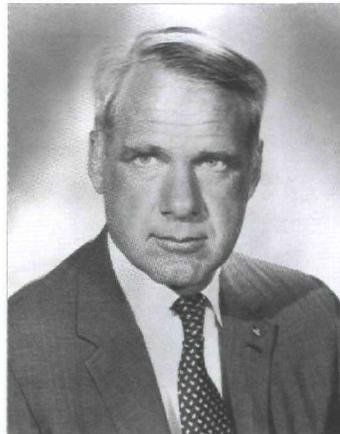
Our objective is a vigorous, creative, agile analytic capability that is equal to 21st century challenges and second to none.

I will close my comments on all that has changed in the analysis business by talking about what hasn't changed at all. I've mentioned Sherman Kent frequently, and let me say that today's analysts have the same three wishes that he used to talk about in his day: "To know everything. To be believed. And to exercise a positive influence on policy."

Of course, today's analysts don't know everything—that's why they still call 'em estimates. And they realize, as did their predecessors, that they won't always be believed, in spite of the rigor of their analysis. As to whether our analysts have a meaningful influence on policy, we will soon hear from former decision makers on that score. As for the decade I've just discussed, I can tell you that if the volume of questions we answer is any indication, our analysts have been very influential indeed. I am very proud of what they've accomplished.

Thank you. I would be happy to hear your thoughts and take your questions.

Address by Former DCI
Conference on *CIA's Analysis of the Soviet Union, 1947-1991*
Princeton University
March 2001



James R. Schlesinger

Dr. Schlesinger was introduced by Fred Hitz.

When Fred asked me to speak this evening he posed two questions: How well did the intelligence community do? Which reminds me of the standard jokes of Henny Youngman, who said, "How's your wife?" "Compared to what?" And the second question was: How influential was the reporting of the Intelligence Community with intelligence makers and was that intelligence properly utilized?

Let me start with the second question, which is, how influential was intelligence with policymakers? The basic issue is, who is influencing whom. Intelligence can be very influential when it is leaked to the press, influencing public perceptions or Congressional opinions, if not the policy makers themselves. That, of course, occurred back in the late 1950's, and in the 1960 election in particular, with the bomber gap issue and the missile gap issue. I myself worked for President Nixon who was convinced that he lost the 1960 Presidential election because of the CIA and its influence over the missile gap issue. I might add it later reduced his receptivity to any commentary from the CIA when he became President.

Now it is not always the influence of intelligence analysts on policy makers; sometimes it works the other way around. All too frequently intelligence analysts become susceptible to the policy convictions of the policy makers. Before I relate some examples of this, let me make some initial observations. First, intelligence is a tough business. It reminds one of Niels Bohr's comments that predicting is very hard, especially about the future. This comment, by the way, is often erroneously attributed to Samuel Goldwyn.

Second, intelligence officials do not normally make political decisions. That's not always the case, of course. Bill Casey, for example, had strong policy convictions and expressed them especially with regard to Central America. DCI Allen Dulles certainly played a large policymaking role in forging our position with regard to Cuba. And right now George Tenet is out in the Middle East, or was out in the Middle East, doing essentially a policy job.

Let me stress that intelligence officers can be at the mercy, I use that word carefully, of policymakers. Policymakers may not always listen to what is being said, but they are quite ready to blame their failures, or foul ups, on faulty intelligence. Intelligence and the Intelligence Community are the handiest of all scapegoats. Policymakers start with a set of presuppositions, or images of what the world is like, and for the most part, the so-called failures, the major failures of intelligence, reflect axioms in the minds of policymakers that may trickle down to the Intelligence Community. I like to relate the story of a CIA analyst who back in 1951 was studying the movements of the Chinese and had reached the conclusion that the Chinese had surreptitiously introduced their forces into North Korea, and he went around Washington peddling this scenario, and he got to the office of the then-Assistant Secretary of State for Far Eastern Affairs, Mr. Dean Rusk. Rusk listened very carefully and politely to the presentation, and at the end of it he said, "Young man, they wouldn't dare." "They wouldn't dare" is frequently in the minds of policymakers. And particularly, of course, a major power that presupposes that others will not challenge it.

The classic example of this is not an American example, but the 1973 war in the Middle East. The Israeli's had absorbed the political axiom from their intelligence service that the Arab States would never dare to attack them unless they had achieved air superiority first. This analysis did not count on the Arab use of surface-to-air missiles that neutralized, for a while, Israeli air superiority, and thus the Israelis were surprised until the last tactical moment by the decision of the Arab States to attack. The "They wouldn't dare," concept I think, also occurred at the Marine barracks in Lebanon in 1983. And there was a large element of that thinking in the Tet Offensive in Vietnam in 1968.

Let me touch on a third point. Intelligence is not clairvoyance. Intelligence can and is pretty good regarding routine developments. It's pretty good except when you come to a turning point, and then it becomes iffy. The human mind does not readily grasp

fundamental change. Human beings find it hard to grasp such change. Likewise organizations, which consist of many human beings, and particularly large organizations, have to be convinced that change is coming, or that they've reached a turning point. It's a long process in large organizations that is reinforced by the "not invented here" factor and the bureaucratic investment in existing interpretations, structure, and organization.

Finally, one needs to remember that it is the goofs that stick in your mind, the failings, not the successes. It's the things that went wrong. I'll come back with some examples to illustrate these points later on.

But to the first question that Fred posed. How did we do? How did the Intelligence Community do in that long period of the Cold War? This morning I asked my colleague Brent Scowcroft, and he said, "Not too bad." High compliment. "Not too bad, but we should have done better." And I think that pretty well summarizes it. Do we expect, for example, baseball players to achieve nearly a thousand percent as a batting average? The answer is, of course, no. The press, the Congress, and most administrations, however, tend to feel that intelligence should be 100 percent accurate. To continue my baseball analogy, four hundred is a remarkable high batting average that hasn't been achieved since Ted Williams. Yet, that is only four hits in every ten times at bat.

Anyhow, back to trying to understand the Soviet Union. We had substantial difficulties in our analysis. First, Russia was a closed society. We also started at a low point in terms of our knowledge and our attitudes toward the Soviet Union. What saved us in my opinion was our adoption of technology. Not only overhead reconnaissance, but SIGINT became valuable tools in the intelligence game.

Earlier, there was a little tribute to the absent chairman of the technology session, Bud Wheelon, so I'll tell you a Bud Wheelon story. Back when I was in the Bureau of the Budget and one of the satellite systems was up for discussion, Wheelon was called to the executive office to justify the system. He began to explain what the system would do in general terms, and he kept getting more and more specific questions. Finally he became more and more nervous and said, "I don't think that these things are supposed to be discussed in the Executive Office of the President." He was very sensitive to discussing the highly compartmented program. Those were the old days, and I think things have changed since that time. But, he had a fundamental truth there, as President John F. Kennedy said, "The ship of state is the only one that leaks from the top."

Well, again how well did we do? Go back to 1945 before the CIA existed. We started our analysis of the Soviet Union, as I indicated, from a miserable base. Not only in terms of information about the Soviet Union but in terms of the attitudes that emerged from the Second World War, from the close of the Roosevelt administration, and even the early days

of Harry Truman. Some of you might remember the “I like old Joe Stalin, but he is a prisoner of the Politburo” type attitude that existed at the time. It was not based upon very good intelligence analysis.

There were lots of misconceptions in those days. The wartime euphoria of the allied partnership and the hostility of the Soviet Union towards the West was not presupposed are just a couple of these misconceptions. Expectations of possible Soviet hostility toward the West were the province of military men, like General George C. Patton, and reactionaries. Witness the now forgotten discussions over the Bremen Enclave. The Bremen Enclave reflected general US attitudes at the close of World War II that the real danger in the post-war world would be Britain, and its imperialist tendencies. A great deal of planning effort went into ensuring that the American forces in Southern Germany would have access to the North Sea with this established Bremen Enclave. We spent virtually no time worrying about allied access to Berlin, since the Soviet Union was not presupposed to be the danger in the post-war world. Once again, this was before the CIA existed. It was only after the Soviet take-over of Eastern Europe, the initiative of the Marshall Plan, which was rejected by the Soviet Union, not only for itself but for its new satellites, and particularly the Czech coup in 1948, that the views towards the Soviet Union universally hardened in the United States.

As I stated previously, the Soviet Union was a hard target for us. There were special problems, of course, in collecting intelligence, especially in the early years before we had the technological breakthroughs. I can remember early discussions of Soviet factory production. We took estimates of factory floor space, and made this leap of conviction about the production that could be carried on in the Soviet Union. These projections, incidentally, presupposed a much higher rate of productivity in the Soviet Union than actually existed. It was this kind of analysis that led to the misleading estimates of the bomber gap and then later the famous missile gap controversy. We were saved, basically, by the technical collection revolution that was discussed earlier today. Ultimately there was the downgrading of the Soviet threat. Intelligence was no longer based upon speculation about what the Soviet Union might be able to do, from which one leaps to the conclusion that they had done it, to concrete observation about what they were actually accomplishing.

After the technological breakthroughs in intelligence collection and after the discovery that the Soviet Union really was not pursuing as aggressive a policy as we had anticipated at the close of the 1950's, and the beginning of the 1960's, there came the new interpretation that the Soviets were merely reacting to the US positions. This was strengthened after the Cuban Missile Crisis, and the Kennedy Administration's belief that they had worked things out with the Soviet Premier Nikita Khrushchev. After 1962 and 1963, Secretary of Defense Robert McNamara abandoned the notion of counter-force directed against the Soviet Union and moved to the concept of mutually assured destruction. Remember what I said earlier

about all too frequently intelligence is susceptible to the convictions of policy makers. McNamara's conviction, and of course he was instrumental in bringing CIA analysts into the center of strategic discussion, but McNamara's convictions on arms control began to influence, and then to drive to a considerable extent, national intelligence. That was true also of his ideas on détente.

There was also a good deal of mirror imaging of the Soviets in terms of, "They share the same ultimate goals as we do." According to some, the Soviets only wanted to match the United States, that was the cause of their rising arms build-up. In fact, with regard to their ICBM forces, the prevailing belief in the middle 1960's was that the Soviets only wanted to match us. Once they had reached a thousand missiles, just as our Minuteman force was capped at a thousand missiles, they would stop growing. When I joined the Nixon administration in 1969, the Soviets had just gone through that thousand limit and they showed no signs whatsoever of slowing down. As they built up their forces there were still continuing echoes that the Soviets were really only interested in matching us and that they would soon level off and reduce their forces.

A similar view came into the Intelligence Community, I say this with some care, with regard to détente. The Soviets obviously shared our aspirations for détente. And I can well recall August of 1968, at the time of the problems in Czechoslovakia, followed by the invasion of Czechoslovakia by the Russians and the Warsaw Pact countries. I was that night at the home of Andy Marshall. We were working for the Rand Corporation, and we had as a visitor, McNamara's chief man on intelligence. As we listened to the radio reports of the invasion, all he did was to wring his hands, "How could the Russians do this?" He presupposed that Brezhnev felt about détente the way we did. He obviously understood that this was going to damage détente, and he was totally distressed. As I say this was not necessarily the view of the entire CIA, but generally speaking, the view was widespread in the Directorate of Intelligence. Nobody that I ever encountered took that view in the Operations Directorate. Enough of that particular period and those episodes.

I turn now to the other aspect that I mentioned previously, the bureaucratic investment that is made in a particular interpretation of history, or interpretation of current events, reinforced by the "not invented here" phenomenon. And here I refer to the painful progress, if I can put it that way, with regard to the economic data from the Soviet Union. This data was gradually used to make an economic model. One must remember that the output of such models is no better than the input. Some years later I was serving with Warren Nutter, down at the University of Virginia. He was doing a study for the National Bureau of Standards. To say the least, he had some harsh words for the CIA economic methodology, which I shared to some extent, and which is reflected in a book that I wrote at the time. If you believed the CIA estimates with regard to the Soviet economy and the

Soviet growth rate, the Soviets would at some early point in the 1970's according to CIA estimates, exceed the United States in total production. Mr. Khrushchev may have believed it, by the way, when he said, "We shall bury you." It seems ridiculous today.

Let me give another example on the economic side of the estimates process. Doug MacEachin please forgive me. This is a preemptive strike, I guess. Retaliation is certain, isn't it? Anyway, when I became Director of Central Intelligence, the estimate of Soviet military expenditures, in dollar terms, was about equal to that of the United States, maybe four or five percent higher - a point of view that I did not share. And one day, soon after I became Director, I sat down with the analysts, and I said, "Here's the back of an envelope, and let us go through what we are claiming." This didn't come out of any complex economic model, it was just my thoughts on the back of an envelope. I said the Soviets have nearly four million men under arms, and we have just over two million. In dollar terms what does that imply? It implies that the Soviets, excuse me, let me add one other fact. The United States was spending about 50 percent of its military budget on personnel, which in dollar terms would imply that the Soviet Union was spending about the equivalent of our dollar expenditures in the military budget simply on personnel. Right? They may have had more enlisted people and draftees, but if you put them at US dollar rates, they were spending about the same on personnel as we were. Then we went over the list of procurement items in Russia, and they were producing three thousand tanks a year, and we were producing two hundred and forty or two hundred and fifty tanks a year or thereabouts. The number of aircraft that they were producing vastly exceeded ours as well. They weren't very good aircraft, at least they didn't have the same capabilities as ours. In the final analysis, it was plain that the Russians were spending about 50% of our military budget, in dollar terms, on procurement. We gradually went through these expenditures. They had much lower expenditures, of course, for operations, particularly in view of the fact that we were still in Vietnam. But, nonetheless, the Soviet military budget looked to be about 160% or 170% of what we were spending. I think in the later years that that came to be confirmed.

Now the point of this is not that there was an initial misjudgment on our part, the point is that there was a major bureaucratic investment in that particular interpretation, because I said to them, "Go away and clear up this problem." Then a few weeks later I was summoned to go to the Department of Defense, and I was no longer there to watch the changes that would come as a result of what I regarded as very clear calculations. It took two and a half or three years of study, as I recall it, supervised by Andy Marshall once again from the Pentagon, before the adjustment in the estimates of Soviet military spending came about. Bureaucracies have to go some place to hide their head and all of that.

The point is that bureaucratic institutions, and that includes the CIA, make investments in their calculations and it is hard to get them to change their mind. That's especially true when you have honest intellectuals. The services have much greater flexibility. They seem to be able to adjust their views very quickly once their perception of their interests change.

Fred also asked me to talk a bit about the mid-period of the CIA, including Cuba and Vietnam. As for Cuba at the time of the Bay of Pigs, the analysis was not very good. I will say no more on that.

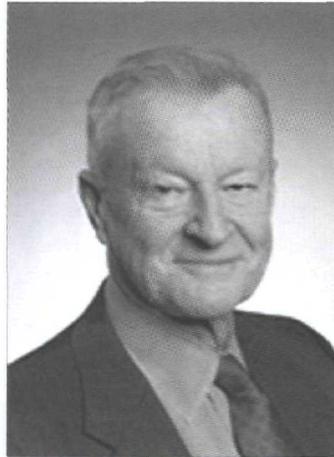
In Vietnam it was better than anybody else's, by and large. It wasn't always that good but it was a lot better, by and large, than what was coming out of the Department of Defense. That was not always the case. We had the famous case of Sihanoukville in Cambodia in which the Agency kept claiming that there was no evidence that it was a major port of armament shipments to the VC. This debate between the Pentagon and the Agency went on for a long time. Army Intelligence was in the lead, and the position that it took was, "Look There's an awful lot being thrown at us, and its not coming down the Ho Chi Min trail." And the answer to that from the CIA analysts was, "You don't have any hard evidence for that, and until such time as there is hard evidence. . ." The Army replied, "Look, when they unload these munitions on us, that's hard evidence." The CIA was just plain wrong. When Lon Nol took over in Cambodia and we got our hands on the bills of lading, a flood of North Vietnamese munitions was going through Sihanoukville, so the Agency was not always as good as one might think.

We had another example at the close of the Vietnam War—this is not necessarily the view of Agency analysts but the voice of the Agency as expressed by the DCI Bill Colby. Colby was wedded to the belief of the salvation of South Vietnam, believed that even though the ARVN had lost most of its best divisions, and even though there was a retreat from I Corps and Second Corps, that a southern redoubt could be formed in South Vietnam. Colby thought that the relics of the ARVN could preserve Saigon and all ports, all parts South. His believe was based upon hope, nothing more. It did not come from the analysts at the CIA. It was Colby's personal belief.

Another example of this type of thinking was Stansfield Turner's at the time of the overthrow of the Shah. There was a great deal of skepticism amongst the analysts about the Shah's future. I was then Secretary of Energy so I would have the analysts come down from CIA and brief me. There was a great deal of skepticism about what form of government would follow the Shah. Stan Turner, however, had this belief that Khomeini was just another politician, and he briefed it to the National Security Council that after the overthrow of the Shah things would go pretty much as they had before, that they would have to sell us oil and so forth. Now that is a defect in intelligence, if not of the analysts at the CIA. Well, I've talked long enough.

Dr. Schlesinger also responded to a final question from the audience: How do policy makers react to intelligence? Schlesinger: The answer to that is, it varies. George Bush, the elder, loved the intelligence product. This was a part of his life. For Richard Nixon it was a different part of his life, and the reaction was not nearly as good. Let me expand the question to when do the intelligence analysts have their major impact on an administration? Usually at the start of an administration before its policy views begin to harden. As those policy views begin to harden it takes greater and greater evidence to change anybody's mind. It becomes a very hard sell. In fact it is almost impossible. Policymakers—this may shock you—like to have their own views confirmed. So they will pick over the intelligence to find the very items that support those views. And so you have to have policymakers who are open minded, and usually it is better to catch them early on in an administration. Thank you very much.

**Former National Security Advisor's
Recollections and Recommendations for CIA Conference on
CIA's Analysis of the Soviet Union, 1947-1991
Princeton University
March 2001**



Zbigniew Brzezinski

I have been interested in Soviet affairs since I was a student. My graduate work was on Soviet affairs. My undergraduate work dealt with Soviet affairs. And I have maintained a sustained interest in that area, and in that topic, since then. For two years, I served in the State Department, and I was an active consumer of what many of you in this room, or your predecessors, were producing. For four years, I served in the White House. And then I was, indeed, a very active, voracious, consumer of what you had to produce. I was a privileged consumer, not only of your finished products, but also of raw intelligence, which I insisted on seeing, and to which I wanted to have direct access.

I would like to begin my comments today by first of all saying, in all seriousness and sincerity, that I have the highest regard for the personnel of the Agency. I've worked with them over the years. In my private life I've also worked with them. There was only one occasion when I refused to work with them, which was when I was a young assistant professor at Harvard on my way to the Soviet Union in the '50s, and I was visited by some representatives of the Agency who wanted to task me with some assignments. And

I had, I think, the good common sense to say to them, “I’m going as an academic. I’ll keep my eyes and ears open. I’ll be happy to talk to you when I come back, and you can ask me whatever you want to know, but I will not be tasked by you.”

But there were other occasions where I did cooperate, and I’ve never regretted it, because the people in the Agency, I found over the years, were intensely able, energetic, and dedicated, and they deserve truly high praise for their inventiveness, for their daring. When I became a major consumer of the Agency’s product for four years, I must say I was immensely impressed by the innovativeness of some of the techniques that the Agency developed for the acquisition of information. Much of that has now become part of public knowledge; a great deal of it has not. It all, cumulatively, testifies to the extraordinary ability to innovate, to use science and technology for the purpose of obtaining a more accurate understanding of what was then transpiring, and is now transpiring, in areas of intense national security interest to the United States.

As a consumer, in retrospect, I have to say that sometimes we, at the level at which I was working, did not assist the Agency all that much in determining what would best help us. We were not always clear about our needs; perhaps not often enough were we engaged in very precise tasking of the Agency insofar as what would best help us make the kinds of decisions that we were engaged in. This I regret, because I know that the Agency would have been more helpful if it had been more deliberately tasked, very specifically tasked, with clearer emphasis on what was needed, and perhaps with clearer identification, earlier, of what really is not all that helpful to the top policymakers.

Today, with that as my point of departure, I’d like to talk to two subjects. The first pertains to the past. And particularly, it involves the Agency and its support for the President and his immediate associates—the relationship of the Agency to the Presidential-level decisionmaking process. One here has to pause and immediately emphasize something, which is quite obvious but needs to be stressed nonetheless: How much time can the President give to the consumption of intelligence? The answer is, “Very little.” Most people don’t have a sufficient appreciation of the enormous time pressures, the disruptive time pressures, under which the President works. Most people simply do not appreciate the volume of paperwork that flows to his office, under enormous pressure from every branch of the government for access to the President. I once did an analysis of how many pages come in for the President every day from the Secretary of State, from the Secretary of Defense—and through him, of course, from the Joint Chiefs as well—and from the Director of Central Intelligence. They were destined for the President, but they would come to me first. It came to 300 pages a day.

I was initially naïve enough to feel that if the Secretary of State, or the others, sent me this material for the President, I perhaps ought to annotate it and give it to the President. And then I realized that the President would actually read it. At least the President I worked for would read it and would annotate it and would send it back. It soon dawned on me that this made absolutely no sense, that I wasn't serving the President well, and that the President was becoming overwhelmed with data and facts that he couldn't consume, and from which he couldn't extract all policy-relevant insights. And I cut down the volume to about 40 pages a day, either summarizing the rest, or, very often—since I had a relationship with the President that gave me some confidence—responding on his behalf to the memoranda, on the assumption that if there was some subsequent dispute, I would be in a position to explain to the President what the reasons were for my response. I had sufficient confidence that in most cases he would say that this was the correct response.

The President, of course, would read every day the *President's Daily Brief*. This is perhaps the most important communication between the Agency and the President. And the years in which I was in the White House, the *President's Daily Brief*, I think, was very helpful to the president on some major issues, notably arms control and the strategic dimension. By and large, the quality of the reporting was excellent. It was informative. It was detailed. It was comprehensive in providing us a very detailed, essentially accurate picture of Soviet strategic development, deployments, weapons characteristics, arms control negotiating postures, and so forth. It was similarly excellent in some areas of the Soviet economy, which had either international implications or were significant to internal Soviet development, such as the oil industry. And the President would absorb that and would follow it in great detail.

It did not provide much help to the President, however, in determining what the Soviets, in general, were trying to do. What struck me about the PDBs was that they were informative specifically, but not enlightening generally. They did not, in my view, give the President and the other principal consumers of the PDB, which were three or four people in the entire government, a good sense of what the Soviet strategy of the time actually was. What is it that the Soviets were trying to do, for example, in the Persian Gulf/African area, in South Africa, in the Ethiopian Horn, subsequently in Afghanistan, and in 1980 in Poland?

The *President's Daily Briefs*, while helpful in our understanding of the specific numerical dimensions of the Soviet military establishment, were also not very helpful in giving us a comprehensive sense of Soviet war planning. We had a good understanding of Soviet capabilities in the strategic area and in the conventional area. But, curiously enough, the connection between the two was not clearly made. And it was not until much of the material that Poland's Colonel Kuklinski provided us was fully digested that the organic interrelationship between Soviet strategic forces and conventional forces in comprehensive

war-making emerged more clearly. We had a sense of the specifics, but the two were treated largely as separate phenomena: Soviet strategic war-making as one dimension, Soviet conventional war-making as a separate dimension, but the two, in my view, were not fully integrated.

More generally, I would say that when it came to drawing a broad picture that was analytically helpful to the President, “in-shop” work—in the White House—using CIA inputs, was more helpful to the President. I have in mind, for example, the product called PRM-10, Presidential Review Memorandum No. 10, which is a comprehensive assessment of the American-Soviet competition. It was produced under the directorship of Samuel Huntington, who was detailed at the time to the White House, and it reached the basic conclusion that while there was military equivalence between the United States and the Soviet Union, trends in the military dimension were essentially adverse for the United States, but the United States was superior and gaining in all other areas—and that, hence, the competition outside of the military dimension was actually favoring the United States, and increasingly so. Now that was an important conclusion. But it emerged out of the use of intelligence data by White House staffers, sensitive to the larger picture that the President needed to have, which they then, using the data, were able to provide.

I would say that, in general, I found it helpful for the NSC staffers to have access to raw intelligence, because that greatly increased their ability to draw the right kinds of conclusions for Presidential use. When it came to broad, sweeping, bold insights into the future, by and large the PDB did not provide it, and the Agency did not provide it, whereas from within the staff, occasionally, it was developed. I have in mind, for example, a document that was prepared by my military aide, who subsequently became the head of NSA, General William Odom, in which the conclusion was stated very explicitly—this was in the late ’70s—“The Soviet Union,” and I’m quoting, “The Soviet Union, however militarily strong it is becoming, suffers enormous centrifugal political forces. A shock could bring surprising developments within the USSR, just as we have seen occurring in Poland. The dissolution of the Soviet empire is not a wholly fanciful prediction for later in this century. US policy should sight on that strategic goal.”

Now this is something which some of us in the White House also felt instinctively. I, for example, felt very strongly that the nationalities problem in the Soviet Union was the Achilles heel of the Soviet Union, and I insisted that there be an interagency group created to address the nationalities problem. The State Department opposed that initiative, and I remember vividly the argument that was made to the effect that there is no nationalities problem in the Soviet Union—that there is, in fact, a Soviet nation emerging. The interagency group was created, and then it led to a covert program which the Agency

undertook, euphemistically and elegantly called a program for the “delegitimization” of the Soviet system. It was a program designed to exploit national tensions within the Soviet Union.

And all that leads me to two basic conclusions. First, that intelligence for the President was excellent on the level of factology, weak on the level of “politology.” And the President, and people around him, needed “politological” assessments and insights. It is very difficult for an institution which has to concentrate on being reliable, whose data has to be verifiable, to provide such broad insights, and yet that is what policymakers need.

This leads me to another conclusion, which perhaps is equally unpalatable to some in this room, namely that the president’s intelligence briefing should not be, in most cases, given by the Agency. It should be given by the President’s National Security Advisor, because the President’s National Security Advisor knows what the presidential interests are. He knows the policy issues that are being discussed. He knows how the President’s mind works—or should know after a while. And he is, therefore, in a better position to digest that information, to reinforce it with his own views, or from his own access to raw data, and to provide for the President the kind of picture that he needs to have when dealing with an important challenge such as that from the Soviet Union.

In specific instances, when it comes to briefing the President, for example, on the personalities of Soviet leaders, or on the characteristics of Soviet weapon systems, or on particular Soviet initiatives, yes, direct briefings by the Agency, either by its Director or, better still, by the pertinent analysts, make a great deal of sense. But only in that context, and not as a general routine. This is a sensitive point because there used to be times when the President was regularly briefed by the head of the Intelligence Community. There were other times when he was not. My own experience leads me to the view that, by and large, in most cases the latter is the preferred bureaucratic course of action.

Now let me use that as a point of departure for sharing with you some thoughts in the second half of my presentation. Since this is a keynote address toward the end of your conference, it doesn’t quite fit into the format of this event, but I hope you’ll forgive me, and perhaps some of you might find it of interest. Essentially, the second half of my comments is an attempt, on the basis of what I have said, to share with you what it is that I would want to task the Agency to do today if I were the current National Security Advisor, and if I were in the position, therefore, to task the Agency as to what ought to go into the *President’s Daily Brief*.

And in doing so, I want to preface my remarks by saying that, in focusing this tasking on Russia, I’m aware of two new realities. The first is that Russia is not an enemy, and, therefore, the whole spirit of the tasking is different. But Russia is a player, and Russia is a

competitor, and Russia is probably more a competitor than a partner, and, therefore, the need for good intelligence is as intense as ever. Second—and this is important in view of what I will now be saying—I find Russia today obviously much more porous than ever before. Much more porous. I felt in the earlier phase that we never had enough HUMINT, but I was also aware of the fact that there were obvious objective impediments, which restricted the acquisition of human intelligence. This is no longer the case. Russia is a very porous society. Its elite is very corrupt and very susceptible to material incentives. And, as a consequence, I think there is relatively little excuse today for not having good HUMINT regarding Russia. I can see some excuses being still pertinent in regard to China. In regard to Russia, there's really no excuse for the Agency not to have truly, truly excellent HUMINT. And that would be my assumption in tasking the Agency. And if the Agency was unresponsive to the tasking, I'd view it as a bureaucratic deficiency from which appropriate conclusions ought to be drawn regarding the leadership and operations of the Agency. [laughter] View it as an incentive.

The **first** tasking is very obvious. I would like the President to be told by the Agency what Russia's strategy is toward the United States? What is it, exactly, that Putin and his leadership are trying to achieve in the relationship with the United States? And more broadly, can its view of the role of the United States in the world be defined? Can it be crystallized? What are the essential components? And, in that context, how realistic is that strategy? Is there a relationship between goals and means that is reasonably balanced in that Russian strategy? More specifically, how is one to view Russia's courtship of Cuba, North Korea, Iraq, Libya, Iran, and Vietnam? Is it to be viewed as a strategy, or as a stupidity? Or, perhaps, as a combination of the two? In other words, a stupid strategy. [laughter] How do we assess it? What conclusions do we draw from it? Is there a significant difference between Russia's declaratory policy—what is stated by Russian leaders, including the President of Russia—and actual policy? Can we see that there is a difference between the two? Or are they the same? And here, obviously, the thing to do would be to compare the thinking of Russian think tanks, some of which produce serious papers on Russian geo-strategy, with internal Kremlin policy papers. Yes, compare the two. And if the Agency doesn't have access to them, it's not doing its job, because these papers do involve a lot of officials and presumably, in the new circumstances, some form of cooperative access to such people should by now have been established.

Second, I would like to see the Agency provide the President with a comprehensive counterintelligence assessment of Russia's intelligence goals in the United States. What is their scope? And how comprehensive are Russian intelligence programs in the United States? This, incidentally, should inform us somewhat about the first cluster of issues as well, and therefore it is an important undertaking, since we do know that Russian intelligence operations continue. What is their scope? How coherent are they? How would we assess them?

Third, what is the Russians' assessment of Bush's foreign policy team? How do they assess the individuals on the team and the relations between them? What policy and personal weaknesses in the Bush team have the Russians detected? And what conclusions did they draw from the foregoing assessment? Obviously, that is important also in determining the nature of Russian-American interplay.

The **fourth** cluster of issues pertains to NATO, and, specifically, in what NATO governments do the Russians have the greatest influence? They do have some influence in some governments. We know that they had an influence in the earlier years, and we learned a great deal more about that after the unification of Germany, when certain files became accessible, and when it became obvious that some very senior West German officials were, perhaps, subject to classification as agents of influence. How is that influence now exercised within the NATO agreements? And are the new members heavily penetrated? And who among them the most? I think that is certainly of relevance, given the continued importance of NATO in American national security policy.

The **fifth** cluster of issues pertains to Russia's short-term intentions and likely actions regarding its immediate neighbors—most specifically, Ukraine and Georgia. What are the principal targets of Russian policy insofar as these two countries are concerned? More specifically still, how is [Ukrainian President] Kuchma's crisis being exploited? Do we see any alternatives to Kuchma? Incidentally, in the context of that crisis and challenge, what do we know about the Russian role in the attempts to assassinate Shevardnadze? And what does it tell us about Russian policy towards the Southern Caucasus?

The **sixth** cluster of issues pertains to weaponry. What new weapons, with emphasis on the word "new," are the Russians producing, or more likely, still developing? Are they likely, given their financial limitations, to attempt to skip a generation of weapons and to leapfrog in weapons development? If one is strapped financially, perhaps it makes more sense to skip a generation and then to obtain a marginal advantage. What do we know about that? Connected with it, of course, is the question of Russian weapons sales, and there is a sustained interest in this. It's probably "carrying coals to Newcastle," but it is important to note. And one might add to it the question of whether and, if so, how much of the Nunn-Lugar funds have been siphoned off by the Russians, either for weapons development, or, more likely, simply because of corruption, because the Nunn-Lugar program is of some importance.

The **seventh** set of issues pertains to other aspects of Russia's foreign policy, and, specifically, the world of Islam. Have the Agency and/or the Bureau been drawn into Russia's conflict with Islam to the south of Russia? Have the Russians been aided by US agencies in the war against Chechens, perhaps under the rubric of antiterrorism? For there have been such allegations in the mass media. This is an issue not easy to deal with, because

it raises very sensitive moral and political problems, and it is probably not an issue that any of the elements in the agencies would like to own up to if it is seriously probed. And yet it has a bearing on foreign policy and also has a bearing on our own definition of our national interests, and on how we best pursue it.

The **eighth** set of questions pertains to some of our own domestic aspects. More specifically, what is the role of the Russian mafia in the United States? Has any of the money of the Russian mafia in the United States been channeled into the political process in the United States? And, if so, to whom and why? And, is it purely a criminal activity? Or is there a tie-in here between criminal activity and political objectives of the Russian government?

Ninth is an extension of the foregoing, namely, how active and well-financed are American PR firms and law firms in acting as representatives of Russian interests in the United States? Which ones can be identified as purely private business activities? And, which ones spill over, essentially, into activities which also promote more directly the national political objectives of Russia? Which firms are most active? The same set of questions can be applied to some American think tanks. To what extent do some of them have a relationship with Russia that has become extensive to a degree in which it is at least worthy of observation?

Tenth, and last, what American policies is Russia most determined to counter, and, if so, how might it seek to achieve effective countering of such American policies?

I would love to see the answers to these questions. I'd love to be a consumer, and to see what they present. I want to emphasize again that the purpose of these questions is not to wage some sort of a new Cold War against Russia. But it is to deal with Russia as a serious competitive player on the international scene, and a country with highly developed intelligence traditions—a country which puts a lot of emphasis on the use of covert activity in the context of the pursuit of its foreign policy goals. I assume that many of the answers to my questions would be benign. But I think answers to these questions are needed. And I think a President, in shaping policy and in trying to establish a stable relationship with Russia in this day and age, would be well-served if he had access to essentially politically oriented, policy-decisionmaking-oriented questions of this sort, which I would be tempted to task the Agency if I were still in office today. Thank you.

Questions and Answers

Question: Toward the end of your list of taskings, Zbig, you entered a zone of fuzziness of the boundaries among the traditional disciplines of intelligence, counterintelligence, law enforcement, business, politics, and crime. That's a fuzziness that

has gotten a lot worse since you were the National Security Advisor, just because of the globalization of everything. You could give the same speech about tasking on China. Could you reflect on how our institutions and our policies and our laws might have to adjust to deal with this fuzziness? I mean, you might go in and say, “Mr. President, a Russian criminal syndicate, let’s call it Beta, has just bought a position of strength in the law firm for which your golfing partner now works.” And he says, “Zbig, I don’t want to hear that.”

ZB: Well, he might say, “I don’t want to hear that,” or he might say, “I can’t do anything about it, but it’s good to know it.” That’s an important difference. I would want him to know it. Now, if he decides he doesn’t want to do anything about it, he is the President, not I. But I think it’s the kind of thing he ought to know about. You’re right—fuzziness, yes. But fuzziness does not mean that one should not know about it. The area is gray, and, therefore, what we do specifically about it is limited. Not every kind of activity is subject to criminal litigation. But, because it isn’t subject to criminal litigation, it isn’t the kind of activity you don’t want to know about.

And I think the President precisely needs to know that, because we do, indeed, live in a more fuzzy era, a more porous era, and an era in which peculiarities of the American political system are being perhaps exploited, in a much more intelligent fashion than was the case heretofore. You know, during the height of the Cold War, the Communist Party of the United States was probably of very limited assistance to the Soviets, but it was a major preoccupation to us. And far more important are potential agents of influence, or people who play an ambiguous role, essentially performing a perfectly legal activity, for example lobbying, but at the same time being instruments of foreign policy, which affects American national interest. So this fuzziness, I think, underlines the difficulty of the task, but it doesn’t negate the importance of the task. And I would say the task is more important than ever, precisely because the situation is fuzzier.

And you’re quite right: the same is true of the Chinese. I think a lot of the things I said about what I would task the Agency to do in regard to Russia, I would apply to China—a lot of it, not all of it. But I would say also that I would have far lower expectations of the Agency delivering in the case of China today. Right now, there’s no excuse for not having very good penetration of the Russians. Actually, we’ve done pretty well in this regard. One of the reasons, for example—just as an aside—that I don’t worry too much over Russian arms sales to the Chinese is that I’d rather have the Chinese buy Russian weapons, which we now know extremely well—some of which we could perhaps show the Chinese ourselves—than have the Chinese buying the stuff from the French, or the British, or the Israelis. Anybody else? Or was this the only question?

Question: Because of our Constitution, we have three elements of government, and, of course, there is the Congress. The questions that you pose should be also posed by those gentlemen on the Hill, not all of whom understand anything about the world, and the constitution doesn't allow weighted votes depending upon knowledge. I understand that recently there was a survey, and it found that a great percentage of our Congressmen don't even have a passport. Under these circumstances, how can we, from your background and experience, also educate Congress so that it, in turn, can support the Executive?

ZB: You know, actually, this business about most of the Congressmen not having passports and not having traveled abroad is a canard. It is totally inaccurate. Most of them actually do have passports, and a very large majority of them travel abroad a lot, to the point that at the same time Congress is also criticized for a lot of boondoggles, such as Congressmen traveling to Paris to have serious discussions, let's say, about SDI, with a prolonged stopover on the Riviera—which, however, still is culturally enlightening, I have no doubt. [laughter]

You know, Congress is not all that bad. I have had a lot of dealings with Congressmen and Senators. When I say that, of course, I really mean the three Committees that are of interest to me, which are the Armed Services Committees, the Foreign Relations Committees, and the Intelligence Committees. I would say the quality is pretty good, the staffs are pretty good, and the Chairmen of the Committees are pretty good. Don't underestimate the US Congress. It's not bad at all in terms of seriousness, hard work, and dedication. So, yes, of course, the same kind of educational process that engages the top policymakers, which the Intelligence Community furthers, would serve the Congress well, but a great deal of it takes place, and, in any case, basic decisions in the national security area are still made by the Executive Branch.

My own experience—and that is what I wanted to talk about today—my own focus was on the President, and here the relationship between the President and the Agency is very important. And it hasn't been over the years all that satisfactory. There have been tensions between National Security Advisors and DCIs. Not always has intelligence been used well, and particularly, I think, not always has intelligence been tasked well. And I plead guilty to that myself, because I remember as I look back now over the years in which I served, that very often we were critical of what we were getting, but we weren't very clear in demanding what we needed, although probably the Agency could not have provided it then the way it can provide it, in some cases, now.

Question: I think I know what your answer's going to be to this, but I'd be interested in your comments on the recent Council on Foreign Relations Report. I just speed-read it when it came across my desk last week, and as I understood it, it was to downgrade the

position of the National Security Advisor to one of administration, and upgrade the State Department to make it the primary formulator and source of recommendations on foreign policy

ZB: It's a report which is being read with intense interest and admiration in the Department of State [laughter] and it's a report of a task force chaired by a very good friend of mine, Frank Carlucci, who was a National Security Advisor and Secretary of Defense. It's a report which was written by my son, [laughter] so I know the report well. [laughter]

I think the report, actually, comes at a very good moment for two reasons. One, the Department of State is in a mess. It has been badly run. It has been badly organized. It has been badly financed. It needs, really, pulling together, and I think the new Secretary is determined to do that.

Secondly, there's another good reason for this report right now. Not every President makes foreign policy decisions the same way. It is my absolute conviction, based on some degree on experience, that the role of the National Security Advisor and the role of the President's Secretary of State are not determined by the degree to which they're able, or energetic, or ambitious, or assertive, or whatever. It is determined predominantly—I would say exclusively—by the kind of decisionmaking process in the area of foreign policy that the President practices by his own personal, as well as political, proclivity. If a President is interested in foreign affairs, and wants to make foreign policy decisions on the basis of his own informed judgments, and to make them, I repeat, personally, the National Security Advisor becomes the automatic bureaucratic beneficiary of the propensity. He is the person who sees the President all the time; he is the person whom the President appointed because, presumably, he finds him or her congenial, personally as well as intellectually. He is the person with whom the President works, and given the volume of decisionmaking that goes to the President, and comes back from him, not every decision can be made by the President. In that setting, the National Security Advisor makes decisions on behalf of the President, and, unless the Secretary of State, or the Secretary of Defense, is particularly obtuse, he or she will realize that the National Security Advisor has a relationship with the President. They know if they go back to the President, the National Security Advisor will go to the President's office, explain why he did that on his behalf, and the President, in most cases, will say, "You did the right thing." If he didn't feel that way, he wouldn't have that person around.

But if the President is not interested in foreign affairs, basically, or is preoccupied with domestic affairs, the Secretary of State is the natural Constitutional and institutional beneficiary of that condition and is the principal player. And we have seen both systems since 1945, and some of them have worked well in both cases, and some of them have not worked well in both cases, but we have had both systems. And I think this President is much

more like President Reagan—and President Reagan was a very successful President—more like President Ford, more like President Truman. Eisenhower, actually, was, I think, falsely presented as being different. He was much more of an internal player than most people realize—once you read the NSC archives, you realize he was a much more hands-on President. But Bush is much more like Reagan, Ford, maybe Johnson, Truman. I don't think when the decision was made recently to bomb Iraq that President Bush spent much time meditating upon it or reflecting upon it. I suspect the decision came in with a recommendation, and the President probably said to the Vice President, "Do you have any problems with it?" And he said, "No." And the National Security Advisor said, "No." "Well, if Rummie and Colin are for it, that's fine. That's it." And in that setting, the Secretary of State is going to predominate. So I think that report, actually, came in at the right moment, because the State Department needs revitalization, and the Secretary of State in this Administration is going to be much more the central player.

Question: You have alluded to the content of the tasking. But what about an "op ed" that would appear with advice on how the National Security Advisor would task the DCI, because I think you have alluded to some things, and it would be interesting if you could sketch out two or three, if you were writing advice to Condoleezza Rice, for example.

ZB: Well, you know, again, that's to some extent something that's very difficult to generalize about, because it's very much a question of the personal relationship. My DCI—my, meaning in my time—was a Naval person, an Admiral, you know, used to operating in a military setting. Clear-cut orders, clear-cut execution. He had a very sophisticated Deputy, Frank Carlucci, who was politically savvy. That dictates one pattern of behavior. If you have a more politically minded DCI, it becomes a different process. Some people prefer oral instructions to written instructions, but I think probably if I were the DCI today, I would have written up what I said today. But I wouldn't have sent it all at once, because I think that would have caused internal disruption at the Agency. I'd probably kind of give it to them once every ten days. [laughter] And see how they handle it. [laughter]

Question: Zbig, let me go back to the first half of your remarks— what you thought of intelligence, especially when you were Security Advisor. We've had a lot of discussion on and off about politicization of intelligence, and I have a twofold question about it from your perspective. First, did you feel that at least in some areas the intelligence you were getting was excessively influenced by the political predispositions of either the institutions of the CIA or the individuals in it? And, second, perhaps contradictory, did you sometimes feel that the Agency, the extent of the excellence, or the acuity of the analysis, was inhibited by their fear of being politicized, by their fear of either catering to what you wanted, or knowing they felt that if they learned too much about what people, who we now call consumers, were interested in, that they would be sacrificing their professional standing?

ZB: Well, to the first question the answer is clear—never. I never had the sense that the analysis or the data I was getting was somehow or other contaminated by political preferences or leanings. I can't really say the extent to which people in the Agency sensed some sort of maybe indirect pressure emanating from my office or from me personally. It's hard for me to answer that. But knowing both Turner and Carlucci, I would say they were not the kind of people who would be intimidated by that. I think they sensed a different kind of pressure, namely a feeling of impatience and dissatisfaction with the quality of political intelligence, which was, to some extent, a criticism of the level of political analysis, because it didn't fit well enough with what we were thinking about, and perhaps we weren't clear enough here in indicating that. And, secondly, because they didn't have the kind of access, political intelligence, or HUMINT, that I really felt even then they should have had more of. And I did feel that the culture of the Agency did not emphasize enough the need for HUMINT. So, in that respect, I do think there may have been some sort of a problem here, but on balance I would say no.

Question: Aren't you worried about the fact that if the National Security Advisor takes over the function of briefing the President, that that person would tend to emphasize those things which bear out the wisdom of his previous advice? Even with the best will in the world, the fact that the Advisor had been giving advice on a given set of issues would tend to lead him or her to emphasize those aspects of the briefing.

ZB: Well, there's probably some risk of that, but, you know, at those levels of government, you have colleagues who are never shy in revealing your shortcomings to your boss. [laughter] So there would be certainly some instruments capable of correcting that reality. The question is, would the briefings be better and more informative if they were delivered directly by the DCI? And here, without making personal judgments about individual DCIs, I would say in most cases it is quite clear that they would not be. Because most DCIs are not chosen for either their briefing ability or because of their engagement in foreign policy issues and policymaking. And, therefore, they don't have that kind of ability to relate to the central interests of a President. So, no, I don't think that would be a problem. I think one of the reasons that some Presidents have, in fact, shied away from direct briefings by either the DCI or the Agency is that they simply don't find these briefings helpful to what preoccupies them.

Perhaps the DCI could be helped in that respect by the National Security Advisor, but the National Security Advisor has many other tasks, you know. You try to do the best job you can, as effectively as you can, and as directly as you can. It is normal for the National Security Advisor and the DCI to be bureaucratic allies. That's very important. In my case, for example, I wanted the DCI to be in on the foreign policy breakfast that the President had every Friday with his National Security Advisor, the Vice President, the Secretary of State, and the Secretary of Defense. I repeatedly tried to get the DCI in there, but, for

reasons which I've never quite understood—because it wasn't explained to me—I was told repeatedly by the person who made the decision as to who attended that breakfast--and to whom we then subsequently always refunded the \$1.75 fee for the breakfast [laughter]—that he didn't want that. And that's his choice. It's he who decides that. But I think the bureaucratic relationship between the National Security Advisor and DCI is normally that of an alliance.

Question: Just before lunch, we listened to a number of speakers at the last panel who told us that the feeding of raw intelligence to the Soviet leaders, the Politburo people, was a bad thing for their decisions. But in your talk, you said both for yourself and on behalf of the NSC Staff that getting raw intelligence would be a good thing. I wonder if you'd expand on that, and say why you think that would be good.

ZB: The reason I think it's good is that I think that, generally speaking, the people who are on the NSC Staff are there because they are very good analysts, and because they have a pretty good grasp of the issues that they face. They are typically the cream of the crop from State Department, the cream of the crop from Defense, and from the Agency itself, with an occasional smattering of leading policy-oriented academics. It's an elite group. So, by and large, the chances are that they are at least as good or better than analysts working within the departments, and the same time, they are working in tune with the National Security Advisor, and through him, with the President. Therefore, they know better than the others what are the issues that confront the decisionmakers, and which kind of information is most important to them.

Last, but not least, having access to raw data also provides you with an opportunity to test your own judgment against the subsequent inflow of duly processed and vetted intelligence analysis from the agencies that used that raw data, and, therefore it gives them an additional framework. For example, I mentioned the material from Col Kuklinski. I used to get it both ways, as raw and as analysis. And I found it very useful to have that combination. But I certainly liked raw data. I was always fascinated in reading, for example, what certain governments were talking about, or what people were reporting, and so forth. It's very useful if you're negotiating with someone to know what their instructions were in real time, and what they're then reporting. You can't wait for that to come back vetted by three layers within some institution.

Question: We've been talking at the conference about National Intelligence Estimates and larger products. Can you comment on how you used them, if you did, and what you thought of the quality of the ones you read while you were using them?

ZB: I would say, on balance, that they tended somewhat to lag behind the flow of events. While they were useful in a kind of broad perspective sense, they tended to be somewhat outpaced by the flow of issues, and, therefore, they weren't really central to the kind of decisions one had to make, most often on the basis of somewhat imperfect knowledge. I would say that would be broadly my reflection on it. It's the kind of thing that I would read, and I would expect my staff to read; I'm not sure in most cases the President really had the time to read and digest it. I think the real problem everywhere, as we talk on this subject, is the connectivity between the dilemmas of decisionmaking and the direct relevance of the information that should enlighten it. And it's very hard to achieve in an institution in which the culture over the years was greatly influenced by scientific, technological successes, with a lot of emphasis on hard data, and the relative absence of more traditional intelligence successes. This is why I said earlier in my comments that I thought the Agency was superb in "factology," not very good in "politology."

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