Books by Daniel Patrick Moynihan
Miles to Go: A Personal History of Social Policy
Pandaemonium: Ethnicity in International Politics
On the Law of Nations
Came the Revolution: Argument in the Reagan Era
Family and Nation
Loyalties
Counting Our Blessings: Reflections on the Future of America
A Dangerous Place
Ethnicity: Theory and Experience (editor, with Nathan Glazer)
Coping: Essays on the Practice of Government
The Politics of a Guaranteed Income
On Equality of Educational Opportunity (editor, with Frederick Mosteller)
Toward a National Urban Policy (editor)
On Understanding Poverty: Perspectives from the Social Sciences (editor)
Maximum Feasible Misunderstanding: Community Action in the War on Poverty
The Defenses of Freedom: The Public Papers of Arthur J. Goldberg (editor)
Beyond the Melting Pot: The Negroes, Puerto Ricans, Jews, Italians, and Irish of New York City (with Nathan Glazer)

Books by Richard Gid Powers
The History of the FBI (forthcoming)
Not Without Honor: The History of American Anticommunism
Secrecy and Power: The Life of J. Edgar Hoover
G-Men: Hoover's FBI in American Popular Culture
Handbook of Japanese Popular Culture (editor, with Hidetoshi Kato)
nally revealed, as a vindication of the original architects of the war. The door swings both ways. It swings open. And it swings closed.

It would be too much to say that there the matter rests, because so much in Cold War history touches on basic human questions that will forever be disputed. But it would not be too rash to say that the inordinate role of secrecy in setting the terms of the historical debate is over. Throughout much of the Cold War, conjecture about secrets produced an adversarial alternative to the official explanation of American government policies. The end of secrecy has returned our view of Cold War history to facts instead of speculations about what is not known. The debate will go on, but it will be more honest.

Yet if the end of secrecy has confirmed that the substance of American Cold War policies was sound, it has confirmed just as strongly how wrong our leaders were to rely on secrecy in order to achieve their goals. The irony of secrecy is that it cut most deeply those who used it to stifle opposition to their policies. In the short term, secrecy may have made it easier for Washington to mobilize the country during the postwar crisis with Stalin. But the government’s reliance on secrecy raised doubts about the wisdom and morality of policies that might well have been more solidly supported had the issues been fully aired in debate. What secrecy grants in the short run—public support for government policies—in the long run it takes away, as official secrecy gives rise to fantasies that corrode belief in the possibilities of democratic government. All because of secrets locked away foolishly and in the end, it would seem, needlessly. Secrecy is a losing proposition. It is, as Senator Moynihan has told us, for losers.

Chapter One

Secrecy as Regulation

Secrecy is a form of regulation. There are many such forms, but a general division can be made between those dealing with domestic affairs and those dealing with foreign affairs. In the first category, it is generally the case that government prescribes what the citizen may do. In the second category, it is generally the case that government prescribes what the citizen may know.

In the United States, secrecy is an institution of the administrative state that developed during the great conflicts of the twentieth century. It is distinctive primarily in that it is all but unexamined. There is a formidable literature on regulation of the public mode, virtually none on secrecy. Rather, there is a considerable literature, but it is mostly secret. Indeed, the modes of secrecy remain for the most part—well, secret. On inquiry there are regularities: patterns that fit well enough with what we have learned about other forms of regulation. But there has been so little inquiry that the actors involved seem hardly to know the set roles they play. Most important, they seem never to know the damage they can do. This is something more than inconve-
niencing to the citizen. At times, in the name of national security, secrecy has put that very security in harm’s way.

How did secrecy and bureaucracy become so enwined—a vast secrecy system almost wholly hidden from view? What has it cost (no less than what it has achieved)? A clearer picture is emerging.

The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995 created the Commission on Protecting and Reducing Government Secrecy to conduct "an investigation into all matters in any way related to any legislation, executive order, regulation, practice, or procedure relating to classified information or granting security clearances.”

In truth, apart from atomic energy matters, there was only one such general statute—the Espionage Act of 1917 at the outset of World War I. As for inquiry, there had been but one other commission, the Commission on Government Security, created in 1955. This, of course, came in the aftermath of the Communists-in-government issue which convulsed American politics following World War II. The first commission, however, added nothing to our knowledge of that subject, and many of the issues were still out there. It seemed a good place for the new commission to begin.

It happened that the National Security Agency, our signals outfit—successor to the Army Signals Intelligence Service and the army security agency and under the leadership of its deputy director, William P. Crowell—was beginning to think it time to reveal some of the things that the army had learned about Soviet espionage in those years. After all, the Soviet Union had disappeared, and the code-breakers who had decrypted the secret messages were in their late years, still unacknowledged. And now there was this new commission. In short order it was determined to turn the Venona decrypts, as they were called, over to the commission. ("Venona" is a made-up word designating a Soviet code.)

In July 1995 the first set of documents was released at a ceremony at the Central Intelligence Agency’s headquarters in Langley, Virginia, and the story began to unfold. On February 1, 1943, the Signals Intelligence Service had begun transcribing Soviet cables (mostly KGB)* sent between Moscow and the United States (mainly to and from contacts in New York and Washington). The cables were both coded and enciphered, and it remains a marvel that any were ever broken. Not many were: only about 2,900 in all, a fraction of the many thousands intercepted. The arduous decoding work began in 1943 and was done at Arlington Hall, a former girls’ school in Virginia; the setup resembled that of the Ultra project at Bletchley Park in wartime Britain, where German signals were intercepted and decoded.

But unlike the British team, which had a smuggled copy of the encoding machine used by the Germans, the American team had only the coded cables themselves. Led by Meredith Knox Gardner, the code-breakers put in much hard work during World War II, but they broke nothing. In the summer of 1946, however, Gardner managed to extract a phrase in a KGB message sent from New York to Moscow on August 10, 1944. Next was a report on the presidential election of 1944. Then, on December 20, 1946, a cable sent to Moscow two years earlier. It contained a list of the scientists working on the Manhattan Project, the secret U.S. government project that developed the first atomic bombs.

This decoded cable and the ones that followed were a revelation. As the monograph accompanying the 1995 release of the documents puts it, “The Venona decrypts were . . . to show the accuracy of Chambers’ and Bentley’s disclosures”—that is, the accuracy of the information about Soviet espionage that Whittaker Chambers (beginning in 1939) and Elizabeth Bentley (beginning in 1945) had provided to the American government. As more cables were decoded,

*For the sake of clarity, in this book the acronym KGB refers not only to the Komitet Gosudarstvenoi Bezopasnosti, or the Committee of State Security, which was established in the Soviet Union in 1954, but also to its predecessor organizations.
General Carter W. Clarke of army intelligence informed the FBI liaison officer that "the Army had begun to break into Soviet intelligence service traffic, and that traffic indicated a massive Soviet espionage effort in the U.S."2

"Massive" is a relative term. In all, the Venona decryptions came up with some two hundred names or code names of Americans who were passing secret information to Soviet agents. There were neighborhoods in New York City in which this number would have seemed surprisingly small, such were the politics of that time and place. (Possibly the most important of the atomic spies was a nineteen-year-old from the West Side of Manhattan, Theodore Alvin Hall, who betrayed his country's secrets quite on his own initiative. Indeed, he had to go looking for a Soviet agent to give the secrets to.) On the other hand, two hundred Communist spies might have seemed chilling to someone living in Kansas City, Missouri. Given that not a few Republicans were then attacking the New Deal as being soft on Communism, the charge could easily have been dismissed as domestic politics. Perhaps especially by the president of the United States, a Democrat from Missouri.

National politics and national security are always to some extent interrelated, but in the years of the Truman presidency the relationship became problematic. Trust leeched out of the political system, loyalties waned, betrayal became common. Communism—as an indigenous force, as yet another manifestation of diaspora politics, or as an instrument of Soviet policy—achieved astonishing influence not in its own right, much less on its own behalf, but as an agent for poisoning American politics. The effects were felt for a generation or more; the reverberations are felt even today, after the collapse of the Soviet Union. Government secrecy, as the commission was discovering, played a large role in all this.

Begin with the Federal Bureau of Investigation and its director, J. Edgar Hoover. At that time a prudent operative reported every hint of danger, and did so immediately. Consider Hoover's letter of May 29, 1946, sent to the director of what was then a powerful federal agency and meant to be shared with Truman; the commission retrieved the document, until now unpublished, from the Harry S. Truman Library.

Federal Bureau of Investigation
United States Department of Justice
Washington 25, D.C.
May 29, 1946

PERSONAL AND CONFIDENTIAL
BY SPECIAL MESSNER

Honorable George E. Allen
Director
Reconstruction Finance Corporation
Washington, D.C.

Dear George:

I thought the President and you would be interested in the following information with respect to certain high Government officials operating an alleged espionage network in Washington, D.C., on behalf of the Soviet Government.

Information has been furnished to this Bureau through a source believed to be reliable that there is an enormous Soviet espionage ring in Washington operating with the view of obtaining all information possible with reference to atomic energy, its specific use as an instrument of war, and the commercial aspects of the energy in peacetime, and that a number of high Government officials whose identities will be set out hereinafter are involved. It has been alleged that the following departments and agencies of the United States Government handle the problem and current development of atomic energy and among these departments and agencies, the United States secret of atomic energy is held in trust. The names of the individuals in each department or agency who control such matters have been furnished as follows:
State Department—Under Secretary of State Dean Acheson
Assistant to the Under Secretary of State Herbert Marks
Former Assistant Secretary of War John L. McCloy

War Department—Assistant Secretary of War Howard C. Peterson

Commerce Department—Secretary of Commerce Henry A. Wallace

Bureau of the Budget—Paul H. Appleby
George Schwartzwalder

Bureau of Standards—Dr. Edward U. Condon

United Nations Organization—Alger Hiss
Abe Feller
Paul Appleby (who is being considered for transfer from the Bureau of the Budget to the United Nations Organization)

Office of War Mobilization and Reconversion—James R. Newman

Advisors to the Congressional Committee on Atomic Energy—James R. Newman
Dr. Edward U. Condon

The individual who furnished this information has reported that all of the above individuals mentioned are noted for their pro-Soviet leanings, mentioning specifically Alger Hiss of the United Nations Organization, Paul Appleby and George Schwartzwalder of the Bureau of the Budget, Dr. Condon of the Bureau of Standards, and John J. McCloy of the State Department.

The informant has stated that the McMahon Committee headed by Senator Brien McMahon of Connecticut is charged with formulating the policy concerning atomic energy[,] and serving as advisors to the Committee are Dr. Condon of the Bureau of Standards, who, the informant states, is nothing more or less than an espionage agent in disguise, and James R. Newman, an employee of the Office of War Mobilization and Reconversion who is known to the informant to be a personal friend of Nathan Gregory Silvermaster, who, you may recall, is one of the principal individuals known to have operated as an agent of the Soviet Government in U.S. Government offices for a considerable time until December, 1944. It is known that Silvermaster obtained information through his associates in a Russian espionage network and such information was turned over to the Soviet Government. The informant has indicated that Newman is also a friend of the news commentator Raymond Gram Swing and columnist Marquis Childs. Newman is also reported to be the so-called ring-leader of this particular Soviet espionage network and through his employment with the Office of War Mobilization and Reconversion, he had access to material flowing from the White House. The informant stated that through Dr. Edward Condon at the Bureau of Standards, Newman has access to technical data concerning atomic energy. The informant further stated that Secretary of Commerce Henry A. Wallace knows of the background of Dr. Condon but condones his further employment in this highly strategic and important position.

James Newman allegedly obtains from the War Department through the cooperation of Assistant Secretary of War Peterson highly technical information on the atomic bomb itself and all matters relating generally to atomic energy. According to the informant, Newman has a direct line to Assistant Secretary Peterson's office.

With reference to the State Department, it was reported that Newman is in personal and daily contact with Dean Acheson, Herbert Marks, and on some occasions with John J. McCloy, and therefore, any knowledge of
atomic energy and international relations with reference to it are immediately known to him. In so far as the international picture is concerned with respect to atomic energy, it was reported that Newman is in a position to obtain this information from Alger Hiss of the State Department who holds the position of advisor to Mr. Stettinius,* the American Representative to the United Nations Organization.

Concerning the Bureau of the Budget, the informant reported that Paul Appleby and sometimes George Schwartzwalder pass upon the recommendations of the Office of War Mobilization and Reconversion which are made to the President concerning the necessary appropriations to carry on experimental operations concerning atomic energy and particularly its relative position to that of a large Army and Navy. It was pointed out that in almost all cases the final decision at the Bureau of the Budget on such matters is passed upon by Paul Appleby.

The informant has drawn the conclusion that the entire setup of the McMahon Committee to investigate and recommend legislation on atomic energy and its use is a scheme to make available information concerning the atomic bomb and atomic energy and that it all amounts to Soviet espionage in this country directed toward the obtaining for the Soviet Union the knowledge possessed by the United States concerning atomic energy and specifically the atomic bomb.

The informant stated that technical and exacting information which Newman desires to pass on to Russian principals is made available to Mr. Silvermaster on in those matters of a highly technical nature, Dr. Edward Condon of the Bureau of Standards contacts Silvermaster directly. The news commentator Raymond Gram Swing, according to the informant, is utilized for subtle propaganda with reference to agitation for release of atomic energy to the Allied Powers and that the same use is made of Marquis Childs, a feature Washington newspaper writer.

The informant is of the opinion that the entire setup has a use other than that of espionage for the Soviet Government, namely, the promotion of pro-Soviet propaganda, which, when reduced to its simplest form, advances the argument "why keep a large Army and Navy when the use of atomic energy eliminates the necessity for such a large force." In Government circles and among those handling the question of atomic energy, the unanimous argument of all and especially of those mentioned above is in agreement that a large Army and Navy are not necessary to the United States as the United States has exclusive knowledge and the "know how" of the atomic bomb.

It is known to this Bureau that Dr. Condon is a personal friend of Nathan Gregory Silvermaster and although Silvermaster is presently under investigation by this Bureau, no information has been developed to substantiate the fact that Condon has turned over any information of a confidential nature to Silvermaster. It has also been made known to this Bureau through various sources in the past that the political views of Under Secretary of State Dean Acheson, Assistant Secretary of War Howard C. Peterson, and Secretary of Commerce Henry Wallace have been pro-Russian in nature, and therefore, it is not beyond the realm of conjecture that they would fit into a scheme as set out above. Alger Hiss of the United Nations Organization has been reported to this Bureau as a former member of the Communist underground organization operating within the Government in Washington, D.C.

Since James R. Newman has been described as the ringleader of this alleged espionage network and, further, since Herbert S. Marks is in close touch with information dealing with relations between the United States and Russia at the State Department in the office of Dean Acheson, investigations are being conducted by this Bureau con-

* Edward R. Stettinius, Jr., served as U.S. secretary of state (1944-45) and as the first U.S. delegate to the United Nations (1945-46).
concerning the activities of these two individuals. You may be assured that you will be kept advised of all developments in connection with the above allegations.

Sincerely yours,

Edgar

This was baseless corridor talk. There were scraps of truth here, but in the main it was fantasy and dismissed as such. Both fantasies and truth.

We now know how it came about in those surreal times. John E. Haynes of the Library of Congress has unearthed the document that led to Hoover's bizarre compendium of May 29. The day before, the director had received a memorandum from D. Milton ("Mickey") Ladd, head of the FBI's security division. Ladd, the son of Senator Edwin Fremont Ladd of North Dakota, appears to have been an exemplary agent, later becoming assistant to the director. And he cleared his desk. The subject of Ladd's memorandum, which the director had requested, was Alger Hiss. Page after page laid out what was known about Hiss (including the fact that his wife, Priscilla, may have been a member of the League of Women Voters). Mostly atmospherics, but then, many a mafioso got in trouble for less. The serious charges were those leveled by Whittaker Chambers, who insisted that Alger Hiss was a member of "the underground organization of the Communist Party in Washington, D.C., as early as 1933." In New York no shortage of people knew what Chambers had been; now Washington was catching on. Ladd's memorandum was for the most part an admirable summation, but then it included this extraordinary claim:

Mr. Joseph A. Panuch, Deputy to Assistant Secretary of State Russell, has reported to the Bureau that Alger Hiss together with Dean Acheson, Under Secretary of State; Herbert Marks, Assistant to the Under Secretary of State; John J. McCloy, former Assistant Secretary of War; Assistant Secretary of War Howard Peterson; Henry A. Wallace, Secretary of Commerce; Paul H. Appleby and George Schwartzwalder of the Budget Bureau; Dr. Edward U. Con-

don of the Bureau of Standards and the Senate Committee on Atomic Energy; James Newman of the Office of War Mobilization and Reconversion and also an advisor on the Committee on Atomic Energy and Abe Fuller of the Budget Bureau and UNO [United Nations Organization] are operating as an enormous espionage ring in Washington with the ultimate objective of obtaining all information concerning atomic energy, its specific use as an instrument of war and commercial aspects thereof in peacetime for the purpose of making such information available to the Soviet Union.

Here Ladd grew a little careless. For starters, he didn't have the name of their source quite right. It was J. Anthony Panuch (pronounced "panic"), then deputy to the assistant secretary of state for administration, Donald S. Russell. Panuch was born in Prague, emigrated to the United States early, and graduated from Fordham University and Columbia University School of Law. Afterward he had a wide-ranging career, but he was evidently not welcomed at the higher reaches of the State Department. ("I knew him before he was nobody," recalls one contemporary.) His charges were loony, but the director of the FBI passed this lunacy on to the president of the United States the very next day.

Except there was the matter of Alger Hiss.

When the Commission on Protecting and Reducing Government Secrecy acquired the first Venona decrypts and a number of further releases now available in Venona: Soviet Espionage and the American Response, 1939-1957, the fine volume by Robert Louis Benson and Michael Warner, we were prompted to ask a simple, urgent, central question. As the Venona documents showed, by 1947 the United States was acquiring solid evidence of Communist espionage. The FBI knew all about this, for it fell to them, specifically to their brilliant agent, Robert Lamphere, to break the code names in the KGB cables. (Elizabeth Bentley, for instance, was "Good Girl.") Now then, did the director of the FBI, who had been quite prepared the year before to rush to the president...
a report of an all but fictional "enormous Soviet espionage ring in Washington," inform the president of the possibly less than enormous but real Communist spying when real evidence became available?

This seemed a simple matter to sort out. Surely the FBI's archives contained documents that would answer the question one way or another. The commission decided to ask the current director of the FBI, Louis J. Freeh, for help. This was done, and agents were immediately placed at the commission's disposal. Or rather, the agents came round one morning, professed not to know much about the matter, but promised to look into it. They were never heard from again.

Bureau "property," the commission members surmised. After the commission report was completed and published, I wrote, as chairman, to Director Freeh, recounting what had happened, or rather had not happened, expressing a measure of disappointment. Freeh was quietly indignant; a statutory commission had made a legitimate request for information and been stonewalled, as it were, by his own agents. He ordered his personal staff to sweep the basement. In short order they produced a loose-leaf binder of Top Secret files: some thirty-six documents, now at last available.

And we have our answer. President Truman was never told of the Venona decryptions.

It gives one pause to think now that all Truman ever "learned" about Communist espionage came from the hearings of the House Un-American Activities Committee, the speeches of Senator Joseph R. McCarthy, and the like. But, as the commission discovered, the decision not to tell the president was made not by J. Edgar Hoover, who hated Truman. It was made by Omar Nelson Bradley, chairman of the Joint Chiefs of Staff, who admired Truman in a most personal way and served him with the highest professional standards. The proof was in the binder. On October 18, 1949, an FBI agent, Howard B. Fletcher, sent to Ladd a memorandum describing a recent conference with General Carter W. Clarke, then chief of the army security agency, "regarding the dissemination of [Venona] material to the Central Intelligence Agency" (Figure 1).

General Clarke stated that when Admiral Stone* took over in charge of all cryptanalytical work he was very much disturbed to learn of the progress made by the Army Security Agency in reading [Venona] material. Admiral Stone took the attitude that the President and Admiral Hillenkoetter† should be advised as to the contents of all of these messages. General Clarke stated that he vehemently disagreed with Admiral Stone and advised the Admiral that he believed the only people entitled to know anything about this source were [deleted] and the FBI. He stated that the disagreement between Admiral Stone and himself culminated in a conference with General Bradley. General Bradley, according to General Clarke, agreed with the stand taken by General Clarke and stated that he would personally assume the responsibility of advising the President or anyone else in authority if the contents of any of this material so demanded. General Bradley adopted the attitude and agreed with General Clarke that all of the material should be made available to [deleted] and the FBI.

General Clarke stated the reason that he recently called upon you was for the purpose of informing you as to the difference of opinion between himself and Admiral Stone and to acquaint you with the opinion of General Bradley. He stated that he wanted to be certain that the Bureau was aware of this and to make sure that the Bureau does not handle the material in such a way that Admiral Hillenkoetter or anyone else outside the Army Security Agency, [deleted], and the Bureau are aware of the contents of these messages and the activity being conducted at Arlington Hall.\(^5\)

Army "property." And so Truman was never told.

* Admiral Earl E. Stone was the head of the newly created Armed Forces Security Agency, which in 1952 became the National Security Agency.
† Admiral Roscoe H. Hillenkoetter was the first director of Central Intelligence (1947–50).
Figure 1. The October 18, 1949, memorandum reporting Omar Bradley's decision not to inform President Truman of the Venona decryptions. Source: Federal Bureau of Investigation, Washington, D.C.

Here we have government secrecy in its essence. Departments and agencies hoard information, and the government becomes a kind of market. Secrets become organizational assets, never to be shared save in exchange for another organization's assets. Sometimes the exchange is in kind; I exchange my secret for your secret. Sometimes the exchange resembles barter: I trade my willingness to share certain secrets for your help in accomplishing my purposes. But whatever the coinage, the system costs can be enormous. In the void created by absent or withheld information, decisions are either made poorly or not made at all. What decisions would Truman have made had the information in the Venona intercepts not been withheld from him?

The question tantalizes, for the president was hardly a passive figure. Claude D. Pepper would tell a story about Truman from the days when they were fellow senators; it now seems to suggest how different things might have been. One midday in the late 1980s, I was walking with the former senator from Florida back from the Senate to the House, he having returned to Congress as a member of the House of Representatives. We left the Senate chamber by the west entrance, turned left, and were soon passing S-224, one of those nameless rooms in the Capitol where members assemble for assorted activities (one of which, in an earlier time, was a morning tumbler of bourbon). "See that room?" Pepper remarked. "I was walking just where we are now one morning in 1940, when Harry Truman came out. 'Claude,' he said to me, 'don't you think we ought to get up a committee to look into the profits all these defense industries are making these days out of the Army and Navy? If we don't, the Republicans will!'"

By March 1, 1941, the year after this exchange, the Truman committee, formally known as the Committee to Investigate the National Defense Program, was created. It wasn't that many years later that Truman became president. It is surely logical to suppose that such a man would sense the political peril of a Communist espionage ring operating
within his own government. If only he had known this—known for real, that is, from the likes of Bradley. If only political liberals had known. If only those in the universities had known. Seymour Martin Lipset has observed that at the height of the McCarthy era, an academic would be in worse trouble with his peers if he believed Chambers than if he believed Hiss. The Hiss perjury trial was a defining political event, as Richard Gid Powers observes in his Introduction. Allen Weinstein, in *Perjury: The Hiss-Chambers Case*, notes that even before Hiss went to prison, Hiss and Chambers and their “supporting casts” had achieved “the status of icons in the demonologies and hagiographies of the opposing camps.” The result was a kind of unconscious obscurantism: “Contemporary arguments by politicians and intellectuals alike over the ‘meaning’ of the Hiss case, more than the evidence itself, set the direction and limits of subsequent historical investigation.” Affairs need not have been so misdirected. Secrecy ensured that they were.

And secrecy continues to flourish even now, with the Cold War ended and military outlays beginning, or in some instances continuing, to decline. Current projections for the year 2002 call for the number of military personnel to be reduced by one-third and military procurement, in constant dollars, to be reduced by one-half compared to 1985 levels. Even today there are considerably fewer military officers and fewer “classification authorities” (or “original classifiers”), that is, individuals designated “in writing, either by the president or by selected agency heads, to classify information in the first instance.” The 1996 report of the Information Security Oversight Office—part of the National Archives and Records Administration, which keeps track of classified information—summarized the year’s trends as follows:

- The number of original classification authorities decreased by 959 to 4,420.
- Reported original classification decisions decreased by more than 62,000 to 105,163.

The numbers are declining, as one would expect in the post-Cold War era. But then the report summarizes the year’s “derivative” (as opposed to original) classification decisions—documents classified because they incorporated, paraphrased, restated, or otherwise referred to classified information—and the year’s total for all classifications, original and derivative. Here there is an increase.

- Reported derivative classification decisions increased by 2.2 million to 5,684,462.
- The total of all classification actions reported for fiscal year 1996 increased by 62 percent to 5,789,625.8

The CIA accounted for 52 percent of all classification decisions, the Department of Defense for 44 percent. It is hard to see how fewer military officers and fewer classification authorities could result in a stunning 62 percent increase in new secret documents—almost 6 million in all, and all of them deemed threats to national security if ever disclosed. Such is the grip of secrecy entwined with bureaucracy.9

Bureaucratic boundaries have also proliferated, although occasionally they have been surmounted by public servants of rare quality. In the case of the CIA and the FBI in the 1990s, John M. Deutch as director of the CIA, Jamie S. Gorelick as deputy attorney general, and Louis J. Freeh as director of the FBI have developed guidelines for sharing intelligence information and thereby have successfully reduced tensions between these two rivals. At the top, at all events. In the vaults and tunnels, however, the secret wars have gone on as before.

A notable example of this continuing conflict occurred in Berlin in the early 1990s, after the wall fell and East Germany reunited with West Germany. The CIA station in Berlin had begun obtaining files from the now defunct East German Stasi (domestic intelligence) and HVA* (foreign intelligence). The FBI, for its part, was just then beginning the mole

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* The HVA, or Hauptverwaltung Augklärung (Main Department of Reconnaissance), was part of the Ministry of State Security.
hunt that would lead in 1994 to the arrest of Aldrich Ames (quite the most spectacular infiltrator in our nation’s history and to all appearances completely apolitical; the traitors, at least, knew when the Cold War was over). But the CIA station chief in Berlin, dubbed by FBI agents “the Poison Dwarf,” or so it was reported in the press, refused to provide access to the files. 10

There was no misfeasance in this; the culture of the intelligence community was to develop sources and keep them in place, as was that of the law enforcement community. But this time the matter grew so contentious that the head of the Department of Justice’s Office of Intelligence Policy and Review suggested that the FBI begin investigating whether the chief of the CIA Berlin station ought to be indicted by the U.S. government for obstruction of justice. In the end, the station chief retired and matters were resolved, but it seemed that some things had not changed since 1949.

Indeed, although the Central Intelligence Agency had been created only in 1947, in fairly short order it had acquired most of the institutional trappings of the military and diplomatic agencies it lived with. An “iron triangle” of sorts developed. In 1966, the Office of Legislative Counsel was established, with a staff of six for handling congressional relations. A decade later, after the House and Senate had established select committees on intelligence (one under Senator Frank Church, the other under Congressman Otis Pike), the staff was increased to thirty-two. Later renamed the Office of Congressional Affairs, it now has a staff of forty-five. The intelligence budget remained secret—Article I, section 9, to the contrary—until 1997, when a gross number, $26.6 billion, was made known. 11

But by that time, as Evan Thomas remarked on reading the Church committee reports, it seemed that the public knew more about the inner workings of the Central Intelligence Agency’s Clandestine Service than it did about the Department of Health and Human Services. 12 Established in the mid-1970s, the CIA’s Center for the Study of Intelligence had been at work. As described in its Web site (www.odci.gov/csi), the center conducts research on intelligence; publishes classified and unclassified editions of the journal Studies in Intelligence, as well as books, monographs, and a quarterly newsletter; hosts conferences and symposia on military, intelligence, and political history; manages the systematic declassification review of historically valuable CIA records; and coordinates a number of academic outreach programs.

Much of the vigor of this scholarly endeavor is the work and legacy of Sherman Kent, a Yale historian who joined the Office of Strategic Services during World War II and had moved on to the CIA. In 1955, in the first issue of Studies in Intelligence, Kent observed that “intelligence today is not merely a profession, but like most professions it has taken on the aspects of a discipline”: a methodology, a vocabulary, a body of theory and doctrine, a set of refined techniques, a large professional following. But the intelligence community did not have its own literature. Kent set forth the ambitious but reasoned goal of establishing a literature on intelligence. “The most important service that such a literature performs is the permanent recording of our new ideas and experiences,” he added. “When we record we not only make possible easier and wider communication of thought, we also take a rudimentary step towards making our findings cumulative.” 13

In 1992, the editors of Studies in Intelligence wrote that, in the nearly forty years since Kent had underscored the need for it, “a vast literature” on intelligence had been built up. They allowed that until just then much of the material had been unavailable to the public. Fair enough. Yet surely any attempt at a cumulative literature on intelligence must have circulated within the intelligence community itself. To little effect, it would seem. For all the daunting achievements of American statecraft during these years, the unswerving support of massive intelligence budgets, and the startling technological and scientific achievements, the
overall quality of American intelligence may well have declined over time. Two statements, one anecdotal, the other analytic, argue the point.

First is Jeffrey Smith’s account of the experience of General George Lee Butler, commander of U.S. Strategic Command (STRATCOM) from 1990 to 1994. As the one responsible for drafting the overall U.S. strategy for nuclear war, Butler had studied the Soviet Union with an intensity and a level of detail matched by few others in the West. He had studied the footage of the military parades and the Kremlin, had scrutinized the deployments of Soviet missiles and other armaments: “In all, he thought of the Soviet Union as a fearsome garrison state seeking global domination and preparing for certain conflict with the West. The only reasonable posture for the United States, he told colleagues, was to keep thousands of American nuclear weapons at the ready so that if war broke out, Washington could destroy as much of the Soviet nuclear arsenal as possible. It was the harrowing but hollowed logic of nuclear deterrence.” But Butler began having doubts about this picture, upon which so much of U.S. foreign policy was based, by the time of his first visit to the Soviet Union, on December 4, 1988. When he landed at Sheremetyevo Airport, on the outskirts of Moscow, he thought at first that the uneven, potholed runway was an open field. The taxiways were still covered with snow from a storm two days earlier, and dozens of the runway lights were broken. Riding into downtown Moscow in an official motorcade, Butler noticed that the roads were ragged, the massive government buildings crumbling. He was astonished when the gearshift in his car snapped off in his driver’s hand. After poring over thousands of satellite photos and thirty years’ worth of classified reports, Butler had expected to find a modern, functional industrialized country; what he found instead was “severe economic deprivation.”

The second statement is by Admiral Stansfield Turner, director of the CIA from 1977 to 1981. In an article in Foreign Affairs in 1991, well after Butler’s doubts had been confirmed by the collapse of the Soviet Union, Turner averred: “We should not gloss over the enormity of this failure to forecast the magnitude of the Soviet crisis. We know now that there were many Soviet academics, economists and political thinkers, other than those officially presented to us by the Soviet government, who understood long before 1980 that the Soviet economic system was broken and that it was only a matter of time before someone had to try to repair it, as had Khrushchev. Yet I never heard a suggestion from the CIA, or the intelligence arms of the departments of defense or state, that numerous Soviets recognized a growing, systemic economic problem.” Turner acknowledged the “revisionist rumblings” claiming that the CIA had in fact seen the collapse coming, but he dismissed them: “If some individual CIA analysts were more prescient than the corporate view, their ideas were filtered out in the bureaucratic process; and it is the corporate view that counts because that is what reaches the president and his advisers. On this one, the corporate view was by a mile. Why were so many of us insensitive to the inevitable?”

The answer has to be, at least in part, that too much of the information was secret, not sufficiently open to critique by persons outside government. Within the confines of the intelligence community, too great attention was paid to hoarding information, defending boundaries, securing budgets, and other matters of corporate survival. Too little attention was paid to ethnic issues, both domestic and foreign. The Soviet Union, after all, broke up along ethnic lines. And much too little attention was paid to the decline of Marxist-Leninist belief, both here and abroad. The Red Scare was far less fearsome than many would have had us believe.

Government regulations dealing with domestic affairs derive from statute. Congress makes a law, entrusting its en-
force to a bureaucracy that issues rules and rulings to
carry out the law. Since 1936 these regulations have been
published in the Federal Register, there for all to see. But as
for secrecy in foreign affairs, the statutory basis is slim—as
noted, a handful of limited measures enacted in 1917 and
1947. Yet around these have developed an enormous intelli-
gence bureaucracy, almost a secret government of its own,
operating largely out of public view.

As new information about the Cold War emerges from
the archives of the former Soviet Union and from American
files, we can more easily trace the history of how secrecy and
bureaucracy became enmeshed. We can see how, as the se-
crecy system took hold, it prevented American government
from accurately assessing the enemy and then dealing ra-
tionally with them during this and other critical periods.
Always excepting—the reader may take this as a personal
bias—the scientists. They had little use for secrecy, but they
put up with it. Among other things, in 1960 they put up the
Corona reconnaissance satellite that enabled us, more or
less literally, to keep track of every tank in the Soviet empire.
If the Soviets had ever decided to launch an invasion
through the celebrated Fulda Gap, we would have known
about it weeks in advance, and it would not have succeeded.
The first camera operated until 1972. Possibly, nay, proba-
ably, it was declassified and put on display as the commission
proceeded with its work. That was a secret worth protect-
ing—for a time—and that, too, is a theme of this study.

CHAPTE R TWO

The Experience of
World War I

When Woodrow Wilson was
inaugurated as president in 1913, he inherited a system of
government that valued openness over secrecy. To be sure,
the American Constitution—which had been drafted in
closed, or, if you like, secret, sessions—presumes the need
for secrecy in some matters. Article I, section 5, pro-
vides that “each House shall keep a Journal of its Proceedings, . . .
excepting in such Parts as may in their Judgment require
Secrecy.” (Not without a measure of prescience, Anti-Federal-
lists argued that senators and representatives, who were
given the power to fix their own salaries [Article I, section
6], would do so in secret.) The practice of closed deliber-
ations was nothing unusual for the age, but it quickly lost
its luster in the United States. Although Senate sessions were
closed at first, in 1794 a resolution was adopted creating
public galleries that were to remain open “so long as the
Senate shall be engaged in their legislative capacity, un-
less in such cases as may, in the opinion of the Senate,
require secrecy, after which the said galleries shall be
closed.”