CHAPTER SEVEN
The Routinization of Secrecy

As the Cold War gathered, the United States, in no wise the aggressor, had to organize itself to deal with aggression from a different kind of adversary. The Soviet Union's very name reflected the new phenomenon: a federation of soviets, towns or village councils made up of workers and peasants. The harrier as national-state as international movement. The red flag knew no boundaries: it represented mankind, and the Supreme Soviet in Moscow spoke for mankind. This was not German or Japanese nationalism. It was something wholly new, and now the United States organized itself in a wholly new fashion.

The Cold War is probably best understood as the third in a succession of civil wars in Western civilization. The first began in 1914, the second in 1939. The third began in Central Europe, as had the two earlier conflicts, with the Soviets pressing to expand their dominion in the wreckage of previous regimes. In 1949 Communists triumphed in a civil war in China; suddenly, the conflict became global.

In all this the United States, as the preeminent world power, began to recognize that it would be managing disputes, and very likely engaged in warfare, around the world and indefinitely. As a consequence, a large peacetime military establishment began to take shape. Foreign policy began to anticipate, rather than merely react to, conflicts. Seeing that the United States would inevitably be drawn in if the Soviets were to invade West Germany, we chose to become engaged in advance, helping to formulate the North Atlantic Treaty in 1949; for the first time in our history, we entered a peacetime alliance committing us to war if others were attacked. In 1955 the Soviets organized the Warsaw Pact, and the symmetry was complete. Central Powers versus Allied Powers, Axis Powers versus Allied Powers, Warsaw Pact versus North Atlantic Treaty Organization.

The extraordinary fact of the final stage of this hundred years' war is that warfare never broke out between the major contesting powers. Proxy conflicts of all sorts did occur. U.S. forces did see action. Still, this time, global confrontation did not result in global war. The reason, of course, was the atomic bomb and the strategic thinking that began with the onset of the atomic age. American strategic doctrine, with its emphasis on "second-strike" capability—on developing a nuclear-weapons force able to withstand nuclear attack and deliver a retaliatory attack—was surely key in ultimately achieving nuclear stability. But during the Cold War this outcome was by no means clear. As ideological conflict between the two powers raged, so did efforts to gain tactical advantage through espionage or subversion. Both parties organized alliances, built conventional forces and strategic forces, cultivated dissent among adversaries, hoarded information, and built up intelligence forces of unprecedented size and global reach.

As we have seen, part of the U.S. response to what seemed a new world order was to rationalize, modernize, and routinize its intelligence operations. The National Security Act of 1947 created the National Security Council to advise the president about all domestic, foreign, and mili-
tary policies relating to national security and the Department of Defense, bringing American armed forces under unified command. It also created the Central Intelligence Agency to provide “national intelligence”—“timely, objective, independent of political considerations, and based upon all sources available to the intelligence community”—to the president and agency heads. Thus the CIA essentially began its life as a committee. It was to make sense of the cable traffic, publish the National Intelligence Daily for the president and a few others, keep an eye out for the unexpected. Truman had originally understood that the agency would work “for the benefit and convenience of the President of the United States...[so that] instead of the President having to look through a bunch of papers two feet high, the information was coordinated so that the President could arrive at the facts.”2

In short order, however, the CIA became a worldwide organization involved with espionage, insurgency, and counterinsurgency—operations of every sort. By the late 1950s, it had grown to about the size of the State Department, with some twenty thousand employees. After setting up in temporary buildings on Navy Hill, across the road from the State Department, it acquired its magnificent headquarters on the banks of the Potomac, at Langley, Virginia. (Senate lore has it that Senator Richard B. Russell of Georgia slipped the building into a defense appropriations bill in the guise of an aircraft carrier.) And with the vast expansion in bureaucratization came a remarkable routinization of secrecy. Until 1997, the intelligence budget was secret; even now that the total budget is public information, its details remain classified. Covert operations, often paramilitary, became a signature activity. A half century after the CIA was founded, a newly confirmed director told the press, and, by indirection, agency employees, that the mission of the CIA was “to pursue the hardest targets that threaten American interests around the world”; “At the end of the day, this is an espionage organization. . . . Otherwise I don’t know why we are here.”3

As we shall see, there were several reasons for the CIA’s having embraced concealment as a modus vivendi. But the routinization of secrecy worked against the very purpose it was designed to serve: to see clearly the nature of the Soviet threat, and to respond accordingly.

In his magisterial summation Bureaucracy: What Government Agencies Do and Why They Do It, James Q. Wilson states: “An organization is like a fish in a coral reef. To survive, it needs to find a supportive ecological niche.” If an organization’s niche is not specified by law, as it was with the Social Security Administration or the Internal Revenue Service, its founding executives can sometimes achieve that autonomy by other means. Wilson uses the CIA as the prime example of how this transformation can be brought about: “First, [the founding executives must] seek out tasks that are not being performed by others. . . . The first directors of the Central Intelligence Agency faced plenty of rivals—the military services as well as the State Department had active intelligence services. This fact . . . led it to define a new role for itself in the area of covert operations.”4

The agency lost little time in defining this role. Its reach, determined at the outset, would be global. In Operation PBSUCCESS, Nicholas Cullather records that CIA agents arrived in Guatemala in March 1947, just months after the agency was created; they were to keep an eye on Peronists and Communists and, in time, start a civil war.5 This operation became the model for the Cuban operation that culminated in the Bay of Pigs. In the meantime, the Eisenhower administration used covert actions to build a government in South Vietnam and support a separatist movement in Sumatra.6 The activities in Iran are now well known (though the full story will never be known, as the agency destroyed the files in 1960s). There were others, less dramatic but no less adventurous.

But of course the CIA was chiefly concerned with carving out its sphere of influence with regard to the Soviet
Union. And in the drive to pursue an active agenda, it often disregarded voices that seemed to argue for a quieter approach. In July 1947, three months after CIA agents had arrived in Guatemala, the magazine Foreign Affairs published "The Sources of Soviet Conduct," by a writer identified only as "X." Although the piece was attacked and even grossly misread by those with interventionist leanings, it was surely the most prescient position paper in the history of modern American diplomacy. Its author, George F. Kennan, who at that time was head of the State Department's policy planning staff, argued the case for containment as a largely passive policy. There was no urgency, he asserted, for the simple reason that Soviet doctrine itself decreed there was none. Marxism-Leninism had famously declared that capitalism contains the seeds of its own destruction, that its inescapable result was a revolutionary transfer of power to the working class. A final phase would lead to war and revolution, but all in good time. In tracing intentions from ideology, Kennan perceived that the Soviet leadership may have been less aggressively expansionist than many assumed: "We have seen that the Kremlin is under no ideological compulsion to accomplish its purposes in a hurry. Like the Church, it is dealing in ideological concepts which are of long-term validity, and it can afford to be patient...The very teachings of Lenin himself require great caution and flexibility in the pursuit of Communist purposes."  

Moreover, the faith was dying at home. Kennan saw that Soviet Communism contained its own seeds of destruction: the hardships of Soviet rule, especially with regard to human freedoms, and the hardships of the troubled Soviet economy. The Russian people, he observed, "are disillusioned, skeptical and no longer as accessible as they once were to the magical attraction which Soviet power still radiates to its followers abroad. The avidity with which people seized upon the slight reprieve accorded to the Church for tactical reasons during the war was eloquent testimony to the fact that their capacity for faith and devotion found little expression in the purposes of the régime."  

As for the Russian economy, some parts of it had developed—notably, the metallurgical and machine industries (which would be crucial in producing nuclear weapons). But for the rest, it was a backward economy devastated by war and hobbled by an increasingly outdated infrastructure (a primitive railroad system, an inadequate highway network, a rudimentary air transport industry). Kennan clearly foresaw the consequences: "The future of Soviet power may not be by any means as secure as Russian capacity for self-delusion would make it appear to the men in the Kremlin." He recalled Thomas Mann's analogy in the great novel Buddenbrooks: human institutions, like stars, often appear to shine most brilliantly when their inner decay is in reality farthest advanced. "And who can say with assurance that the strong light still cast by the Kremlin on the dissatisfied peoples of the western world is not the powerful afterglow of a constellation which is in actuality on the wane? This cannot be proved. And it cannot be disproved. But the possibility remains (and in the opinion of this writer it is a strong one) that Soviet power, like the capitalist world of its conception, bears within it the seeds of its own decay, and that the sprouting of these seeds is well advanced."  

Kennan, of course, wrote at a time when the United States was pursuing a postwar policy of accommodation with the Soviet Union. But he was warning of obstacles ahead. We were in for a time of trouble, but we needed to keep it in perspective; it was trouble that we could handle. 

All this seemed to change in August 1949, with the intelligence reports that the Soviet Union had "probably" achieved a successful nuclear explosion. Truman directed the State Department and Defense Department to conduct a joint study of nuclear weapons policy, including the advisability of proceeding with not just developing but stockpiling nuclear weapons. The resulting text, called nsc-68, was prin-
cipally associated with Paul H. Nitze, who replaced Kennan as head of the State Department's policy planning staff. It proposed that the nation move to the more aggressive footing that we now associate with the Cold War: the Soviets were to be rolled back, not merely contained.

In his biography of Allen Dulles, Eisenhower's first director of Central Intelligence, Peter Grose suggests that the assessment in NSC-68 was all but unbalanced: "Democrats and Republicans both believed that the Free World confronted a global adversary that would yield to nothing less than an overwhelming counterforce. This conviction had been enshrined in NSC-68, ... which perceived the world through a Manichaean prism." Looking back in 1997, Nitze recalled that the drafters of NSC-68 relied on threat assessments from the intelligence community, and that parts of the assessments turned out to be "significantly inflated." He gave the example of a CIA report that put the number of combat-capable Soviet divisions at 175, when in fact only a third of these divisions were at full strength, another third were at half strength, and the rest were only skeletal.

This misinformation regarding Soviet military strength also colored the debate about Soviet intentions. Among those involved with NSC-68, neither Kennan nor Charles E. "Chip" Bohlen were swayed. They argued that the leaders of the Soviet Union were first of all concerned with maintaining their own power, then with keeping control of Soviet satellites; global expansion of socialism came last. They raised their objections, and Nitze explains that NSC-68 was modified to some extent, though never to Kennan and Bohlen's satisfaction.

Withal, NSC-68 echoed Kennan's basic assessment: "The greatest vulnerability of the Kremlin lies in the basic nature of its relations with the Soviet people. That relationship is characterized by universal suspicion, fear and denuncia-

tion. It is a relationship in which the Kremlin relies, not only for its power but its very survival, on intricately devised mechanisms of coercion. The Soviet monolith is held together by the iron curtain around it and the iron bars within it, not by any force of natural cohesion." The policy of containment that NSC-68 described was one of seeking, "by all means short of war," to block further expansion of Soviet power, expose Soviet pretensions, induce retractions of the Kremlin's control and influence, and "so foster the seeds of destruction within the Soviet system that the Kremlin is brought to at least the point of modifying its behavior to conform to generally accepted international standards."

The history of American foreign policy in the second half of the twentieth century could be written in terms of how this message was lost. One component, surely, is that during this time so much became secret. Kennan's views were published in Foreign Affairs. But in the years that followed, typically as one administration succeeded another, most documents, studies, and other informed assessments were classified. NSC-68 itself was classified until 1975. Policy planners moved about in a fog of secrecy so thick that they did not entirely recognize when they had changed directions. Thus, by the time of the Nixon administration, the movement from containment to détente was based on an assumption of the Soviet regime's permanence and power. American government had lost touch with the concept that the Soviet Union was bound to self-destruct in time. (As Nixon himself commented in his book The Real War (1980), "During all of my presidency we were engaged in a 'war' with the Soviet Union," predicting that the struggle with the Soviets "will continue to dominate world events for the rest of this century.")

A few did recognize that the haze of secrecy was growing denser, especially at the CIA, and they warned of its dan-

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* At the time, Bohlen was a specialist in Russian affairs, while Kennan was a special assistant to the secretary of state. Both would go on to become ambassador to Russia: Kennan in 1952, Bohlen from 1953 to 1957.

* The author so attests. In 1976, he was fired from Ford's cabinet for thinking otherwise.
gers. One such moment came during the McCarthy period, after the senator’s committee had begun targeting the agency. On July 9, 1953, McCarthy’s staff summoned William P. Bundy, a CIA employee and son-in-law of Dean Acheson, to testify that very morning about his four-hundred-dollar contribution to Alger Hiss’s legal defense fund. (Before joining the agency, Bundy had informed his new superiors of his contribution; Hoover had come upon the information and almost certainly passed it on to McCarthy.) On the spot, Director Dulles decided that his officers were not to testify before Congress. Irate, McCarthy took to the Senate floor. But the next day, Dulles made his way to Capitol Hill. Remaining pleasant but firm, he asked Vice President Nixon to call McCarthy off, which Nixon did, at a small dinner gathering with committee members.

The fallout for the CIA was a good bit of public criticism. Walter Lippmann wrote, speaking of Dulles’s stand, “Secret is not a criterion for immunity.” The agency had to submit to congressional accountability just like every other executive agency: “The argument that the CIA is something apart, that it is so secret that it differs in kind from the State Department or, for that matter, . . . the Department of Agriculture, is untenable.” Hanson W. Baldwin of the New York Times went further, warning of “a philosophy of secrecy and power, of the ends justifying the means, of disagreeable methods for agreeable ends.” These critics were not outsiders, radicals denouncing the government in New York’s Union Square or in Chicago’s Haymarket Square. They were personal friends, Dulles and Lippmann having been at the Paris Peace Conference together in 1919. They were journalists of reputation and experience, setting high standards for public affairs. Secrecy seemed out of place to them. Fin de ligne.

But even had the government been inclined to heed warnings like these, the routinization of concealment would have prevented assessments from receiving a fair hearing. Not long after the Bundy episode, former president Herbert Hoover announced that, as part of the work of the Second Commission on Organization of the Executive Branch of the Government, he had named General Mark W. Clark to a task force to look into the “restructure and administration” of the CIA. President Eisenhower evidently became concerned that Clark’s inquiry might get too close to sensitive matters, so he asked Lieutenant General James H. Doolittle, who had led the bombing raid on Tokyo in April 1942, to head a panel of consultants to review the agency’s covert activities. In a letter of July 26, 1954, Eisenhower told Doolittle that the Clark task force, in keeping with the Hoover commission’s mandate, was to concern itself with means “to accomplish the policy of Congress to promote economy, efficiency, and improved services.” Because that work was to get under way shortly, the president suggested that the two generals confer in order to avoid “unnecessary duplication.” Then Eisenhower gave explicit instructions. “The distinction between the work of your Study Group and of the Hoover Task Force is this: ‘You will deal with the covert activities of the CIA. . . . and your report will be submitted to me.’ . . . Reports of the Hoover Commission are made to the Congress.”

Doolittle’s report was to be secret.

The sixty-page report, marked Top Secret, was delivered to the president on September 30, 1954—two months’ work, but a great divide. Doolittle was confident about his assessment of CIA tactics. “Infiltration by human agents” wasn’t working: “The information we have obtained by this method of acquisition has been negligible and the cost in effort, dollars and human lives prohibitive.” It was time to explore “every possible scientific and technical avenue of approach to this scientific problem.”* There was a tendency at CIA “to

* The first U-2 test flight took place one year later, on August 1, 1955. The first operational flight, targeting Moscow and Leningrad, took place in early July 1956. Francis Gary Powers’s U-2 was shot down on May 1, 1960. This would seem an average life for a technical secret. Satellites came next, whereupon both sides knew that both sides knew what was going on in the Fulda Gap, or wherever. This was the great intelligence feat that brought stability to the Cold War.
over-classify documentary data originating in the Agency, a condition which operates in derogation of the security classification system as a whole." Translation: "secrets are hoarded. "The Armed Services should be allowed to engage in espionage and counterespionage operations." Translation: the military was still here; there must not be a civilian monopoly on intelligence. Doolittle’s most significant recommendation, however, is found in the first few pages of his report: containment would not do; the United States was at war. "We must develop effective espionage and counterespionage services and must learn to subvert, sabotage and destroy our enemies by more clever, more sophisticated and more effective methods than those used against us," he urged. "It may become necessary that the American people be made acquainted with, understand and support this fundamentally repugnant philosophy." 23

The American people would not be "made acquainted" with this outlook. Only the president and a few others read the report. Nothing of substance was leaked. On October 14, 1954, Baldwin did file a long story in the New York Times, "Doolittle Heads Inquiry into CIA," noting that General Clark was also leading a similar inquiry. But not much of substance was reported—certainly not a profound shift away from containment as national policy.

The Clark report—actually two reports, one public, one classified—was finished the following May 1955 and transmitted to Congress in June by the Hoover commission. It was a credible exercise in the never-ending quest for efficiency in American government. Although it found Director Dulles in possession of many admirable qualities, the report concluded that he had taken on too many duties and responsibilities. The CIA as a whole was spread too thin. The task force recommended that the agency focus on collecting intelligence on Communist China and Russia and her satellites, not allowing itself to get distracted by operations elsewhere around the globe. "The task force is deeply concerned over the lack of adequate Intelligence data from behind the Iron Curtain. . . . The glamor and excitement of some angles of our Intelligence effort must not be permitted to overshadow other vital phases of the work or to cause neglect of primary functions." 24 Thus the judgment of the Clark report was in line with that of the Doolittle report: covert action was getting in the way of intelligence.

The Clark report seems not to have been well received at the agency. In a memorandum of July 19, Frank O. Wisner, then the CIA’s deputy director of plans—which is to say, covert action—took a more than defensive tone. The "Clark Committee," he charged, had "solicited advice from Senator McCarthy, and the more or less public solicitation of any and all adverse information concerning CIA and its personnel."

Wisner was in the mood for this, and he responded much as J. Edgar Hoover would have done. He concluded his three-page Secret memorandum by lumping the investigations of General Clark together with those of Senator McCarthy and portraying the CIA as an embattled organization: "The personnel of this Agency are entitled to feel very reassured and, in fact, proud to belong to an organization which has so successfully withstood the acid test of these unprecedented investigations. I consider that we are entitled to hold our heads high and to indulge ourselves in a modest amount of self-congratulation. Certainly there is no longer any reason for the personnel of this Agency to feel that the Agency is under the gun or required to offer apologies. . . . I believe that we should let it be understood that the 'open season' on CIA is closed and that it is no longer a fashionable or profitable pursuit to sling mud at our people." 25

Wisner and his colleagues did have some reason to be indignant. Here they were, devoting their careers to the struggle against Communism, routinely risking their lives in the endeavor (some, like William Buckley in Beirut years later, were tortured to death), while the likes of Senator McCarthy had the audacity to question their loyalty. But this surely was not General Clark’s purpose, and his task force was onto something. Secrecy was beginning to cause prob-
lems. The agency was seen to be deceptive. In early 1967 it was revealed that the agency had secretly funded the Congress for Cultural Freedom, whose journal, *Encounter*, was first edited in London by Irving Kristol and Stephen Spender. The journal was assertively anti-Communist, but more liberal than conservative. Kristol was wholly unapologetic. Correct opinion in New York was not reassured. The CIA? Indeed, the U.S. government? By far the most important of the task force’s critiques concerned “the quality and quantity of the Agency’s intelligence on the Soviet Union.” Was there insufficient room in the CIA’s ecological niche, as Wilson calls it, for intelligence? In two years’ time, the U.S. government was to adopt the view of Soviet capabilities and prospects that argued the task force’s case in stunning terms.

For all the distraction of covert action and military engagement on the periphery of Eurasia and in parts of what was coming to be known as the Third World, the central, all-consuming task of statecraft during the Cold War was to establish an effective system of deterrence by which the Soviet Union would be dissuaded from nuclear war. The Big “secret” of the American government during the early and middle years of the Cold War was that Soviet economic and military power was advancing at a rate that made deterrence problematic at best. In 1957, a Top Secret report, “Deterrence and Survival in the Nuclear Age,” warned of the Soviets’ “spectacular progress” in achieving substantial parity in the essentials of military strength, forecasting a crossover, as the term was, a time when the USSR would achieve military superiority over the United States. Soviet growth was so phenomenal that a crossover could also be anticipated for Soviet economic superiority.

The document, known as the Gaither report, for H. Rowen Gaither, Jr., then head of the Ford Foundation, was a product of the Security Resources Panel of the president’s Science Advisory Committee. (PSAC as it would be known, had been created by President Eisenhower to provide science advice independent of Pentagon counsels.)* The National Security Council had requested the report, and the job was done in six months. It was forwarded to the president just weeks after the October 4, 1957, launching of Sputnik. The conclusions were stark to the point of startling:

The Gross National Product (GNP) of the USSR is now more than one-third that of the United States and is increasing half again as fast. Even if the Russian rate of growth should decline, because of increasing difficulties in management and shortage of raw materials, and should drop by 1980 to half its present rate, its GNP would be more than half of ours as of that date. This growing Russian economic strength is concentrated on the armed forces and on investment in heavy industry, which this year accounts for the equivalent of roughly $40 billion and $17 billion, respectively, in 1955 dollars. Adding these two figures, we get an allocation of $57 billion per annum, which is roughly equal to the combined figure for these two items in our country’s current effort. If the USSR continues to expand its military expenditures throughout the next decade, as it has during the 1950s, and ours remains constant, its annual military expenditures may be double ours...

This extraordinary concentration of the Soviet economy on military power and heavy industry, which is permitted, or perhaps forced, by their peculiar political structure, makes available economic resources sufficient to finance both the rapid expansion of their impressive military capability and their politico-economic offensive by which, through diplomacy, propaganda and subversion, they seek to extend the Soviet orbit.

The charts that followed were uncompromising. The first showed the Soviets reaching toward U.S. production levels in coal and steel and already producing twice the number of machine tools. This while the United States frittered away resources on consumer goods like automobiles, wash-

* This, at all events, was the understanding of committee members in later years. The author was a member from 1971 to 1973.
ing machines, and refrigerators. The second showed that the military effort of the USSR was about to surpass that of the United States.

The assertion that the Soviet GNP was growing “half again as fast” as that of the United States was traumatic. In 1956, nominal growth in the United States was 5.5 percent, which would give the Soviets a nominal rate of 8.25 percent. The former rate was in line with the forecasts prepared by the Council of Economic Advisers, which had been estimating long-run real growth of 3.5 percent, with inflation at about 2 percent. And so the “crossover” date would be 1998. By the end of the century, the Soviet Union would have a larger economy than the United States would and presumably vastly greater military strength as well.26

The intelligence community accepted and “improved” the assessment of the Gaither commission. In May 1958, Director Dulles spoke to the annual meeting of the Chamber of Commerce of the United States. His talk was entitled “Dimensions of the International Peril Facing Us,” and he described these as formidable: “Whereas Soviet gross national product was about 33 percent of that of the U.S. in 1950, by 1956 it had increased to about 40 percent, and by 1962 it may be about 50 percent of our own. This means that the Soviet economy has been growing, and is expected to continue to grow through 1962, at a rate roughly twice that of the economy of the United States. Annual growth overall has been running between 6 and 7 percent, annual growth of industry between 10 and 12 percent.” Dulles then provided more statistics showing that Soviet consumption as a proportion of GNP was significantly lower than U.S. consumption, whereas Soviet investment was significantly higher. Furthermore, investment funds in the USSR were plowed back into expansion of electric power, the metallurgical base, and producer goods. Defense expenditures, as a proportion of GNP in the USSR, were significantly higher than in the United States, “in fact about double.” Soviet industrial production was rapidly expanding, increasing 11 percent in 1957–58; in comparison, industrial production had declined 11 percent in the United States. The output of coal in the Soviet Union was about 70 percent of that in the United States. In steel production, reported Dulles, “In the first quarter of 1958, the Sino-Soviet Bloc has for the first time surpassed the United States. . . . The three months figures show that the USSR alone turned out over 75 percent of the steel tonnage of the U.S.”27

At a 6 percent growth rate for the USSR, the crossover date would be 1992. At 7 percent, 1983. As best this now receding history can be reconstructed, the Department of State was almost alone in questioning such fantasy. In 1962, Walt Rostow, then head of the policy planning staff, privately demurred that he was not one of those “6 percent forever” people.28

The Gaither report remained Top Secret until 1973. But, of course, it had leaked well before then. On November 5, 1957, two days before it was forwarded to the president, the New York Times reported that a secret study of the entire scope of national defense was about to be sent to the NSC.

* Also in 1962, G. Warren Nutter, an economist of the Chicago school, published The Growth of Industrial Production in the Soviet Union (Princeton: Princeton University Press, National Bureau of Economic Research, 1962). As was often the case with those of the Chicago school at this time, Nutter was wholly at odds with the general disposition of the academic profession. He judged that Soviet growth rates did not equal those of the capitalist period, preceding the 1917 revolution, and did not at all match growth rates in contemporary West Germany and Japan. He dismissed Soviet statistics as propaganda. Withal, he was no less alarmed by the state of affairs. As Paul Craig Roberts would later write: “Nutter’s studies of the Soviet system also foretold that serious economic problems would not constrain the Communist leadership from building a military machine that was openly aggressive and a formidable threat to the rest of the world” (“Warren Nutter: An Economist for All Times,” in Ideas, Their Origins, and Their Consequences: Lectures to Commemorate the Life and Work of G. Warren Nutter [Washington, D.C.: American Enterprise Institute for Public Policy Research, 1988], p. 159). From 1969 to 1973 Nutter served as assistant secretary of defense in the Nixon administration but felt not the least sympathy for the administration’s détente approach to the Soviet Union. It would, he felt, only embolden the Soviet military.
then, on December 23, the Washington Post published a detailed article. The term "missile gap" now appeared. The report had been explicit in this matter: "By 1959, the USSR may be able to launch an attack with ICBMs carrying megaton warheads, against which SAC [Strategic Air Command] will be almost completely vulnerable under present programs. By 1961-1962, at our present pace, or considerably earlier if we accelerate, the United States could have a reliable early-warning capability against a missile attack, and SAC forces should be on a 7- to 22-minute operational alert. The next two years seem to us critical. If we fail to act at once, the risk, in our opinion, will be unacceptable."

It is not clear whether the Gaither panel had access to the U-2 photographs then available, which evidently showed no sign of a massive ICBM buildup. In any event, President Eisenhower did know about the photographs and was disinclined to see a crisis. Probably Senator John F. Kennedy did not know about them, and so the "missile gap" entered the rhetoric of the 1960 presidential election. Journalist Joseph Alsop knew all manner of leading figures within the intelligence community. In August 1958 he had written: "At the Pentagon they shudder when they speak of the 'gap,' which means the years 1960, 1961, 1962, and 1963. They shudder because in these years, the American government will flaccidly permit the Kremlin to gain an almost unchallenged superiority in the nuclear striking power that was once our specialty."

In 1976, the Congressional Joint Committee on Defense Production published the Gaither report. In an introduction to the volume, Senator William Proxmire wrote, "Few documents have had as great an influence on American strategic thinking in the modern era." The missile gap turned out not to exist, but nearly four decades later the United States is still contemplating modes of missile defense. Civil defense has pretty much disappeared from policy debates, but in weapons negotiations and appropriations, the aftermath of the scare echoes on.

The question must be asked: what was gained by secrecy? What would have been lost had the report been made public, as Senator Lyndon B. Johnson requested at the time? For fifty years, as Bryan Hehir has observed, the United States confronted a direct, unambiguous issue: "how to deter a conscious, rational choice to use nuclear weapons against American territory." Given the nature of the issue—a rational choice—a case surely can be made that our deliberations ought to have been more public. Save for the Smyth report of 1946, this case was never made. The bomb created a mystique of secrecy that resisted a disposition to openness.

To be sure, vigorous public debate about nuclear strategy did occur, principally at universities and various think tanks. But within government, decision making proceeded on the basis of tightly held (unless deliberately leaked) classified information and analysis. Of the roughly one hundred people associated with the Gaither report, few were economists. None of the principals had any specialized knowledge about the Soviet system, certainly not enough to add "investment in heavy industry" to outlays on the armed forces to produce an index of Soviet geopolitical strength defined as nuclear strike power. These passages from the report now seem absurd. What seems merely painful is the image of physicists measuring the overall strength of an economy in terms of coal and steel production, thirteen years after one of the first computers began operating at Harvard University.

Now, it would be an exaggeration to say that government secrecy alone caused this muddled state of affairs. The disposition put in place in the Eisenhower years—to see the Soviets as a modern industrial economy growing ever stronger—resulted partly from accepting Soviet data at face value. In July 1990, one year before the collapse of the Soviet regime, Nicholas Eberstadt of the American Enterprise Institute testified before the Senate Committee on Foreign Relations, and he was careful to acknowledge that, for esti-
mates on Soviet economic output, the “most comprehensive and authoritative” were those produced by the U.S. government, principally under the auspices of the Central Intelligence Agency. “In fact,” he added, “I believe it may be safe to say that the U.S. Government’s effort to describe the Soviet economy may be the largest single project in the social science research ever undertaken.” But the project had shortcomings, contradictions that were evident “even in a fairly cursory assessment of the published research.” Eberstadt pointed first to the problems attendant upon using the notoriously inflated statistics provided by the Soviet Union. “The limitations of these official statistics are well known,” he said. But “very often the U.S. analysis took these figures at face value, with only minor adjustments.” The consequences of such credulousness were seen in the latest CIA Handbook of Economic Statistics, which suggested that the per-capita output of milk was higher in the USSR than in the United States, “making the Soviet Union not only a nuclear power, but a dairy superpower.” What’s more, “these estimates suggest Soviet meat output in the late 1980s to be about the same as in the United States in 1960, during the Eisenhower years.” Such estimates, of course, were totally out of step with impressions of Western tourists and Soviet citizens alike: “Now, it is widely believed that the Soviet Government routinely hides many of its efforts from outside view,” Eberstadt granted. “But where, one wonders, are the hidden stockpiles and reserves of Soviet meat?”

Using Soviet data was one problem; another was that the tendency to overestimate Soviet strength was pandemic. At the same hearing of the Senate Committee on Foreign Re-

ations that Eberstadt spoke at, Michael J. Boskin, then chairman of the Council of Economic Advisers, estimated that the economy of the Soviet Union was “about one-third” that of the United States. At this time, the official Handbook of Economic Statistics put the ratio at 52 percent. The disposition to overstate, which had begun with the Gaither-era projections, was still much in evidence. The U.S. GDP for 1990 was $4.8 trillion. The intelligence community put Soviet GDP at $2.5 trillion. The president’s chief economist made it more like $1.6 trillion. The difference, $900 billion, would buy a lot of missiles.

But the CIA, which had made its estimates of Soviet GDP public as early as 1959, did have company. Many economists failed to grasp the stagnation that had settled on the Soviet economy after a brief post–World War II spurt in industries beloved of Heroes of Soviet Labor. Dale W. Jorgenson writes that “this has to be one of the great failures of economics—right up there with the inability of economists (along with everyone else) to find a remedy for the Great Depression of the 1930s.” Henry S. Rowen of Stanford University, whose distinguished government service included his chairmanship of the National Intelligence Council (1981–83), has echoed this sentiment; Sovietologists both within the intelligence community and in academia, trained to rely on the same general assumptions and data, had engaged in a form of “group think” that resulted in a monumental failure of analysis. In 1985, Rowen circulated a paper to senior officials in the Reagan administration, outlining his conclusion that actual Soviet economic growth was close to zero; in 1986, he expressed his views directly to the president and vice president. Even so, the analytic system failed, and the United States paid a price.

Moreover, the system had failed from the beginning. In 1997, the CIA’s Center for the Study of Intelligence convened a conference to coincide with the release of intelligence estimates prepared between 1946 and 1950. In addressing the conference, Kennan noted that intelligence assessments of
Soviet military intentions began suffering from “a certain deterioration” beginning in late 1948: “There were evidences of the assumptions, and the tendency to overrate allegedly blindly aggressive military commitments on the Soviet side, commitments quite divorced from the political restraints and awareness of the basic weaknesses in the civilian and economic backgrounds that inevitably modified Soviet diplomacy.”

To repeat Stansfield Turner’s query of 1991, “Why were so many of us so insensitive to the inevitable?”

The answer has to be, at least in part, that too much of the information was secret. The intelligence community’s valuations were not sufficiently open to the critique of the likes of Eberstadt or the Swedish economist Anders Åslund, who for a long time described the Soviet Union as “a reasonably well developed Third World country, calling to mind Argentina, Mexico, or Portugal.”

In 1997, the European Comparison Project, looking at Soviet per capita GDP for 1990, estimated it to be only 32 percent of U.S. per capita GDP. Åslund calculates this at 30 percent lower than the U.S. intelligence estimate. And thus the crossover somehow never came about. This, of course, is just what Kennan had been saying, but that message had been lost.

There was an element of organizational aggrandizement in all this routinization of secrecy. By the 1990s, the budget of the intelligence community was five times that of the State Department. By the late 1990s, the military budget of the United States would about equal those of Russia, China, Japan, France, Germany, and the United Kingdom combined (the countries with the six next largest defense budgets). In an address to the National Press Club in 1997, President Gerald R. Ford looked back on his early days in the House of Representatives, where for twelve years he was a member of the Defense Appropriations Committee. Every year, before the committee began hearings in preparation for putting together a defense bill, the members were briefed by the CIA. The director and his analysts “were very preсти-
new Soviet leader, Mikhail Gorbachev, was interested in great reductions in nuclear weapons. (We would at least get START I.) The cultural exchanges seemed to be getting off the ground. The word from Moscow was positive. Not so from Langley. As Schultz later recounted, "In Washington, and especially from the CIA and its lead Soviet expert, Bob Gates, I heard that the Soviets wouldn't change and couldn't change, that Gorbachev was simply putting a new face on the same old Soviet approach to the world and to their own people. 'The Soviet Union is a despotism that works,' Gates said." Soviet despotism would stop working in about four years; by then, Gates would be director of the CIA. Somehow it came to be that that is how a career officer rose to the top.

When the START treaty—with four different countries—came to the Senate Committee on Foreign Relations, the negotiators conceded that the thought of a Soviet break had never occurred to them. At a committee hearing on the treaty in 1992, I asked one of the negotiators, Ambassador Ronald F. Lehman, then director of the U.S. Arms Control and Disarmament Agency: "When did you, as negotiators, first contemplate the possibility that you would be signing a treaty with four countries and not one?"

Lehman replied, "Well, if you mean informal speculation, it probably began about two years ago [June 1990]. In terms of would this actually have come to pass, I think at the time of the Moscow coup [August 1991] people began to realize that some of the themes we were hearing around the Soviet Union might begin moving very quickly."

"Two years ago you began to think it might be possible; one year ago it became very real?" I asked.

"I think it became quite obvious that we had to step up to the issue with the dissolution of the Soviet Union in December of last year," said Lehman.

In other words, the negotiators had to begin dealing with the proposition of the dissolution of the Soviet Union in December of 1991, when the Soviet Union was already dissolving. I then asked Ambassador Linton F. Brooks whether anyone had suggested that by 1992 they would be negotiating with four governments, not one. He replied, "Senator, I certainly do not remember that . . . . I think very few of us on our end of the street predicted the collapse."47

Now, it was not the negotiators' job to follow the internal dynamics of the Soviet regime. Their concern was with throw weights. But they were entitled to intelligence, some whiff of caution, and they got none.48 An age that began with state papers of unequaled clarity and prescience ended in a bureaucratic mode that never devised an effective mode of self-correction.