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## U.S. Intelligence on Europe, 1945-1995



This collection of over 4,000 formerly classified U.S. government documents provides a comprehensive survey of the U.S. intelligence community's activities in Europe, including Eastern Europe, Turkey and Cyprus, covering the time period from the end of World War II to the fall of the Iron Curtain and beyond.

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*Matthew M. Aid, October 2014*

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The great thing about the study of history is that it is a dynamic process. Unlike the sciences, engineering and mathematics, there are no hard and fast rules to the study of history because it is forever changing as new information come to light. This is especially in true in the realm of intelligence history, one of the youngest but fastest growing areas of serious academic endeavor, where literally every day researchers around the world are unearthing formerly classified documentary materials on dusty shelves in archives and libraries that are changing, in some cases dramatically, our understanding of how and why certain world events happened the way they did.

The result is that many of the books and articles written over the past seventy years about intelligence matters by journalists and popular non-fiction writers, which were based largely on interviews with confidential sources of varying levels of knowledge and sometimes dubious reliability, are now being challenged by intelligence scholars and researchers, who have the benefit of access to many of the formerly classified primary source documents that their journalistic brethren did not.

The vital importance of serious intelligence scholarship has become abundantly clear by the revelations in the American and European media over the past two years based on leaked material provided by former NSA contractor Edward Snowden about the activities in Europe of America's electronic eavesdropping organization, the National Security Agency (NSA) and its British counterpart, Government Communications Headquarters (GCHQ).

In the U.S., the media revelations have led to demands for strengthening the oversight controls on NSA and limiting the electronic surveillance activities that the agency is legally authorized to perform. But given the current propensity of the American political and legislative systems towards inaction and perpetual partisan squabbling, it remains to be seen if any of these calls for NSA 'reform' will ever be enacted into law.

In Europe, the revelations about NSA and GCHQ's electronic eavesdropping activities in the European press have brought into clear relief the broad outlines of the electronic surveillance activities currently being

conducted by these two agencies on the continent. Not only have the revelations generated considerable public anger, but they have also had a decidedly negative impact on the U.S. government's relations with some (but not all) of its European allies, especially the German government because of 2013 stories indicating that NSA and GCHQ monitored the cell phone calls of German chancellor Angela Merkel.

Many current serving and retired American and European intelligence officials that I have spoken to over the past two years are both angry and more than somewhat perplexed about the reaction in Western Europe to the reports in the press about U.S. intelligence activities, many of which they adamantly believe to be distorted, inaccurate, or lacking in historical context and political perspective.

There is more than a little truth in what these past and present intelligence officials say, but regardless of whether you agree with their views or not, the simple fact of the matter is that the Snowden leaks have, perhaps forever, changed the way Europeans view the U.S. intelligence community and its activities. The irony is that seventy years after the first American spies took root in Europe, the American intelligence presence in Europe has now become a source of both public controversy and high-level concern within a number of Western European governments.

#### **THE U.S. INTELLIGENCE COMMUNITY'S 70-YEAR PRESENCE IN EUROPE**

As the documents in this collection show, the multitude of civilian and military intelligence agencies comprising the U.S. intelligence community took root in Europe even before Nazi Germany's surrender in May 1945, and have never left the continent in the intervening seventy years despite the significant changes that have taken place in the global security environment. As a former senior CIA official aptly put it, "The world may change, leaders come and go, governments rise and fall, but spying is forever."<sup>1</sup>

There were many reasons why the U.S. intelligence community devoted so much time and resources to systematically build up such a massive, multi-layered espionage infrastructure in Western Europe during the Cold War.

\* First, in 1948 the CIA was tasked with doing whatever it took to prevent any Western Europe countries from coming under the control of Moscow. One of the top tasks assigned to the CIA's covert action arms, the Office of Policy Coordination (OPC) after its creation in 1948 was to prevent by any means necessary Western European communist parties from taking over their host governments at the ballot box, or even from participating in the governance of their host countries in a coalition environment.<sup>2</sup>

\* Second, and perhaps most importantly, after the end of World War II Western Europe immediately became the U.S. intelligence community's most important platform for gaining access to its top intelligence targets: the USSR and its Eastern European allies.

It must be remembered that gaining access to even the most mundane information about the Soviet Union, such as train schedules and telephone books, was very hard to come by in the early Cold War years, and the U.S. intelligence community's personnel in Europe were ill-equipped to overcome these obstacles.

After the end of World War II, the U.S. intelligence community did not have much of a presence in Western Europe. The U.S. military services had perhaps 900 intelligence officers and supporting staff in Europe in 1946, half of whom were radio intercept personnel based in West Germany belong to the U.S. Army's cryptologic

organization, the Army Security Agency (ASA). Most of the remaining personnel were counterintelligence officers belonging to the U.S. Army's Counterintelligence Corps (CIC).<sup>3</sup>

As of mid-1946, the Strategic Services Unit (SSU), the predecessor to today's CIA, had a little more than 300 men and women stationed in Western Europe organized into semi-overt detachments under U.S. Army cover in West Germany, Austria and Italy, as well as covert stations hidden inside the American embassies in Stockholm, Oslo, Copenhagen, Brussels, London, Paris, Madrid, Lisbon, Berne, Prague, Bucharest, and Athens.<sup>4</sup> The largest of the European stations was the 170-man SSU Mission in Germany, whose headquarters was located in Heidelberg. The SSU German Mission included a five-man liaison detachment in Frankfurt, a 25-man intelligence unit in West Berlin (the predecessor of what would become known as the Berlin Operations Base), and a seven-man station in Prague, Czechoslovakia.<sup>5</sup>

Credible sources of hard intelligence about what was going on behind the Iron Curtain were very few and far between after World War II. This was the era when the U.S. intelligence community's ability to break high-level Soviet codes and ciphers was practically nil. Virtually all of the agents that the CIA dropped into the Soviet Union between 1949 and 1954 were either killed or captured. Reconnaissance overflights of the USSR and Eastern Europe were not permitted by the White House in the early post-war years. The first flight of the CIA's U-2 spy plane over the USSR did not take place until July 1956, and the first operational American KH-4 CORONA spy satellite was not put into orbit until August 1960.

Desperate for any intelligence information about the Soviet Union and its allies, the CIA and the U.S. military intelligence organizations based in Europe engaged in some ill-conceived operations in the early post-World War II era. American intelligence officers in Germany and elsewhere, who were under enormous pressure from Washington to produce intelligence, frequently fell prey to dozens of predatory and unscrupulous peddlers of intelligence information throughout Western Europe who ran so-called "paper mills" which cranked out fabricated or misleading information about what was going on behind the Iron Curtain that the young and inexperienced American intelligence operatives were all too willing to buy at the grotesquely inflated prices being charged.<sup>6</sup> The vulnerability of the US intelligence community to these intelligence fabricators and paper mill operators in Western Europe is told in vivid color by a number of declassified documents contained in this collection. Many of the most rapacious intelligence fabricators were clustered in Paris, France and Brussels, Belgium, where many prominent members of the White Russian community financed their lavish lifestyles by selling fake intelligence information to the highest bidders, which in many cases was the cash-rich CIA and other equally well funded branches of the U.S. intelligence community.<sup>7</sup>

Some of the sources that the CIA and U.S. military intelligence tried to use behind the Iron Curtain were of dubious intelligence value. For example, nearly all of the Russian and Eastern European emigre groups based in West Germany who were being used by the CIA and MI6 as sources for agent recruits were later found to be completely penetrated by Soviet intelligence, allowing the KGB and Eastern European security services to quash almost all of the clandestine missions these organizations jointly conducted with the CIA behind the Iron Curtain. Once the CIA realized in 1952 how deeply the emigre groups had been penetrated, the agency was forced to move all of the sites around the German city of Munich that had been used since 1949 to train agents designated to be infiltrated into the Soviet Union to the U.S.<sup>8</sup>

Declassified documents show that in 1946 the Vienna Station of the CIA's predecessor organization, the Strategic Services Unit (SSU), was spying on the activities of the Jewish Agency in Austria as part of an operation called Project SYMPHONY. The CIA wanted to infiltrate the Vienna headquarters of the Jewish Agency's

intelligence organization, which was engaged after World War II in smuggling Jewish refugees out of the USSR and Eastern Europe and into Palestine, in order to collect intelligence from behind the Iron Curtain as well as determine if the Soviet intelligence services were hiding agents amongst the tens of thousands of Jewish refugees bound for Palestine. The operation quickly died when irreconcilable differences arose when Jewish Agency officials object to the incessant demands of the American intelligence officers for sensitive information that went far beyond what the Jewish Agency officials were willing to provide.<sup>9</sup>

Despite what you might have read in the newspapers since the first Edward Snowden-inspired newspaper article appeared in June 2013, the U.S. intelligence community has had some sort of intelligence liaison and/or information-sharing relationship with virtually every Western European intelligence and security service since the end of World War II, regardless of the size and relative import of the service. With only limited resources and capabilities, during the first decade of the Cold War (1945-1955) the U.S. intelligence community had to heavily depend on the intelligence information it got from friendly European intelligence and security services for much of what it knew about the military capabilities and political aspirations of the Soviet Union and its Eastern European allies. For example:

\* From 1946 onwards, the nascent West German intelligence service, known as the Gehlen Org (in 1955 it was renamed as the Bundesnachrichtendienst) was the leading source for intelligence information on political and military developments in East Germany, not the CIA.<sup>10</sup>

\* The only source for hard intelligence on Soviet naval activities in the Barents Sea and on the Kola Peninsula after the end of World War II was the SIGINT reporting received from the Norwegian intelligence service.<sup>11</sup> A Spitfire reconnaissance aircraft and a Catalina amphibious patrol plane belonging to the Royal Norwegian Air Force conducted a number of secret overflights of Spitsbergen Island (Svalbard) in the North Sea beginning in 1948, photographing Soviet mining installations while at the same time looking for secret Soviet military installations.<sup>12</sup>

\* The Swedish intelligence and SIGINT services proved to be vitally important sources for hard-to-come-by information on Soviet military activities in the Baltic States (Latvia, Lithuania and Estonia) and on Soviet naval activities in the Baltic Sea. A tacit arrangement was arrived at in 1946 whereby the Swedes passed to the U.S. intelligence community any data they developed on Soviet military activities in the Baltic region, including from SIGINT monitoring of Soviet fleet activities in the Baltic and HUMINT received from the agents the Swedish intelligence service was then infiltrating into the Baltic States.<sup>13</sup> In November 1947, the USAF signed a secret agreement to give the Swedish air force K-22 aerial cameras with 24- and 40-inch lenses, film, paper, and other equipment. In return, the Swedes gave the USAF military attaché in Stockholm two prints and one contact film copy of every photograph taken on the covert overflight missions of the USSR, Poland and Finland conducted by the Swedish air force over the next three years.<sup>14</sup>

\* Another important source early in the Cold War for data on Soviet naval and naval air activities in the Baltic Sea region were the Danish SIGINT stations on the island of Bornholm, and observation reports from specially-trained merchant seamen posted aboard Danish merchant vessels that plied the waters between Denmark and Soviet ports along the Baltic Sea coast.<sup>15</sup>

\* In the late 1940s and early 1950s, the CIA and its predecessor organizations extensively used anticommunist sources inside the Vatican to gather intelligence on what was going on behind the Iron Curtain, particularly in Poland, Hungary and the Ukraine, as well as for information about the internal situation in Italy. One of the

CIA's top sources inside the Vatican in the late 1940s was the head of the Foreign Section of the Vatican's Secretariat of State, Cardinal Domenico Tardini, who was also one of the top aides to Pope Pius XXII.<sup>16</sup>

From these very humble beginnings can be traced the genesis of what became during the Cold era a massive American intelligence presence in Europe. As the Cold War progressed, the size of the U.S. intelligence presence in Europe and the extent of its operational activities grew by leaps and bounds. At the height of the U.S. intelligence community's power and influence in the late 1960s, former U.S. intelligence officials estimate that there were between 25,000 and 30,000 American military and civilian intelligence personnel and support staff operating in Europe, including more than 4,000 Central Intelligence Agency (CIA) case officers, analysts and support staff stationed in virtually embassy in Europe (the exceptions being Luxembourg, the Vatican, San Marino, Andorra, Monaco and Liechtenstein), and approximately 15,000 military and civilian signals intelligence (SIGINT) intercept operators, analysts and intelligence reporters working for the National Security Agency (NSA).<sup>17</sup>

In the late 1960s the CIA was also covertly financing dozens of underground stay-behind agent networks in thirteen Western European countries, including supposedly neutral Sweden. As described more fully below, these 'sleeper' networks of stay-behind agents had been hastily organized and equipped by the CIA and the British foreign intelligence service, MI6, throughout Western Europe after the 1948 Berlin Crisis, who would, if war with the USSR ever broke out, conduct behind-the-lines intelligence gathering and sabotage missions like the French Maquis and Dutch resistance forces did during World War II. By the late 1960s these stay-behind networks, comprised of almost 5,000 men, ranged in size from very small networks in Denmark (codenamed TINHORN), Belgium (NICLIPPER) and Luxembourg (OKRIDGE), each comprised of no more than a couple hundred men; to large networks in Norway (SARGASSO), Italy (DEWBAR/GLADIO), Greece (THUNDERBIRD) and Turkey (EXWOOD), which in some cases comprised more than 1,000 men under arms, most of whom were Special Operations Forces (SOF) troops trained in guerrilla warfare.<sup>18</sup>

The importance of the U.S. intelligence presence in Europe declined precipitously during the late 1960s and the first half of the 1970s because of the war in Southeast Asia, which literally ate up about one-third of America's intelligence collection and analytic resources. The number of intelligence personnel stationed in Europe declined dramatically, as did the operational tempo of their intelligence collection activities. But starting in 1975 the U.S. intelligence community began to slowly reinforce its presence and intensify its activities in Western Europe as the perception grew in Washington that the Soviet military threat to Europe was rising. The CIA and U.S. military intensified their human intelligence (HUMINT) efforts behind the Iron Curtain. New SIGINT intercept stations were built across Europe; a new generation of reconnaissance aircraft equipped with the latest sensor technology suddenly appeared in the skies over Europe; and dozens of just-developed ground-based high-tech surveillance radars and other intelligence sensors were quietly deployed to the region to monitor developments inside the USSR and Eastern Europe. And the CIA and NSA reinvigorated their longstanding intelligence sharing and liaison relationships with their European counterparts, which had been frozen in stasis since the America's entry into the Vietnam War in the early 1960s.<sup>19</sup>

Following the end of the Cold War in the early 1990s, the U.S. intelligence community dramatically pared down the size of its presence in Europe and scaled back the amount of its support for its European intelligence partners. The number of personnel assigned to the CIA's stations and bases in Western Europe fell by more than 50 percent, and NSA closed down all but a few of its SIGINT intercept stations in Europe between 1989 and 1999 and returned over 10,000 personnel to the U.S.

But the size and import of the U.S. intelligence presence in Europe rebounded dramatically after the 9/11 terrorist attacks in 2001. Today, the number of American intelligence personnel based in Europe is far less than what was the case in the late 1960s. Sources estimate that there are today between 7,000 and 9,000 American military and civilian intelligence personnel based in Europe.<sup>20</sup>

According to sources, the Director of National Intelligence (DNI), General James Clapper, had planned to substantially reduce the size of the U.S. intelligence presence in Europe following the completion of the U.S. troop withdrawal from Afghanistan, which was expected to be completed by the end of 2014. But sources report that the dramatic growth of the ISIS insurgencies in Syria and Iraq, as well as Russia's military intervention in the war in the Eastern Ukraine in the summer of 2014, has forced the U.S. intelligence community to change its plans, which now call for reinforcing the size and capabilities of the U.S. intelligence assets operating in Europe, sadly proving correct President Harry Truman's apocryphal statement that "What you plan for never happens."

#### **U.S. INTELLIGENCE OPERATIONS IN GERMANY, BRITAIN AND TURKEY**

In light of the plethora of revelations in the European press over the past two years stemming from materials leaked to the media by Edward Snowden, it may come as a surprise to many Europeans that for the past seventy years the CIA has maintained stations and bases inside virtually every U.S. embassy and consulate in Europe. According to intelligence insiders, only the smallest European countries, such as Andorra, Liechtenstein, Luxembourg, Monaco and the Vatican, have no CIA station on their soil. Officially, these CIA stations and bases serve as the nexus for the U.S. intelligence community's routine intelligence sharing and liaison relationships with the intelligence and security services of the host nation, and as such, they are accorded a status comparable to the State Department's diplomats.

Most Western European countries, as a matter of official government policy, refused to permit the U.S. government to operate intelligence collection facilities on their soil outside of the declared CIA stations, such as France, Belgium, the Netherlands, all four of the Scandinavian countries, Switzerland and Austria. Within the U.S. intelligence community, some senior officers referred to these countries as the "refuseniks." While officially the governments of these countries maintained neutrality policies vis-a-vis the Soviet Union and its allies, the intelligence and security services of all these countries collaborated to varying degrees with the U.S. intelligence community.<sup>21</sup>

Take for example the case of Switzerland. Despite its government's strict policy of neutrality, the Swiss intelligence and security services have maintained a cordial relationship with the U.S. intelligence community since the end of World War II. The CIA and its antecedents have maintained close relations with the Swiss intelligence service as well as the intelligence component of the Swiss Federal Police since World War II.<sup>22</sup> And according to a single document found at the U.S. National Archives in Washington, D.C., U.S. Air Force intelligence and the Swiss government were discussing the possibility of assigning USAF pilots to selected Swissair commercial flights into the Moscow and elsewhere in Eastern Europe. The project, however, never got off the ground and was cancelled in June 1952 for reasons not yet known.<sup>23</sup>

Another case is the U.S. intelligence community's relations with the Vatican. Although the CIA has apparently never maintained a station inside the U.S. legation to the Vatican, the CIA's Rome station has always maintained close contact with senior Vatican officials and the Vatican's secretive intelligence service, which is subordinate to the Vatican's Secretariat of State. Catholic church officials outside the Vatican were occasionally used by the CIA to collect intelligence as well as scout for sources for the agency within the various anticommunist emigre organizations based in Germany, Italy and elsewhere. For example, Father Lieber, one of

the top Catholic church officials in West Germany, introduced CIA officers to senior leaders of several Ukrainian emigre organizations based in Munich.<sup>24</sup> The CIA's Austrian station was also using Catholic church officials based in Vienna, many of whom were staunch anticommunists, to collect intelligence on political, military and economic matters during their travels in Eastern Europe and the Ukraine.<sup>25</sup> The relationship between the CIA and the Vatican continued well into the 1980s, with the Vatican providing the CIA with its views and assessments on the persecution of Catholic Church officials in Eastern Europe, the growing power of the Italian Communist Party (PCI) in Italy, developments in Italian politics, and the growing power and influence of the Catholic Church in Poland in the early 1980s.<sup>26</sup>

A small number of Western European governments secretly allowed the U.S. intelligence community to establish SIGINT listening posts and other intelligence facilities on their soil, usually with the provisos that they not be used to spy on the host country and that their presence be kept secret. For example, in 1957 Francisco Franco's Spanish regime allowed the U.S. Air Force to establish a small nuclear weapons test detection station at Sonseca, and the early 1960s the U.S. Navy was given permission to build a large SIGINT intercept station on the grounds of the Rota naval base in southern Spain.<sup>27</sup> In 1953, Italy allowed the U.S. Air Force to construct a large listening post at San Vito dei Normanni in southern Italy, which became operational in 1960.<sup>28</sup> And in 1953 Greece allowed the USAF to construct a listening post at Iraklion on the island of Crete, which was declared operational in 1954.<sup>29</sup>

But three Western European countries allowed the U.S. intelligence community extremely broad latitude in terms of establishing a wide range of intelligence bases and smaller support facilities on their soil. These countries were West Germany, Great Britain and Turkey. Much of what the U.S. intelligence community knew about what was going on behind the Iron Curtain during the Cold War largely came from U.S. clandestine intelligence operatives and electronic eavesdroppers based in these three countries. As the documents in this collection reveal, these three nations were vital to the U.S. intelligence community's efforts because their governments were willing, usually in return for huge sums of money, weapons and other gratuities, to host a wide array of American intelligence collection facilities aimed at the Soviet Union and its Eastern European allies. Without the plethora of SIGINT listening posts, radar surveillance stations, and CIA bases and training facilities in these countries, the U.S. intelligence community's task of monitoring political and military developments taking place inside the USSR and Eastern Europe would have been nigh on impossible.

### **U.S. Intelligence Activities in West Germany and West Berlin**

The CIA's West German operations are well documented in this collection, with more than a hundred documents detailing the explosive growth of the agency's clandestine intelligence gathering and covert action activities in West Germany and West Berlin between 1945 and 1960, followed by the slow but steady decline of the CIA's operational presence in Germany after the erection of the Berlin Wall in August 1961, which effectively cut the agency's case officers from most of their sources in East Germany.

Perpetually short of money and trained personnel, the years after the end of World War II were not a particularly happy period for the CIA and U.S. military intelligence in Germany both in terms of the quantity and quality of the intelligence being produced. The early clandestine intelligence operations of the CIA's predecessor organization, the Strategic Services Unit (SSU), in West Germany and West Berlin between 1945 and 1950 were very limited in both scope and amount of intelligence produced because of the German Station's severely circumscribed financial and personnel resources.<sup>30</sup> So not surprisingly, there were frequent complaints from the agency's military and civilian consumers about the poor quality of the intelligence they were getting from Germany about what was going behind the Iron Curtain in East Germany and beyond.<sup>31</sup>

Then as now, the CIA's growth in Germany was dictated by world events. The first surge in the growth of the U.S. intelligence presence in Germany can be directly traced to the 1948 Berlin Crisis, which caught the CIA and the U.S. military intelligence establishment completely of-guard. The Berlin Crisis also frightened the U.S. government, which was suddenly reminded that the approximately 300,000 Soviet troops then deployed in East Germany could relatively easily defeat the understrength U.S. and NATO forces stationed in West Germany. Moreover, the U.S. intelligence community, which had at the time no high-level sources behind the Iron Curtain, would not be able to provide any timely or meaningful warning of Soviet intentions to invade West Germany.<sup>32</sup>

Pushed hard by the White House, the Pentagon and the State Department to do something to rectify this situation, the CIA and U.S. military intelligence began taking steps to help defend West Germany and the rest of Western Europe in case of Soviet attack.

The CIA clandestine intelligence arm, the Office of Special Operations (OSO), immediately began organizing stay-behind networks of agents in the U.S. occupation zones in Germany and Austria, whose wartime mission would be to remain in place after the expected Soviet military invasion and report by radio on enemy troop movements and activities. Between 1948 and 1955 the CIA organized over a dozen stay-behind networks in West Germany (KIBITZ) and West Berlin (PASTIME), consisting of several hundred German radio operators, agents, cut-outs and informants, many of whom had been soldiers in the Wehrmacht or Waffen SS during World War II. The CIA buried dozens of caches containing weapons, ammunition, and radio gear throughout West Germany and West Berlin to be used by these agents in wartime.<sup>33</sup>

There was also a smaller CIA stay-behind agent network in the American occupation zone of Austria, codenamed GRCROOND/HTREPAIR, whose principal mission was to build and operate a covert escape and evasion network inside Austria to help shot down American airmen escape from the Soviets in case of war. During the early 1950s, the CIA cached several hundred tons of weapons, ammunition, radio equipment and other military supplies in the mountains around the city of Salzburg, which were to be used by CIA-trained guerrilla teams if Austria was occupied by the Russians. These CIA arms caches were still buried in the Austrian Alps after Austria regained its independence in 1955. In 1948, the CIA also secretly recruited a "sleeper network" of former German Army radio operators living in and around Vienna, who would remain in the city if it were captured by the Russians and radio reports of Soviet troop movements and activities to a CIA radio station in England.<sup>34</sup>

At the same time, the newly formed Office of Policy Coordination (OPC), the CIA's covert action arm, began organizing paramilitary guerrilla warfare and sabotage networks in West Germany comprised of German World War II combat veterans that would launch behind-the-lines attacks on Soviet troop units and military installations once war began. These partisan groups and U.S. Army engineers would also be responsible for blowing up vital transportation installations so as to retard a Soviet military advance across West Germany, such as rail lines and bridges.<sup>35</sup>

The second major surge in the size of the U.S. intelligence forces in Europe came two years later after the North Korean invasion of South Korea in June 1950, when Washington was swept by panic that Korea was the prelude to a Soviet invasion of Western Europe.<sup>36</sup> Fearing that a Soviet invasion was imminent, President Truman even ordered nuclear weapons and Strategic Air Command (SAC) bombers hastily deployed to Great Britain.<sup>37</sup>

In the months after the Korean War began, the size of the CIA's German Station exploded, and it continued to grow at a meteoric pace for the rest of the decade. By 1959, the German Station, whose covername was Department of the Army Detachment (DAD), was the CIA's largest overseas unit, comprising somewhere between 1,400 to 1,700 operational and support personnel.<sup>38</sup> The headquarters of the CIA German Station, which occupied several floors of the I.G. Farben Building in downtown Frankfurt, controlled a dozen Operations Bases spread throughout West Germany and West Berlin, the largest of which was the 200-man Berlin Operations Base (BOB), whose covername was the U.S. Army Field Systems Office. BOB operated from a three-story building on the Foehrenweg in the Dahlem district of Berlin that formerly had been the headquarters of the German Luftwaffe during World War II.<sup>39</sup> As of 1960 the CIA's German Station also ran almost one hundred other smaller installations, including at huge defector interrogation center outside Frankfurt at Camp King, dozens of covert observation posts, radio intercept and electronic eavesdropping sites, technical laboratories, liaison offices, training camps, supply and weapons depots, propaganda broadcasting stations, communications facilities, and safe houses spread across West Germany and West Berlin.

Berlin richly deserves its reputation as the world's spy capital. At the height of the Cold War, Berlin was the fulcrum of the American espionage effort against the USSR and its Eastern European allies. As of 1959, there were more than a thousand American spies based in West Berlin, half of whom were radio intercept personnel working for the NSA. There were also more than five hundred British, French and West German intelligence officers and technicians operating from their zones in West Berlin doing exactly the same thing as their American counterparts.<sup>40</sup> The Soviets were so angry about the presence of so many U.S. and other Western spies in West Berlin that they threatened to break off negotiations with Washington over a peaceful resolution to the never-ending conflict over Berlin's future. In the end, the building of the Berlin Wall in August 1961 effectively killed off many, but not all, of the U.S. intelligence community's sources in Berlin.<sup>41</sup> Even after the Berlin Wall was erected, the U.S. and allied spying effort went on without interruption. The NSA SIGINT intercept effort in West Berlin was expanded and modernized. The phone and cable tapping operations in West Berlin, as well as the mail opening programs taking place at the Berlin Post Office were supposed to cease after West Germany gained its independence in 1955, but the documents contained in this collection indicate that these operations continued unabated until the reunification of East and West Germany in the late 1980s, probably without the knowledge or consent of the West German government.<sup>42</sup>

By far, the largest number of American intelligence personnel operating in Germany over the past seventy years were military and civilian SIGINT personnel working for the National Security Agency (NSA). This collection contains several dozen documents concerning the buildup of NSA intercept stations in West Germany and West Berlin beginning literally with days of Nazi Germany's surrender in May 1945 and continued right up until the day that the Soviet Union was formally dissolved.<sup>43</sup> To give you some idea how explosive the growth was, on the day North Korea invaded South Korea (June 25, 1950) the U.S. Army and Air Force had only four radio intercept units stationed in West Germany manned by approximately six hundred men. Five years later in 1955, there were more than eight thousand U.S. military 'SIGINTers' manning fifteen strategic and tactical radio intercept sites in West Germany.<sup>44</sup> And by July 1960, the three military services were operating eleven large listening posts, four border intercept detachments, an airborne SIGINT intercept detachment, various command staffs, SIGINT processing centers, and support units spread throughout West Germany and West Berlin that were manned by nearly ten thousand military personnel.<sup>45</sup>

There are also a large number of documents in this collection concerning the U.S. Army's secret telephone and cable tapping operations inside West Germany and West Berlin, and related secret mail opening programs conducted in conjunction with the German Post Office (Bundespost) in the early 1950s which collected

intelligence on members of the German Communist Party (KPD) and other West German citizens or companies targeted for various reasons by U.S. Army intelligence. But these programs also yield some valuable intelligence information on what was taking place behind the Iron Curtain. For example, the U.S. Army's 7880th Military Intelligence Detachment in West Berlin was surreptitiously opening all letters and packages going to and from the Soviet Union and all Eastern European countries that passed through the Berlin Central Post Office. Through this program, Army intelligence analysts were able to identify the names and locations of many of the German scientists and engineers working on the Soviet nuclear and ballistic missile programs at secret installations deep inside the USSR; details of the illicit trade in embargoed high-tech items and strategic commodities between West German companies and Eastern Europe; and nearly the complete order of battle of the Polish army.<sup>46</sup> But most of the information contained in these intercepted letters was more mundane. A declassified document described the operation as "a lucrative source of information which provided personalized views of life behind the Iron Curtain, covering such topics as morale, political restrictions, shortages of food and medical supplies, housing, cost of specific items of food and clothing, weather, crop conditions, government quotas levied upon individuals, and locations and activities of military and quasi-military units."<sup>47</sup> The British military was conducting the exact same series of telephone and cable tapping operations throughout their zone in West Germany known as Operation LISTER.<sup>48</sup>

Large contingents of CIA and U.S. Army interrogators were stationed at nearly all of the refugee camps (called Displaced Persons centers) throughout West Germany and West Berlin, every day trawling the lists of newly arrived refugees and defectors who might possess information of intelligence value to the U.S. The CIA set up a large interrogation center at Camp King outside Frankfurt to debrief particularly Soviet and East European defectors and refugees, such as German scientists and engineers who had worked on the Soviet nuclear and ballistic missile programs since the end of World War II. The importance of the thousands of refugees who fled across the border to West Germany and West Berlin cannot be underestimated. Documents in this collection reveal that by 1959-1960, the Marienfelde refugee center in West Berlin was perhaps the most important source of intelligence information for the CIA and the U.S. Army about what was going on behind the Iron Curtain.<sup>49</sup>

Between late 1948 and the reunification of Germany in October 1990, U.S. Air Force reconnaissance aircraft based at Rhein-Main Air Base outside Frankfurt and Royal Air Force (RAF) aircraft flying from bases in Britain conducted thousands of photographic and electronic intelligence reconnaissance flights along the border between East and West Germany.<sup>50</sup> By far, the most sensitive of these reconnaissance missions were conducted over East Germany by transport aircraft carrying hidden aerial cameras and ELINT intercept equipment, which flew almost daily through the three air corridors linking West Germany with West Berlin photographing all of the Soviet military airfields located within 100-miles of the air corridors. The British Royal Air Force and the French Air Force were also performing the exact same missions, although not at the same level as the USAF.<sup>51</sup> In Berlin itself, British Army and U.S. Army light aircraft and helicopters were also performing risky photographic missions while flying 'training' missions over East Berlin and surrounding areas.<sup>52</sup>

Both the U.S. and British military intelligence agencies placed a series of technical intelligence sensors aboard the weekly trains that carried troops and supplies from West Germany to the Allied garrisons in West Berlin. For example, the British converted a toilet compartment on the special military train that made the nightly run from West Germany to West Berlin into a painfully small mobile listening post. A single British radio intercept operator locked himself in the privy for the duration of the overnight trip to Berlin, all the while listening for Soviet signals while the train passed slowly through East Germany. In the 1960s the British hid a number of sophisticated camera systems inside the train's baggage compartment to photograph anything of possible intelligence interest that the train passed on its way to Berlin.<sup>53</sup>

The CIA conducted a wide array of 'black' psychological warfare operations aimed at the USSR and its East European allies from bases in West Germany and West Berlin. The most important of these classified programs were the propaganda broadcasts of two radio stations based in West Germany – Radio Free Europe and Radio Liberty (RFE/RL), which the CIA funded and managed from 1948 until the CIA's role in these stations was terminated in the 1970s.<sup>54</sup> There were a number of other CIA-sponsored psychological warfare operations being run from Germany. From 1948 until 1968, the CIA launched thousands of balloons containing anti-Soviet propaganda from West Germany in the hope that they would stir up unrest and discontent inside the Soviet Union and Eastern Europe. They did not produce many positive results.<sup>55</sup>

#### The U.S. Intelligence Presence in Great Britain

[...]

#### The Turkish Intelligence Facilities

[...]

### U.S. ESPIONAGE ACTIVITIES IN EASTERN EUROPE DURING THE COLD WAR

#### East Germany

The first CIA and U.S. military HUMINT collection operations against the Soviet military forces based in East Germany were characterized by the sorts of miscues and mistakes characteristic of all young and inexperienced intelligence organizations. The HUMINT gathering operations mounted by the CIA in East Germany in the postwar years produced very little of substance in the way of hard intelligence information. The CIA's Berlin Operations Base (BOB) spent the period from 1945 to 1949 trying to build up its sources and produce intelligence, but was hard pressed to compete with the much larger and far more experienced officers of the KGB station based outside East Berlin in Karlshorst.<sup>109</sup>

In the fall of 1946, counterintelligence officers from the Soviet Ministry of State Security (MGB), the predecessor organization to what became the KGB, rolled up virtually all of the American agent networks inside East Germany, leading to calls for the removal of the CIA's chief of base in Berlin.<sup>110</sup> By March 1947, virtually all of the CIA's agent networks inside East Germany were gone. The loss of its agent networks in East Germany had the unfortunate side effect of forcing the U.S. intelligence community to become increasingly dependent on the nascent West German intelligence organization, the Gehlen Org.<sup>111</sup>

And as if things were not bad enough already, the CIA's operations in Berlin were further hampered by a lack of cooperation from the much larger U.S. Army intelligence gathering effort in West Berlin, which refused to coordinate its efforts with the CIA.<sup>112</sup> The result was that by the time of the 1948 Berlin Airlift crisis, apparently the only 'hard' intelligence that the CIA base in Berlin was producing was derived from local newspaper reports.

<sup>113</sup>

The North Korean invasion of South Korea on June 25, 1950, spurred the CIA into action. Between 1950 and 1952, hundreds of new case officers were hastily recruited right out of America's universities, given a training course in the rudiments of espionage, then sent to Germany and other Cold War hot spots around the world to pump new vigor into the U.S. intelligence effort against the Soviet Union and its allies.

Despite much of the CIA's historiography, many of these operations did not fare very well. Facing enormous pressure from the U.S. military, which feared that a Soviet invasion of Western Europe was soon to come, dozens of new clandestine intelligence collection and covert action programs, many of them ill-conceived and poorly planned, were hastily launched by the CIA inside East Germany while at the same time the agency made hasty preparations to evacuate its entire German station to England if "the balloon went up" and the Soviets invaded West Germany.<sup>114</sup>

While on the surface the explosive growth of the agency's activities in Germany looked impressive, below the surface the declassified documents in this collection reveal that the CIA in Germany experienced all sorts of problems during the 1950s, especially in its relationships with the plethora of American military intelligence agencies operating independent of the CIA in West Germany and West Berlin.

Another important reason for these failures was that many of the operations in East Germany suffered from duplication of effort by the dozens of clandestine agencies operating in the theater, with one U.S. intelligence agency tripping over another in their efforts to produce intelligence. A former U.S. Navy intelligence officer who served in West Berlin in the 1950s recalled that "the Americans outdid themselves in the number of collectors (and organizations), overt and clandestine. They also frequently made complete fools of themselves – in the eyes of the French, British, Germans and probably the Soviets – with competing intelligence networks operating in the Soviet Zone. We were the wealthy amateurs, and I regret to say that we had not gotten completely squared away by the time of the Vietnam War."<sup>115</sup>

As had been the case since the end of World War II, there was no meaningful or substantive coordination of effort among the more than twenty American civilian and military intelligence agencies and organizations operating in Germany (including two competing CIA stations), and cooperation by the CIA with the various U.S. military intelligence units in Europe was practically non-existent.<sup>116</sup> The CIA and the U.S. military agencies operating in West Germany and West Berlin tried to fix the problem by patching together a series of agreements to coordinate their efforts, but neither side appears to have abided by the agreements, producing even more duplication of effort than before and contributing to a new string of intelligence failures.<sup>117</sup>

There were also serious problems with the British intelligence service MI6 and the innumerable British military intelligence organizations operating in West Germany and West Berlin, who openly competed with their American counterparts for resources and agent assets.<sup>118</sup> For example, CIA officers complained that MI6 officers were trawling the refugee camps in West Germany and recruiting agents from amongst the various anticommunist emigre groups that had sprung up since the end of World War II, including Ukrainians, Balts, Belorussians and members of various religious and ethnic groups from the Soviet Caucasus. Many of these emigre groups were known or suspected of having collaborated with Nazi Germany during the war.<sup>119</sup>

As a result, the CIA suffered a string of very public and extremely humiliating intelligence failures in both East and West Germany during the 1950s, none of which are mentioned at all in the CIA's publicly-released histories of Cold War intelligence operations. The declassified documents confirm that a surprisingly large number of CIA HUMINT and covert action operations inside East Germany during the 1950s either collapsed of their own volition through mismanagement, or were destroyed or neutralized from the inside by the larger and more experienced Soviet and East German security services.

Take for example the CIA's experience with an extreme right-wing anticommunist youth organization based in Frankfurt, West Germany called the Bund Deutscher Jugend (BDJ). Beginning in 1949, the CIA's covert action

arm, the Office of Policy Coordination (OPC), began secretly subsidizing the BDJ as part of an operation designated LCPROWL. Initially the OPC used the BDJ to spread anticommunist propaganda in both East and West Germany. But in August 1950, two months after the North Korean invasion of South Korea, the CIA hastily created a separate secret paramilitary organization, or apparat, within the BDJ whose members were trained and equipped to attack Russian forces and sabotage critical infrastructure facilities if the Soviets ever invaded West Germany. The problem was that many of the BDJ apparat's members were extremists with decidedly repugnant views on racial policies and democratic values, including a significant number of Waffen SS and Hitler Youth World War II veterans. The leader of BDJ was Paul Egon Lueth, a former black marketeer and narcotics trafficker whose credibility the CIA only began to question years after the operation began. In other words, the BDJ was doomed to failure. The whole operation collapsed in September-December 1952 after a disgruntled member of the apparat went to the German police and disclosed what the BDJ was up to. The entire senior leadership of the BDJ apparat was arrested by the German police and put on trial, provoking a storm of public outrage about what the CIA was up to in Germany. The LCPROWL operation was such an ignominious failure that the CIA case officer in Germany who had run the BDJ operation was summarily fired, and all of the senior managers at CIA headquarters in Washington who were supposed to have supervised the operation were issued letters of reprimand.<sup>120</sup>

Then there was the CIA's equally troubled relationship with a West Berlin-based anticommunist organization called the League of Free Jurists (Untersuchungsausschuss Freiheitlicher Juristen, or UFJ), which was headed by an mercurial lawyer and political activist named Horst Erdmann. In December 1949, the CIA's covert action arm, the Office of Policy Coordination (OPC), began covertly using the Free Jurists to disseminate CIA-produced pamphlets and leaflets inside East Germany that contained derogatory information about the Soviet occupation forces and the East German government. The CIA called this operation Project TPEMBER. But in August 1951, under immense pressure from the Pentagon to immediately establish agent and paramilitary networks inside East Germany, the CIA began hastily recruiting inside the Free Jurists a separate paramilitary apparat, which was given a separate operational name of Project CADRASTIC, then CADROWN in March 1953. Although everything about the apparat was supposed to be kept top secret from the overt side of the Free Jurists organization, the unit's security was so poor that within a matter of months virtually everyone at the Free Jurists headquarters in West Berlin knew what was going on in the apparat's suite of office. The CIA and the head of the Free Jurists apparat, Admiral Konrad Patzig (replaced by Heinrich Julius Otto Rauch in January 1952), began recruiting a network of agents, called V-Man, throughout East Germany. By March 1953, the apparat consisted of 81 cadre groups throughout the Soviet Zone of Germany consisting of 555 V-Man agents.<sup>121</sup>

But it turned out that the Soviet and East German intelligence services knew virtually everything about what the UFJ apparat was doing inside East Germany. Like so many other CIA espionage programs during the Cold War, the Soviet and East German intelligence services penetrated the UFJ's senior leadership and staff at a very early stage of the operation, allowing the communists to watch every move that the organization's operatives made in East Germany. Beginning in July 1953, the East German security service began arresting the members of the Free Jurists apparat in East Germany, starting with all 17 of the apparat's radio operators in East Germany. In September 1953, the East German government began broadcasting on a weekly basis the names of all the UFJ apparat members they had arrested, as well as the true names of all the organization's top commanders in West Berlin. By the end of 1953, the Free Jurists apparat had been completely decimated by the East German security service, forcing the CIA to dismiss almost all of the apparat's German staff because they were all well known to the Soviet and East German security services. The operation lurched along for two more years, producing nothing except for lots of bad publicity and embarrassments for the CIA, before the agency's bureaucracy finally threw in the towel and terminated its relationship with the Free Jurists in December 1955.<sup>122</sup>

And finally, there was the CIA's secret ten-year relationship with a West Berlin-based anticommunist group called the Fighting Group Against Inhumanity (Kampfgruppe gegen Unmenschlichkeit, or KgU) (Project DTLINEN). This operation began in May 1949, when the OPC secretly began providing the KgU with small financial subsidies, which the organization used to publish the accounts of political prisoners released from Soviet concentration camps in East Germany as a means of embarrassing the Soviets and their East German cohorts.<sup>123</sup>

But over time, the KgU and its leaders lost their innocence and allowed themselves to be slowly subsumed into the CIA's larger clandestine intelligence gathering and covert action efforts against the East German regime. In February 1953, CIA case officers arrived in West Berlin to train KgU members in their new mission of operating a covert paramilitary stay-behind resistance network inside East Germany. But as was the case with the League of Free Jurists, the Soviet and East German intelligence services had recruited agents deep inside the KgU and knew pretty much everything that the organization was doing for the CIA. Beginning in late 1953, the East German security service began systematically rounding up all the members of the DTLINEN paramilitary apparatus in East Germany and putting them on trial. Many of the KgU apparatus's members were sentenced to death and guillotined. The East German state-controlled media broadcast their confessions, and printed every salacious detail about the organization and its leaders, including the fact that some senior members of the KgU were giving the CIA fabricated intelligence information in order to justify the large sums of money they were getting from their agency handlers.<sup>124</sup>

Despite the CIA's disastrous relationships with the BDJ, UFJ and KgU, the agency stubbornly continued to covertly fund a wide array of anticommunist organizations based in West Germany well into the 1970s. At the time West Germany gained its independence in 1955, the CIA was secretly funding over a dozen West German businesses and political entities, including a German publishing house that produced anti-Soviet tracts that were smuggled into East Germany (Colloquium Verlag), a publisher in West Berlin called Werbebüro Kramer, which until 1956 printed, and distributed falsified editions of official East German publications; an anticommunist magazine (Die Tarantel), a Berlin-based refugee organization called the League of Political Refugees from East Germany (Verband Politischer Ostfluechtlinge), and the West Berlin-based overt intelligence units of the West German SPD and CDU political parties called the SPD Ostbüro and the CDU Ostbüro, which gathered political and economic data for the CIA on what was going on inside East Germany.<sup>125</sup>

The CIA also financed the psychological warfare efforts of a number of anticommunist Russian emigre groups based in West Germany, such as the Natsionalny Trudovoi Soyuz, or NTS (National Labor Union), a Russian emigre organization based in Frankfurt which the CIA used during the 1950s and 1960s to spread anti-Soviet propaganda amongst the Soviet troops stationed in East Germany and Austria. The CIA also used the Berlin-based Russian emigre group called the Central Association of Political Emigres from the USSR (TsOPE) to conduct defection inducement and covert propaganda leaflet distribution operations directed at Soviet troops stationed in East Germany under a program called Project AEVIRGIL/AECARRERA.<sup>126</sup>

### **Czechoslovakia**

Immediately after the end of World War II, the Prague station of the predecessor organization to the CIA, the Strategic Services Unit (SSU), established a number of high-level agent networks inside Czechoslovakia that produced some remarkably high quality intelligence information.<sup>127</sup>

But after the February 25, 1948 Soviet-backed bloodless coup d'etat which overthrew the democratically-elected government of Jan Masaryk, the communist-controlled Czech security services set about systematically arresting all of the CIA's agent networks. To make matters worse, the new communist Czech government threw the CIA station chief, Charles Katek, and most of his senior staff out of the country. It would seem that the CIA's HUMINT effort in Czechoslovakia never really recovered from the expulsions and arrests of their top agents. The following year, 1949, the Czech security services rolled-up of all U.S. Army Counterintelligence Corps' agent networks in Czechoslovakia.<sup>128</sup>

The CIA had one or more high-level agents inside the Czech and/or Polish militaries in the late 1960s who were providing top secret documents and other classified materials about high-level military planning and Warsaw Pact military coordination efforts.<sup>129</sup>

### **Hungary**

The CIA was unable to operate any agent networks in Hungary for virtually the entire Cold War era. Hampered by disorganization and lack of resources, the CIA never was able to establish a fully functional station inside the U.S. embassy in Budapest after the end of World War II.<sup>130</sup> Declassified CIA documents show that virtually all agency operatives who attempted to infiltrate into Hungary from neighboring Austria in the years after the end of World War II were quickly caught, and the few desultory attempts by the CIA's Office of Policy Coordination (OPC) to destabilize the communist regime in Budapest all came to naught.<sup>131</sup>

By 1956, the CIA's HUMINT effort in Hungary was in such bad shape that there was only a single agency officer stationed at the U.S. embassy in Budapest, who spent all his time stamping passports in order to keep his cover as a consular officer intact and virtually no time gathering intelligence. This meant that the CIA was getting no intelligence information from HUMINT sources inside Hungary prior to the October 1956 Hungarian Revolution.<sup>132</sup>

Poland

Romania

Bulgaria

### **Albania**

This collection contains several hundred pages of newly declassified documents concerning the CIA's failed effort to overthrow the communist Albanian regime of Enver Hoxha, which was conducted in conjunction with the British foreign intelligence service, MI6. Like the agency's failed covert action operations in Romania and Bulgaria, the CIA's Albanian operation, known as Project BGFRIEND (MI6 referred to their side of the Albanian operation as VALUABLE), was a unmitigated failure. Over one hundred CIA agents were infiltrated into Albania between 1949 and 1954, very few of whom returned from their missions. And according to the declassified documents in this collection, the CIA-MI6 operation ultimately only served to strengthen the Hoxa regime in Tirana, which was exactly the opposite result of what the planners in Washington and London had hoped for back in 1948 when the operation was conceived.

BGFRIEND was a case study in bureaucratic mismanagement by OPC's top officers in Washington, and sheer ineptitude by the inexperienced case officers running the operation in the field during the early stages of the operation. The documents in this collection reveal that OPC's top leaders, including its chief, Frank Wisner, who were desperate to prove to the State Department, the Pentagon, the CIA, and the British, that they were now a 'major player' in Washington, rushed precipitously into launching the operation even though they did not have

the personnel, equipment, facilities or expertise needed to conduct a covert action operation as large and as complicated as BGFIEND.<sup>148</sup> And worse still, OPC ignored all the intelligence reporting and even a national intelligence estimate, which stated that there was no existing resistance movement inside Albania, and that the regime of Enver Hoxha was not vulnerable to destabilization by outside forces because of the omnipresence of the state's police, internal security forces, and nationwide network of informers.<sup>149</sup> The OPC planners instead 'cherry picked' the available intelligence information and declared, on little or no basis in fact, that Albania was "ripe for revolution." This formed the justification for the five-year effort to overthrow the Hoxha regime in Albania that followed.<sup>150</sup>

From an operational standpoint, what ensued over the next five years (1949-1954) was a series of catastrophic failures that got only worse over time. The documents in this collection reveal that the field management of Project BGFIEND was nothing short of inept. OPC was in such a hurry to launch the operation that the OPC field officers running the project in Italy and Greece made repeated fundamental tradecraft and operational security mistakes, which doomed the operation to failure even before it began. During the first two years of the operation (1949-1950), the OPC division chief responsible for managing the Albania operation, former State Department official James McCargar, and the OPC field commander of BGFIEND, New York business entrepreneur Michael Burke, neither of whom had any prior experience running an intelligence operation, pressed forward with the operation even when all the indicators suggested that the operation was failing at all levels. Even after over a dozen agent teams were lost in Albania, OPC blindly kept going, believing that they had to press forward if the organization was to prove its worth to policymakers in Washington and London and get it the money it needed to expand its operations to other parts of the world

The political front organization comprised of exiled Albanian political leaders that the OPC cobbled together as cover for the operation, the National Committee for Free Albania, proved to be a disastrous undertaking from beginning to end, and a very expensive one at that. Rent with dissension, factionalism, intrigue and double-crossing, the Committee more closely resembled a daytime soap opera than a serious political organization. The declassified documents reveal that the committee's leaders, most of whom were drawn from the right-wing Balli Kombater political party, behaved as if they were players in an amateur theatrical production. They squabbled incessantly, misspent the money they were given by the CIA, and engaged in personal behavior so egregious that it alarmed the CIA officers who controlled them because it threatened the security of the operation. For example, the committee members were so leaky that even the OPC officials running the operation admitted that they could not be trusted with any of the details of the BGFIEND operation. And perhaps most importantly, the Committee deliberately excluded the most stable and cohesive Albanian emigre group, the BKL, which was based in Italy.<sup>151</sup>

Operational security surrounding the operation was so poor that over a dozen documents in this collection reveal that virtually every intelligence service operating in the Mediterranean, including the French, Italian and Greek intelligence services, was privy to the most intimate details of Project BGFIEND's planning and activities even before the first CIA-sponsored agent teams were infiltrated into Albania in 1950. Moreover, even after the OPC planners were informed that the Albanian intelligence service had penetrated the operation and were operating a high-level agent within the Albanian National Committee, the OPC officials ignored this warning sign and continued on with the operation.<sup>152</sup>

By 1951, operational losses in agents inside Albania had become so severe that even the OPC officers running BGFIEND could not ignore the warning signs. A March 1951 intelligence assessment found that the Hoxha regime in Tirana had not been damaged at all by Operation BGFIEND, and that Albanian security forces had

instead intensified their efforts to destroy the last vestiges of resistance to the regime inside the country. The CIA's analysts also concluded that the anemic efforts of the CIA-sponsored resistance groups inside Albania was nowhere near enough to destabilize or overthrow the Hoxha regime in Tirana.<sup>153</sup> The OPC's response was to ignore the intelligence reporting and expand their recruitment of agents and beef up the tempo of covert operations inside Albania, arguing that the situation on the ground was far better than what the analysts in Washington thought it was. As it turned out, the analysts got it right.<sup>154</sup>

The bottom fell out of Project BGFRIEND on October 10, 1951, when Radio Tirana announced the upcoming trial of 14 captured spies, including four CIA agents dropped into Albania in 1950 and 1951. To make matters worse, over the next three weeks Radio Tirana broadcast extended excerpts from the 'confessions' of the captured spies, detailing who their leaders were, where they had been trained in Germany, and other operational details about the CIA's role in the operation. The damage to the operational security of BGFRIEND stemming from these revelations was extraordinary and deeply embarrassing to the CIA officers running the project. The OPC tried to coverup the disaster by ordering that the translated transcripts of the Radio Tirana broadcasts not be disseminated outside of the OPC, but this foolish order was quickly superceded when the content of the broadcasts were picked up by U.S. and European wire services.<sup>155</sup> CIA director General Walter Bedell Smith was livid, with a memorandum reported that the General "questioned seriously the value of our Albanian Operations. He noted what he considered to be the large amount of money and effort which CIA is pouring into this program. He could not understand what we are accomplishing or, more important, what we are trying to accomplish."<sup>156</sup>

Technically, BGFRIEND should be suspended, or perhaps even terminated at this point in time. The British intelligence service, which had divorced itself from the CIA operation in late 1949, repeatedly warned the CIA that BGFRIEND was failing. But the warnings from the British were ignored, with some CIA officials telling anyone who would listen in Washington that the British had become timorous and weak kneed.<sup>157</sup> In June 1952, the CIA's clandestine intelligence arm, the Office of Special Operations (OSO), submitted a blistering critique of the OPC's management of Project BGFRIEND, but this report also went unheeded. So a few months later the OSO pulled itself out of the operation without so much as a by-your-leave.<sup>158</sup>

Supported by the State Department, the OPC ran right through ignored all of these warning signs and continued the operation despite steadily increasing losses of agents and equipment. For three more years this pattern continued. The Albanians would put on trial a new batch of captured CIA spies, and publish and broadcast further details of the operation. The CIA would order up a new review of the operation. The OPC would conduct the review of its own failing operation, and not surprisingly each review found nothing wrong and recommended the continuation of the operation. In March 1953, the CIA admitted defeat, telling the State Department that the goal of overthrowing the Hoxha regime in Albania was no longer attainable and that previous reports of widespread discontent inside Albania with the communist government had been "greatly exaggerated." And still the operation was allowed to continue unabated. By 1954, the CIA was finding it increasingly difficult to justify the cost of continuing the operation, especially since the agency's recruiters could no longer find Albanians willing to parachute into their home country where their survival rate was next to nil. With virtually nothing to show for it, the CIA unceremoniously pulled the plug on BGFRIEND (now renamed OBOPUS) at the end of 1955 after six years of fruitless effort and tens of millions of dollars expended.<sup>159</sup>

## SPYING ON AMERICA'S EUROPEAN FRIENDS AND ALLIES

It may be small consolation for German chancellor Angela Merkel, but as the documents in this collection demonstrate, the U.S. has been spying on the communications of Western Europe's governments and leaders for almost seventy years.

The U.S. intelligence community began spying on its Western European friends and allies midway through the Second World War, and has never stopped since Germany's surrender in May 1945. Even before the end of World War II the U.S. Army secretly activated small clandestine listening posts inside the U.S. embassies in Paris, Stockholm, Madrid and Ankara so as to monitor the internal government communications of these four friendly or neutral European countries as part of an ultra-sensitive SIGINT program called Project 78. These listening posts are, for the most part, still active and form a small part of what is now today referred to within the U.S. intelligence community as the Special Collection Service (SCS), a 4,000-man covert SIGINT intercept organization that operates listening posts inside more than seventy U.S. embassies and consulates around the world.<sup>160</sup>

Virtually no country in Europe was immune from the U.S. intelligence community's scrutiny, except perhaps for the tiny nations of Luxembourg, Andorra, Monaco, San Marino and Liechtenstein. Everybody else seems to have been considered fair game. For instance, the declassified documents contained in this collection show that the diplomatic, military and economic communications of a sizeable number of Western European countries have been targeted by America's electronic eavesdropping organization, the National Security Agency (NSA), since the end of World II, including Albania, Cyprus, Czechoslovakia, Greece, Italy, the Netherlands, Portugal, Romania, Spain, Sweden, Switzerland, Turkey and Yugoslavia.<sup>161</sup>

Here is a brief summary of the documentary evidence for U.S. spying on its friends and allies in Western Europe:

### **France**

By far and away, the single largest and most important Western European target of the U.S. intelligence community even before the end of World War II has been France. Eavesdropping on French diplomatic and military communications traffic began even before the U.S. entered the Second World War in December 1941, and continued unabated throughout the war, in large part because of serious policy differences between the U.S. government and the leader of the Free French government-in-exile, Charles De Gaulle.<sup>162</sup>

After the end of World War II in late 1945, the U.S. agreed not to spy on the French government or conduct unilateral intelligence collection operations inside France without the consent of the French government, these agreements were apparently broken at an early stage by the predecessor to the CIA, the Strategic Services Unit (SSU). As early as August 1945, the SSU's counterintelligence organization was spying on the activities of the French foreign intelligence service in Western Europe and the Middle East. And as time went by, the SSU's successor, the CIA, quietly intensified its intelligence coverage of French espionage activities around the world, including inside the U.S.<sup>163</sup>

There were numerous reasons why the U.S. intelligence community was more than slightly distrustful of the French intelligence and security services. There were numerous reports of varying reliability that the French foreign intelligence service, SDECE, had been penetrated by the French communist party.<sup>164</sup> French security was nothing short of horrific, with American surveys of French communications security practices finding that it was relatively easy to penetrate even the most secure French cipher systems.<sup>165</sup> The French foreign intelligence service, SDECE (now known as the DGSE) throughout the Cold War actively intercepted U.S. diplomatic, military and then later commercial communications traffic. As of 1946, a team of French and

Finnish cryptanalysts were trying to break the American diplomatic codes and ciphers then in use. The U.S. initially found out what the SDECE was doing thanks to a small number of Finnish cryptologists working for the French in a chateau outside Paris, who informed the predecessor organization to what is today the CIA of what the French intelligence service was doing.<sup>166</sup>

By late 1946, the SSU had built up a sizeable stable of agents and cooperating sources high up inside the French military and intelligence services, and was also surreptitiously running networks of Basque and Polish anticommunist intelligence from Paris without the knowledge or consent of the French intelligence services. And because of fears about the growing power of the French Communist Party, in late 1946 the SSU was covertly helping its friends inside the French intelligence service (SDECE) recruit and equip an underground anticommunist resistance network across France in case the communists ever took control of the French government.<sup>167</sup>

At the same time, America's codebreakers were making remarkable progress breaking French diplomatic codes and ciphers. At the time of Japan's surrender in August 1945, 18 different French diplomatic cipher systems had been broken and their traffic was being read by the American codebreakers. The end of World War II in 1945 prompted the U.S. codebreakers and their partners in Britain and Canada to redouble their effort against French diplomatic communications. The declassified documents contained in this collection show that immediately after Japan's surrender, decrypted French diplomatic traffic instantly became the most productive and important source of information available to the U.S. intelligence community about what was going on around the world, particularly in the Middle East and Southeast Asia. This was due, in no small part, to the fact that while the American and British cryptanalysts had not yet managed to solve any Soviet high-grade machine cipher systems, the French cipher systems were so weak and French communications security practices so poor that they proved to be easily solvable.<sup>168</sup>

It is easiest to explain why the U.S. was spying on French communications traffic after the end of World War II by examining the intelligence product that resulted from these operations. This collection contains over a dozen Top Secret Codeword reports from the early post-World War II years based on decrypted French diplomatic communications, as well as a number of exemplars of raw decrypted French diplomatic messages, many of which reveal French diplomatic activities that were not in consonance with U.S. foreign policy objectives at the time, such as France's push to regain control over its foreign colonies and French espionage activities in the U.S.<sup>169</sup>

For instance, as of May 1961, the U.S. was apparently reading the highly-sensitive diplomatic traffic of both the French government as well as the rebel Provisional Algerian Government, which was in the process of negotiating France's withdrawal from Algeria during secret talks then being held at Evian outside Paris.<sup>170</sup> And after French president Charles De Gaulle pulled France out of NATO in 1966, former NSA cryptologists admit that both NSA and its SIGINT partner in Great Britain, GCHQ, intensified their coverage of French military and diplomatic radio traffic and expanded the scope of their cryptanalytic attack on French cryptographic systems.<sup>171</sup> SIGINT monitoring of French diplomatic traffic helped the U.S. government track French foreign policy activities around the world, which sometimes were not in consonance with U.S. government policies at the time, such as France's independent role on both sides of the fence at the height of the Vietnam War.<sup>172</sup> The U.S. was also able to monitor the progress of the French nuclear weapons testing program at the Mururoa and Fangataufa Atolls in the South Pacific thanks to SIGINT.<sup>173</sup>

The CIA's success inside France may have been more significant than NSA's ability to break French codes. During the 1950s, 1960s and 1970s, the CIA experienced considerable success recruiting agents inside the French government and military, as were the Soviet intelligence services, the KGB and GRU. The declassified documents in this collection reveal that the U.S. intelligence community operated a number of paid agents or sympathetic cooperating confidential sources inside the French government and military, some apparently at the highest levels of the French government. These sensitive sources provided from about 1957 onwards information about French nuclear weapons policy; French government thinking about allowing the U.S. to deploy nuclear weapons on French soil; information on the French nuclear weapons research and development program, including insight into construction delays and technical problems being experienced at the French gaseous diffusion plant at Pierrelatte; and details of the French nuclear weapons testing program in Algeria and the South Pacific, including advance warning of dates of the nuclear tests and data on the size of the explosive yields of these devices; and information about French arms sales to Israel.<sup>174</sup>

This collection contains seven documents which reveal that beginning in at least 1964, the CIA tasked the U.S. intelligence agency which operates America's network of spy satellites in orbit around the Earth, the National Reconnaissance Office (NRO), to take high-resolution photographs from space of the French nuclear weapons and ballistic missile testing sites. Between 1964 and 1958, CIA KEYHOLE reconnaissance satellites monitored developments taking place at the French nuclear weapons test sites at Mururoa in the South Pacific and In-Ekker in Algeria, and the French ballistic missile test ranges at Landes in southwestern France and Colomb-Bechar in Algeria. In 1967, spy satellite coverage of France was expanded to include the St. Christol missile complex in southern France, which was where France's first squadrons of intermediate-range ballistic missiles were based in hardened silos.<sup>175</sup>

#### Great Britain

A 1952 State Department document reveals that the CIA had a source close to senior members of the British Labour Party, who was feeding the CIA with what the document described as "gossipy" tidbits about senior Labour Party leaders, such as Aneurin Bevan, the former Minister of Health in the cabinet of Clement Attlee from 1945 to 1951, who as of 1952 was the leader of the left-wing of the Labour Party. These reports were so secret that only two CIA officials were cleared to read them - the head of the CIA's Clandestine Service Allen W. Dulles and Frank Wisner, the director of the agency's covert action arm, the Office of Policy Coordination (OPC). The source in the UK, whose identity and nationality were not revealed in the document, was being run by Wisner's OPC.<sup>176</sup>

#### West Germany

[...]

#### Turkey/Cyprus

A number of U.S. and British HUMINT sources inside the Turkish military and the Turkish national intelligence organization provided detailed information about Turkish preparations to invade Cyprus in 1967, and the first detailed advance warning that the Turkish army intended to occupy the northern half of the island in August 1974.<sup>187</sup>

NSA's ability to read the diplomatic communications of the Greek, Turkish and Cypriot governments helped the Lyndon Johnson administration achieve diplomatic resolutions to crises in Cyprus in 1964 and 1967.<sup>188</sup> As late as

the 1980s, SIGINT from NSA was still providing helpful intelligence material about troubled state of affairs on Cyprus.<sup>189</sup>

### **Spying on the Picayune of Europe**

At the direction of the White House, the U.S. intelligence community began monitoring political developments in Iceland in 1954 during a period when U.S.-Icelandic relations deteriorated dramatically and the continued presence of U.S. troops at Keflavik air base was threatened by the Icelandic government's threats to terminate a 1951 defense agreement with the U.S.<sup>190</sup> At about the same time, the CIA and the U.S. military began recruiting agents for a clandestine stay-behind resistance organization from amongst the members of the Icelandic police force, the Icelandic coast guard, and a conservative anticommunist political organization called the Heimdallur.<sup>191</sup> But most of the highest level of attention that Iceland has ever received from the U.S. intelligence community came in the 1970s during the so-called "Cod Wars" dispute between Iceland, Norway and Great Britain over fishing rights in the waters off the coast of Iceland.<sup>192</sup>

Even tiny Malta was targeted by the U.S. intelligence community after it achieved its independence from Great Britain on September 21, 1964. The reason is that the country's first leader, Dom Mintoff, established close ties with both the USSR and Libya in the late 1960s, which immediately elevated the U.S. intelligence community's interest in what was going on in Malta.<sup>193</sup> And the closer Malta became to the USSR and Libya, especially after the last British troops left the island nation in March 1979, the more resources the U.S. intelligence community placed on trying to ferret out Dom Mintoff's intentions.<sup>194</sup>

### **Spying on the Western European Communist Parties**

Viewed today in retrospect, it is more than somewhat ironic that the CIA spent so much time and devoted so many resources to spying on the activities of virtually every communist party in Western Europe, especially those in France and Italy, especially since these parties over the past seventy odd years have become mainstream political forces in European politics.

But it is worth remembering that in the late 1940s, there was genuine fear in high-level Washington government circles that some of these communist parties, especially those in France and Italy, could take control of their governments through a combination of subversive activities, principally through the use of strikes, and at the ballot box because of their enormous popularity with the voting public. These fears were stoked by the oftentimes alarmist reporting coming from the CIA about the subversive threat posed by Western European communist parties, especially those in France and Italy.<sup>195</sup> The documents reveal that senior State Department officials were deeply involved in pushing the CIA to aggressively engage in an expansive array of extremely sensitive covert action operations which were designed to subvert communist parties or communist-dominated labor unions throughout Western Europe.<sup>196</sup>

In response to this perceived threat, the CIA's covert action arm, the Office of Police Coordination (OPC), used every tactic, fair and unfair, to try to degrade the political power and influence of the European communist parties.

In the late 1940s and early 1950s, the CIA's clandestine intelligence organization, the Office of Special Operations (OSO) and the OPC were both actively engaged in infiltrating agents into the communist parties and communist-controlled labor unions of France, Italy, West Germany, Norway and Denmark, to name but a few. Other documents in this collection reveal that U.S. Army Counterintelligence Corps (CIC) was also deeply engaged in spying on the activities of the German Communist Party (KPD) in West Germany, including running

agents inside the KPD; while another Army intelligence unit tapped the phones and intercepted the cable traffic of all senior KPD officials and also opened their mail. Not surprisingly, MI6 and the British Army's intelligence and counterintelligence officers were doing exactly the same thing in the British occupation zone of West Germany.<sup>197</sup>

But for the most part, the CIA depended on information provided by the European intelligence and security services for much of what it knew about the activities of the Western European communist parties. There were also numerous examples of non-communist European political parties and private anticommunist groups collecting intelligence on communist party activities for the CIA, such as:

\* On November 28, 1951, the CIA station in Copenhagen, Denmark, reported that "With the concurrence of Danish Intelligence, OSO/Copenhagen has established direct contact with a former resistance leader who now heads an independent intelligence network which collects information on Communist activities in 18 Danish towns. This data, previously passed via Danish Intelligence, will now be furnished directly."<sup>198</sup>

\* On December 20, 1951, the CIA station in Helsinki, Finland reported that "The chief of the intelligence section of the Finnish Social Democratic Party has asked OSO/Helsinki to furnish recording devices to assist counter-intelligence coverage of Communist activities in Finland."<sup>199</sup>

\* On December 26, 1951, the CIA's clandestine intelligence arm, the Office of Special Operations (OSO), reported that "OSO officers in Washington have been discussing closer cooperation and exchange of information on Communist activities in Norway with Haakon Lie, Secretary of the Norwegian Labor Party. Mr. Lie hesitates to expand his cooperation with OSO, but has agreed to furnish monthly reports on the Norwegian Communist Party, on which he is considered an authority."<sup>200</sup>

The OPC, through cutouts, was also secretly pumping millions of dollars into most non-communist political parties in certain key Western European countries, many anticommunist political, social and legal advocacy groups, and virtually all labor unions in Western Europe that were not already controlled or dominated by the communist party, such as the huge and politically influential German Federation of Trade Unions (DGB) in West Germany. For example, one document in this collect reveals that in the 1940s and 1950s Irving Brown, the Paris-based European representative of the American Federation of Labor (AFL), the predecessor to today's AFL-CIO labor federation, served as the cutout through which CIA secretly subsidized the activities of various European labor unions, especially the non-communist French, German and Italian trade federations.<sup>201</sup>

### **Economic Intelligence Gathering in Europe**

Despite what you may have read in the newspapers since the first article based on leaked materials from Edward Snowden appeared in June 2013, the U.S. intelligence community has extensively engaged in economic intelligence collection and analysis since World War I, and perhaps even earlier. For example, during World War II, economic intelligence was used to great affect by the U.S. government as an economic sanctions tool in order to prevent strategic commodities, such as tin, rubber and petroleum products, from reaching Nazi Germany and Imperial Japan.

After the end of World War II, U.S. economic intelligence gathering in Europe continued, albeit at a very low order of effort given that the Soviet Union and its allies were eating up the vast majority of America's intelligence collection resources. Given the fact that the Western European economies were the largest and most stable in the world after the U.S., not surprisingly this is where much of the U.S. intelligence community's

focus was when it came to economic intelligence gathering. For example, the U.S. Army's SIGINT organization was monitoring all commercial message traffic moving between the various major global economic centers, such as Paris, London, Lisbon, Rome, Athens, and Oslo, amongst other capitals. The CIA and U.S. military intelligence also began covertly covering the smuggling of banned goods and machinery from West Germany to East Germany and Czechoslovakia.<sup>202</sup>

During the 1950s the focus of U.S. economic intelligence collectors and analysts was the domestic and international economic activities of the Soviet Union and the People's Republic of China, and to a lesser degree the commercial activities of Moscow's Eastern European allies. For example, NSA SIGINT intercepts were used to determine how much petroleum and kerosene the USSR and Eastern European countries were shipping to the People's Republic of China; track the use of Greek and Panamanian-flagged ships to transport Soviet and Eastern European-made weaponry to Moscow's client states around the world; as well as monitor the sale of Czech heavy weapons to various Middle Eastern countries, especially Egypt and Syria, in the 1950s. In the 1950s, the CIA and U.S. military intelligence were closely monitoring the smuggling operations being run from the Belgian port of Antwerp and the Dutch port of Rotterdam that illicitly shipped banned commodities, such as diamonds, tin, rubber and banned chemical products, to the Soviet Union and Eastern Europe.<sup>203</sup>

But it was not until the 1960s that the U.S. intelligence community began focusing more resources on monitoring economic developments taking place in Europe. For example, starting in the mid-1960s the U.S. intelligence community began closely following the exploration and development of the North Sea oil and natural gas fields by Britain and Norway.<sup>204</sup> In the years that followed, the U.S. intelligence community closely monitored British trade with North Vietnam during the Vietnam War<sup>205</sup> and the continuing illicit smuggling of strategic materials and high-technology items from Western Europe to the USSR and Eastern Europe.<sup>206</sup>

Only in the late-1960s did the U.S. intelligence community really begin to appreciate the value of the commercial SIGINT coming from NSA. During the British Sterling Crisis of 1967, CIA economic intelligence analysts depended on NSA commercial intercepts to track large block transfers or sales of British pounds or American dollars around the world. Then between 1967 and 1969, NSA commercial intercepts were used to covertly monitor the sale of South African gold to a number of countries, particularly France, as the South African government attempted to manipulate upwards the world price of gold.<sup>207</sup>

But this was not deemed to be enough by the White House. In 1971, the Nixon administration directed the U.S. intelligence community to devote even more resources to gathering and analyzing economic intelligence, including developments in Western Europe that might have an impact on the U.S. economy.<sup>208</sup>

HUMINT and SIGINT proved to be valuable source of economic intelligence which detailed the severe economic hardship being caused across Europe by the Arab oil embargo in 1973-1974. SIGINT intercepts also provided Washington with details of some of the secret arrangements various European countries (especially France, West Germany and Italy) and Japan were making with Arab oil producers to ensure that their countries continued to receive oil and natural gas shipments from the Persian Gulf.<sup>209</sup>

The Arab oil embargo spurred the CIA and the other American intelligence agencies to redouble their efforts in the area of economic intelligence gathering.<sup>210</sup> Suddenly the CIA began issuing a plethora of all-source intelligence reporting about economic developments taking place around the world, especially in Western Europe and Japan because that was where the majority of the world's wealth lay.<sup>211</sup> One example was the CIA

produced a series of studies of Norway's dramatic economic growth in the mid-1970s from the huge revenues being derived from oil and natural gas drilling in the North Sea.<sup>212</sup>

But the CIA's economic intelligence mission really took off in the 1980s during the Reagan administration, a period where economic issues, such as trade deficits, oil prices, and trade with the USSR and Eastern Europe, became major determinants in U.S.-European relations.<sup>213</sup> By the mid-1980s, economic intelligence had become so important that the CIA was being asked to prepare detailed summaries of European economic developments and problem areas prior to each G8 summit meeting between U.S. and European leaders.<sup>214</sup> The CIA also stepped up its intelligence coverage of smuggling by certain Western European companies in Germany, Austria, Italy and Switzerland of an array of high-tech hardware and banned technologies, such as machinery used to manufacture chemical and nuclear weapons, to the Soviet Union and certain Middle Eastern countries.<sup>215</sup>

### **Monitoring European Anti-Nuclear Groups in the 1980s**

In 1979 President Jimmy Carter announced that the U.S. intended to deploy to Western Europe nuclear-armed Pershing II ballistic missiles and Ground-Launched Cruise Missiles (GLCM) to counter the buildup of Soviet SS-20 intermediate-range ballistic missiles in the western USSR. The Pershing II missiles were to be deployed to West Germany, while a larger number of GLCM missiles were destined for a specially designated air bases in Great Britain, the Netherlands, Belgium and Italy.

Even before the decision to deploy these weapons to Europe was formally announced by the Carter White House, new anti-nuclear groups and older, better established organizations like the Campaign for Nuclear Disarmament (CND) in Great Britain, began coalescing across Europe in opposition to the planned arrival of these weapons. And as the opposition to these weapons began to grow across Europe, so too did the number of CIA reports on these anti-nuclear protests and the impact they were having on key European governments.<sup>216</sup>

The tenor and tone of the CIA's reporting on the opposition to the deployment of these new nuclear delivery systems to Europe changed dramatically in 1981 after Ronald Reagan was sworn in as the president of the U.S. In 1983, just as the first Pershing II and GLCM missiles were about to be deployed to Europe, the CIA began producing a series of classified reports about the growing anti-nuclear protest movement in Western Europe, including dire suggestions that European terrorist groups like the Baader-Meinhof Gang (Red Army Faction) in Germany and the Red Brigades in Italy might use these protests as cover for launching terrorist attacks on U.S. nuclear facilities.<sup>217</sup> Prompted by requests from the Reagan administration, other CIA reports during this timeframe focused on the covert role that the Soviet Union was playing in promoting and supporting the European anti-nuclear campaigns.<sup>218</sup> Subsequent reporting during the 1986-1987 timeframe focused on the question of whether the Belgian, Dutch and Italian governments would decide to permit the U.S. to deploy GLCM missiles on their soil, which they all eventually did.<sup>219</sup>

## **INTELLIGENCE REPORTING ON EUROPE**

Despite what you may have read in the newspapers over the past two years, over a dozen current and former U.S. intelligence officials have categorically stated in interviews that intelligence has historically played a minuscule role in the formulation of U.S. government foreign policy towards Western Europe. This may have changed over the past decade, but informed sources in Washington tend to doubt that much has changed since the 9/11 terrorist attacks.<sup>220</sup>

The documents contained in this collection confirm a long-held belief that CIA's National Intelligence Estimates were, and remain, an imperfect tool for assessing global, regional or national developments, with the declassified documents show that the estimative process failed as often as they hit the mark on significant European developments. For example, the CIA produced no National Intelligence Estimates before the April 1967 military coup d'etat in Greece, the 1968 Soviet invasion of Czechoslovakia, the 1974 Turkish invasion of Cyprus, the 1974 military coup d'etat in Portugal, or the 1980-1981 Polish crisis.

During the Cold War era from 1945 to 1990, CIA intelligence estimates on Warsaw Pact countries of Eastern Europe (excepting Albania and Yugoslavia) were very few and far between. With only a few exceptions, the CIA analysts merged the Eastern European nations into Soviet intelligence estimates in the mistaken belief that the Warsaw Pact countries were essentially drones of the Soviet Union who marched in lockstep with the Kremlin and did what the Soviets wanted. It was not until the 1980-1981 Polish crisis that information provided by the CIA's spy inside the Polish general staff, Colonel Ryszard Kuklinski, revealed that the Eastern European countries operated with a far greater degree of autonomy than Washington previously believed.

Those CIA estimates on Eastern Europe that were produced during the forty year period between 1950 and 1990 emphasized the negative, focusing to a large degree on any indications whatsoever of internal dissent, political instability, economic problems and socio-economic problems within the Eastern European countries. Any positive developments in the Eastern European countries got only brief mention in these estimates because these facts were not what the agency's consumers in Washington wanted to hear. So over time, the CIA produced fewer and fewer estimates on Eastern Europe as interest in Washington waned on the subject during the 1960s and 1970s. On during the Reagan administration in the early 1980s was there a sudden resurgence in interest in what was going on in Eastern Europe, especially in Romania, which was led by the rebellious *bete noir*, Nicolae Ceausescu.<sup>221</sup> During the 1950s and 1960s, the CIA's intelligence analysts also devoted an inordinate amount of time and space to searching in vain for any indicia of popular resistance movements or guerrilla-type activities taking place behind the Iron Curtain. As the estimates reluctantly admitted, there was not much resistance to the communist regimes in Eastern Europe to be found anywhere.<sup>222</sup>

In those instances where the CIA intelligence estimates contained conclusions that displeased consumers in the U.S. government and elsewhere in the CIA, there was a natural tendency on the part of the consumers to give short shrift or even ignore the CIA's assessments. For example, estimates of the situation in Albania from 1949 to 1954 all indicated little likelihood of success for an internal uprising against the Hoxha regime in Tirana. And yet, the OPC/CIA and the State Department ignored the estimates and plunged ahead with their abortive efforts to overthrow or subvert the Hoxha regime, pointing out the limited utility of these documents. They are only as good as the people who use them.<sup>223</sup>

During the same 1950-1990 timeframe, the CIA produced even fewer intelligence estimates on Western Europe, and most of these estimates were so general in nature, lacking in specificity and bereft of insight from SIGINT and clandestine sources that one might have been better served reading a good newspaper in order to obtain a detailed understanding of the problems facing the countries of Western Europe. Take for example the banal and mostly uninformative estimates produced by the CIA during the 1950s and 1960s on the short-term political and economic prospects for West Germany,<sup>224</sup> France,<sup>225</sup> Italy,<sup>226</sup> . Only in the mid-1970s did these CIA intelligence estimates become more serious and rigorous in their approach to estimating short- and long-term developments in Europe.

The best of the CIA intelligence estimates dealt with more technical subjects, such as the dangers of nuclear weapons proliferation in Europe and the latest developments in the French nuclear weapons and ballistic missile programs.<sup>227</sup> And the CIA's analysts must be credited with producing thoughtful and insightful intelligence estimates on Yugoslavia during the 1980s and early 1990s which focused on the growing nationalist and sectarian tensions that eventually ripped the country apart in the early 1990s and led to a bloody five year civil war that killed tens of thousands of people.<sup>228</sup>

The CIA's day-to-day intelligence reporting on events in Europe was also deficient in a number of important areas. First, during the Cold War era most of the intelligence information on Western European politics came from State Department reporting and open sources rather than from secret sources, a fact confirmed by the documents contained in this collection. Second, between 1950 and 1990 the U.S. intelligence community produced far fewer intelligence reports and estimates about developments in Europe than for virtually any other major intelligence targets around the world. Why? It is not because the US intelligence community viewed Europe as unimportant to US national security. Rather, the reason is that with the exception of a few wars and minor conflicts, Europe has remained relatively peaceful and politically, economically and socially stable since the end of World War II.

The exceptions to this rule were the Greek Civil War from 1946 to 1949, the 1948 Berlin Blockade, the 1956 Hungarian Revolution, the erection of the Berlin Wall in August 1961, the 1967 military coup d'etat in Greece, the 1968 Soviet invasion of Czechoslovakia, the 1974 Turkish invasion of Cyprus, the rise of the Solidarity trade union and the resulting Polish Crisis of 1980-1981, and the brutal five year-long war in the former Yugoslavia that lasted from 1991 to 1995. All of these crises are covered in some detail in this document collection

Another important finding is that the U.S. intelligence community historically has devoted very few intelligence collection resources to spying on Western Europe, which runs contrary to much of what has been written in the U.S. and European press over the past two years based on materials leaked by former NSA contractor Edward Snowden. Declassified documents confirm that even Latin America and Africa have historically gotten more manpower and money for intelligence collection and analysis than Western Europe. As of 1975 the U.S. intelligence community's target coverage was divided up as follows: the USSR and Eastern Europe: 65%, Asia: 25%, the Middle East: 7%, Latin America: 2%; and the rest of the world (including Western Europe): 1%.<sup>229</sup>

For example, the declassified documents show that signals intelligence (SIGINT), satellite reconnaissance and other high-tech intelligence sources played a very small role in helping the US intelligence community follow events in Western Europe. Not surprisingly, during the Cold War era the vast majority of these resources were devoted to monitoring the activities of America's principal protagonists, the USSR, the People's Republic of China, North Vietnam, North Korea and Cuba. And the amount of 'hard' intelligence information that it has gotten from these efforts has typically fallen far short of comparable efforts conducted elsewhere around the world.

And the amount of hard intelligence information garnered from the U.S. intelligence community's collection operations in Western Europe has historically been very small despite the sometimes high quality of the information derived from high-level sources within European governments.

### **Terrorism in Europe**

A review of the materials in this collection reveals that the CIA's intelligence collection and reporting on terrorism in general prior to the mid-1970s was anemic, and hard analysis of the growing threat posed by

terrorism was almost non-existent, which is indicative of the low priority given this problem by the U.S. intelligence community. Most of the perfunctory reporting published in CIA daily intelligence summaries during this period appears to have come from the State Department diplomatic cables or unclassified wire service reports rather than from the agency's clandestine intelligence sources or from electronic eavesdropping materials collected at NSA, and the CIA's analytic commentary accompanying the daily reporting could best be described as shallow.

For instance, most of the CIA reporting on terrorist attacks conducted by the Greek Cypriot group EOKA against British forces on Cyprus during the 1955-1958 timeframe appear to have been taken directly from State Department reporting from the American consulate in Nicosia, with most of the reporting lacking analytic depth and context.<sup>230</sup> The same was true of the CIA's intelligence coverage of the 1961-1962 wave of terrorist violence directed at French government and military installations in France and Algeria by the right-wing group known as the Secret Army Organization (OAS), which vehemently opposed French president Charles De Gaulle's plan to give Algeria her independence. The best that can be said about the CIA's coverage of the OAS terrorist threat was that it was sketchy and incomplete. One cannot help wondering if one would have been better served by reading a quality newspaper or magazine if one wanted to know about the growth of right-wing terrorism in France during this period.<sup>231</sup>

It was not until the early 1970s during the Nixon administration that there were signs of a marked improvement in both the quantity and quality of the CIA's coverage of terrorism in Europe. The CIA began giving extensive coverage to the growth of left-wing and right-wing urban terrorism and an increasingly violent Kurdish insurgency in eastern Turkey. The CIA also gave fair coverage to the oftentimes bloody steps taken by the Turkish military to stamp these internal threats out, which got very little coverage in the Western press at the time. But by 1980, the level of terrorist violence in Turkey was threatening to spiral out of control, marked for the first time by the assassinations of Turkish political figures and the kidnaping of high-profile figures in Ankara and Istanbul.<sup>232</sup> As if the Turkish internal security situation was not complicated enough, in the early 1980s an Armenian terrorist group based largely in France called the Armenian Secret Army for the Liberation of Armenia (ASALA) began bombing Turkish embassies and consulate across Europe.<sup>233</sup>

In 1972, the CIA finally began providing coverage in its intelligence publications to the growing number of terrorist attacks being conducted in West Germany by the Baader-Meinhof Gang (sometimes referred to by the CIA as the Red Army Faction), but only because the terrorists had begun targeting U.S. military installations in West Germany.<sup>234</sup>

The CIA also began producing "think pieces" on terrorist attacks on Yugoslavian government embassies and consulates and splashy airliner hijackings by right-wing Croatian emigre Ustasha terrorists.<sup>235</sup>

Some of the most interesting CIA intelligence reporting on European terrorism in the late 1970s and early 1980s focused on the growing number of attacks inside Spain being committed by the Basque terrorist groups ETA and GRAPO, which analysts at the CIA honestly believed posed a significant threat to the stability of the democratically-elected Spanish government, which was headed at the time by Adolfo Suarez. By 1981, the CIA's analysts believed that the level of ETA and GRAPO terrorist attacks and efforts by Catalan separatists to gain autonomy for their region would lead the Spanish military to overthrow the civilian government in order to restore order.<sup>236</sup>

In 1981, the CIA began covering the activities of the Italian terrorist group Red Brigades following the kidnaping of an American general, James Dozier, from his home in Verona. In the ensuing years, the CIA began criticizing what the agency's analysts believed to be a timorous response to the growing Red Brigades terrorist threat by the Italian government.<sup>237</sup>

Some of the more interesting CIA counterterrorist intelligence reporting in the 1980s centered on the perceived weak response to the growing levels of terrorist violence across Europe by certain European governments, especially the French government, which the CIA widely believes tacitly permitted Basque ETA and Armenian ASALA terrorists to operate openly on French soil.<sup>238</sup> The Italian government also came in for a fair amount of criticism from the CIA for failing to aggressively go after terrorists operating from, or transiting through their country.<sup>239</sup> Another country that CIA counterterrorist specialists were concerned about in 1984 was Turkey, where levels of terrorist violence and attacks by Kurdish separatists continued to increase despite massive efforts by the Turkish military and security forces to stamp out these threats.<sup>240</sup>

But interestingly, the CIA produced virtually no intelligence coverage of the bloody conflict between the Provisional Irish Republican Army (IRA) and the British government in Northern Ireland during the 1960s, 1970s and 1980s except for one or two reports on the flow of money from pro-IRA groups in the U.S., which the IRA used to purchase weapons, and a single report about the alleged provision of weapons and training to IRA terrorists by the Soviets and their allies.<sup>241</sup>

#### **Coverage of European Socio-Economic Issues**

Only in the mid-1970s did the CIA's analysts begin closely examining the host of political and related socio-economic issues that were changing Western Europe, starting immigration. Beginning in 1975, the CIA began producing a series of classified reports about the rising number of immigrants, most of them from Turkey, North Africa and the Middle East, who were coming to Europe to find work. When these immigrant groups took root and did not return to their home countries, they created a number of thorny socio-economic problems that today have become major political issues and significant sources of tension in certain European countries.<sup>242</sup> The CIA examined the growth of the Jean-Marie Le Pen's ultra-nationalist National Front political party in France in the 1970s and 1980s, whose meteoric rise to prominence in French politics was due, in large part, to the Le Pen's skillful manipulation of the immigration issue to further the prospects of his political party at the ballot box.<sup>243</sup>

Beginning in the early 1980s, the CIA examined in some detail the rise of ethnic nationalism and sectarian minorities in Yugoslavia, such as the increasingly serious problems associated with the rising aspirations of the Muslim minority population of Kosovo Province. What makes these intelligence reports and estimates so significant is that they accurately predicted that the growth of ethnic and sectarian divisions inside Yugoslavia would presage unrest and even violence in the near future. This is exactly what happened after the Yugoslav federation collapsed in 1990, when nationalist and sectarian violence tore Yugoslavia apart and helped cause a bloody five year civil war that changed the map of Europe forever.<sup>244</sup>

Other fascinating reports prepared by the CIA on European socio-economic issues included the influence of the German media on West German politics;<sup>245</sup> the rising tide of German nationalism in West Germany;<sup>246</sup> the declining political and economic power of labor union and trade federations across Western Europe;<sup>247</sup> the danger to the British economy caused by the drastically falling value of the British Pound in 1985;<sup>248</sup> and the growing political power of the Catholic Church in communist Eastern Europe years before the end of the Cold War, especially in Poland.<sup>249</sup>