

CHAPTER 2:

COLD WAR ESPIONAGE

SPIONE

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Just as war sanctions physical violence, espionage grants license to moral violence.

—MARTIN, *WILDERNESS OF MIRRORS*

Cold War mythology, as taught to generations of Americans, tells us that in 1945, the wily Stalin deceived the ailing, politically-naïve Roosevelt during their negotiations at Yalta. Then, after the Reich surrendered, Stalin betrayed his allies by trying to occupy all of Europe, preparatory to seeking world domination through spreading communism. The heroic Americans and their allies, who were eager to return to their homes and forget the war entirely, fell into consternation and were forced to face a new, powerful, and even more relentless foe than the Axis – essentially, “Red Nazis,” who all of a sudden appeared to be taking over and sprouting up all over the world.

The origins of the myth lie in complex domestic American politics in the late 1940s, beyond the scope of this book. In part, the mili-

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tary and associated industries desperately needed enemies in order to maintain themselves in the manner to which they'd become accustomed. Also in part, the colonial organization of most of the world had become obsolete, and revolutionary change was everywhere, demanding response by all of the larger economies. Spy fever played its part too, whether valid or invalid, regarding Elizabeth Bentley, Alger Hiss, Julius and Ethel Rosenberg, and Klaus Fuchs. But regardless of the sources, the effect was that hatred and fear of communism became the only viable foundation for political success in that nation.

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Understanding the Soviet leadership and perspective is more difficult, as the end of the Stalin era is shrouded in mystery and mythology of its own. One question is whether the Yalta agreements were in fact broken by Soviet forces remaining in eastern Europe, given the battered economies and populations of the western U.S.S.R. Furthermore, opinions differ greatly over whether eastern European nations were really democratic if their populace chose to vote for communists. Protest from the United States and Britain over these outcomes was seen in the east as *their* betrayal of the Yalta agreements regarding self-determination through democracy.

Practically speaking, neither the Soviet Union nor the United States unexpectedly invaded Europe. They both just *stayed* there, already dressed up for war. The creation of NATO and the Warsaw Pact merely formalized this status, like putting on funny hats.

Roosevelt died before the Cold War began, and Stalin died soon as well. Many aspects of their respective politics and supporters' politics died with them, but the bitter effects of the infighting, in each case, remained the foundation for what followed.

Over time, as leaders changed and inherited the unstable situation, it acquired a weird stability. They could negotiate, as long as they didn't look too friendly; they could posture and threaten, as long as they didn't appear too aggressive.

Nothing ever seemed to be resolved – just shifting back and forth, making less and less sense as it went. Who would make the other side back down? No, wait, who would claim the mantle of the champion of peace? One minute Kennedy and Khrushchev are threatening to drop nukes, and the next, Jack is introducing Nikita to Marilyn Monroe. One minute Reagan is fulminating against the Evil Empire and

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not letting one more square foot of Latin America “go Red,” and the next, Ronnie and Mikhail are meeting for their fifth round of hugs and *glasnost*.

And yet it was not all merely media games about who could say “Neener neener” to the other. Paramilitary operations began almost immediately and never stopped, escalating into guerrilla wars via mercenary proxies, including genocide. When full-blown warfare erupted somewhere, both sides scurried to take sides and fan the flames, sometimes providing troops, but without actually fighting one another.

It was the perfect environment for the rise of the espionage agencies, whose activities remain the hidden corner of history. Granted: spying is an old, old institution and as such is simply a part of the political landscape. That was nothing new.

But what evolved by the early 1950s were effectively covert State and Military Departments in modern, industrialized nations, operating with very little constraint by official branches of their own governments.

It was, bluntly, idiotic. Why and how the post-industrial nations of both blocs managed to put such power into the hands of anyone, much less the dubious characters involved in most cases, is a mystery.

Yet, who knows? It was a different time. Looking at American Cold War values, for instance, is like looking at an alien planet. The word “liberal” is instructive; its modern meaning did not exist back then. Instead, it meant interventionist, activist, fanatically anti-Communist, pro-social reform, and committed to limited, ruthless paramilitary operations without oversight. These are the guys who canvassed for civil rights and supported unions at home in the 1950s, but found it perfectly reasonable to imprison Vietnamese villagers fingered as Communists and shock their genitals with car batteries to make them give up their compatriots.

Whereas its counterpart, “conservative,” meant isolationist and committed to business that favored military buildup and vice versa. Many of the conservatives were also disinclined toward war of any kind, being concerned mainly with domestic insistence that U.S. culture should remain based on all-white, all-Christian small-town life. However, within their camp could also be found the Hawks, who not

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only wanted maximally-destructive weapons made and deployed, but used by the official military as soon as possible. To them, détente was unbelievably wimpy, and the only way to deal with Viet Nam, Berlin, or Cuba, was to nuke Moscow and Peking, then follow up with tanks.

In such a climate, the espionage agencies' activities were actually relatively moderate, compared to the alternatives. Typically, leaders of these agencies in any nation dislike the blunt, simplistic military branches of government. Their leaders especially dislike being ordered around by generals, as they must do during wartime. Since U.S. presidents avoided open war between the U.S.A. and the U.S.S.R. despite any rhetoric to the contrary, the espionage agencies became the primary arm of foreign policy.

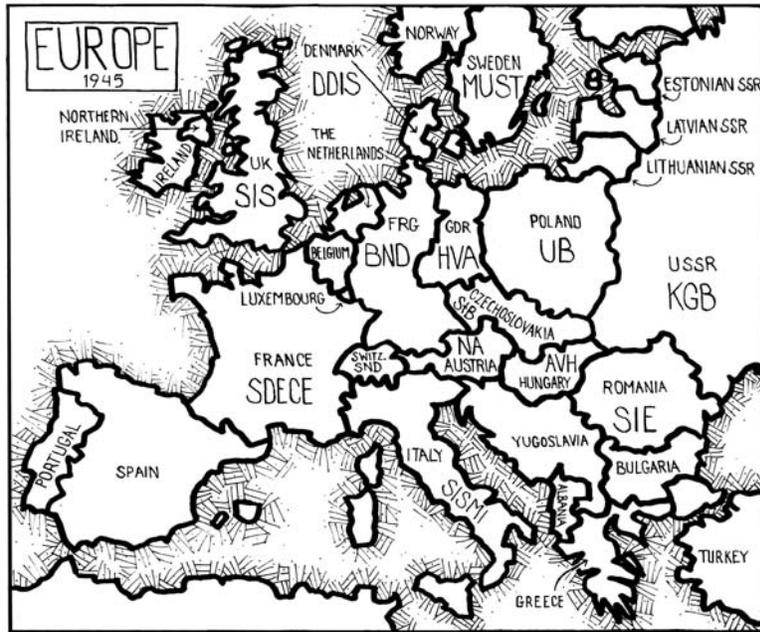
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Here are some of the European foreign-espionage agencies which either already existed or sprang up at the end of WWII. One could draw a big "CIA" across most of the western half as well.

These are the agencies that ran spies in other countries. Each nation also had domestic agencies and often secret police as well.

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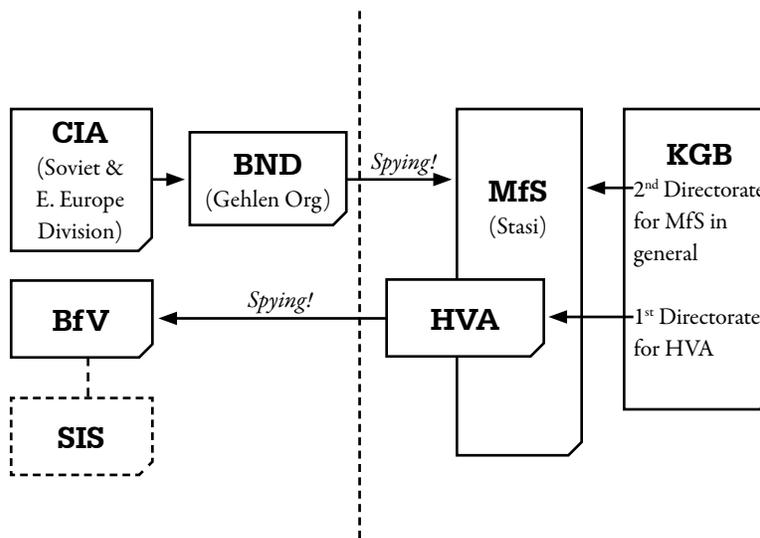
Over time, spy agencies create a shadow community of their own, composed of secrets and history known to no regular citizen and precious few politicians. In this community, extending the power and influence of one's own agency becomes a political and military end in itself. The "dance" among spy agencies has many names, the most descriptive being the Secret World.

The two Secret World heavies in Cold War Germany were the American CIA and the Soviet KGB, and all the other agencies lined up or situated themselves relative to that basic conflict. However, that doesn't mean the big ones ran the show at every step or were even especially active. In Berlin, especially, the situation resembled two very big and scowling crime-lords commanding separate territories, each with its local gang of henchmen, as the henchmen-gangs jockeyed over a particular piece of common turf, as well as struggled internally.

Markus Wolf, a former spy chief of the GDR (East Germany) calls the interactions among all the agencies in a given area the "Spider's Web." At the largest scale, Berlin's Web looked like this:

The Central Intelligence Agency (CIA) officially exists merely to collate and organize input from the various U.S. espionage efforts, but

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it has carried out its own operations and policies throughout its history, at times even acting as an unofficial and unmonitored State Department. Its agents typically utilize embassies and a variety of business and professional concerns as cover. In Cold War Berlin, “the Company,” as its employees call it, operated out of its Berlin Operations Base (BOB), collecting reports from the BND (see below) and sometimes running paramilitary operations through cover organizations.

The British Secret Intelligence Service (SIS, or MI-6) was closely allied with the CIA for much of the Cold War, acting as advisor in many operations. It’s notable for pretending not to exist, even for decades after anyone who ever thread a thriller novel knew all about it.

The *Komitet Gosudarstvennoi Bezopasnosti* (Russian: Committee for State Security) (KGB) was an arm of the Soviet government, specifically the Communist Party. It was remarkably powerful and extensive, wielding its own military armaments and often operating as a local government by mentoring the local intelligence and secret police agencies. KGB agents tended to use embassies and Tass (the Soviet Wire Service) as cover; in the GDR, they worked out of a major installation at the Berlin district of Karlshorst. The distinction between 1st and 2nd Directorates is important; the former is all about foreign spying and the latter is all about internal security.

Locally, the two German governments were no slouches either. Each one had its own “intelligence community” mentored by its respective big ally, but with unique features as well.

The FRG includes its own *Bundesnachrichtendienst* (BND) for conducting foreign espionage; originally founded as the highly secret Gehlen Organization, transferred almost whole from the Reich General Staff. Its headquarters were in Pullach, in West Germany. Most of the CIA’s information regarding Germany and Berlin comes from the BND. The FRG also includes the *Bundesamt für Verfassungsschutz* (BfV, but as spoken, “Verfassungsschutz” for short), whose wholly domestic tasks include finding and catching spies from elsewhere. Both agencies were intensely focused on the GDR and worked closely with the CIA, but originated from different political roots and were often opposed to one another.

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The GDR included the MfS (*Ministerium für Staatssicherheit*, German: Ministry for State Security; informally “the Stasi”), modeled on and working closely with the KGB’s 2nd Directorate. The bulk of the MfS was concerned with internal dissidents and with infiltrating the GDR’s own police and military functions, but it also included its semi-autonomous foreign espionage branch, the *Hauptverwaltung Aufklärung* (HVA), with strong ties to the KGB’s 1st Directorate, and whose target was almost exclusively the FRG.

That’s probably more than enough to start, although conceivably, individual espionage agents associated with any nation in the world could be found in Cold War Berlin. Likely candidates include the French SDECE, the Polish UB (later SB), the Czechoslovakian StB, the Hungarian AVH, agencies from the Nordic countries, and the Israeli Mossad.

Two more distinctive types of agencies should be considered as well.

Military intelligence was also present and active across Europe, whether Soviet (GRU), West German (e.g. the GSC-9 counterterrorist unit), or the various branches of U.S. military intelligence, especially the Army (G-2). In all cases, military intelligence agents typically regarded themselves as “cleaner” than the more spooky or clandestine agencies and the two sorts of agencies within a given government co-operated poorly, if at all.

Counterintelligence was a big deal too. For instance, the American FBI was also present in Berlin, confined mainly to embassies. The modern role of the FBI agent as a federal cop isn’t as relevant to the Cold War Berlin situation.

The following timeline includes three columns:

- ♦ Large, obvious international events, including new leadership; many non-European events are omitted
- ♦ Events concerning the division of Germany, life in the two German states, and the Wall
- ♦ Many detailed spying and covert operation events; some are discussed in Chapter 3, but others are not explained further

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COLD WAR TIMELINE 1945-1953

YEAR	EVENTS	DIVISION OF GERMANY	ESPIONAGE
1945	WWII ends	<i>Stunde Null</i>	SMAD in Karlshorst; Viet Nam: OSS & Viet Minh
1946		SED founded	
1947			CIA established
1948	Berlin Blockade; Israel founded	Berlin Airlift	OPC established; CIA: rigs Italian elections; Op Gehlen begins
1949	NATO founded; Soviet A-bomb; China: PRC founded	May: FRG founded (Adenauer) Oct: GDR founded (Ulbricht)	KGB, SIS: Philby is MCB liaison Washington, D.C.
1950	McCarthy hearings begin		HVA: Felfe and Clemens turn double-agent in Op Gehlen
1951	Korean War begins	Border closed, telephones disrupted	SIS: Burgess & Maclean flee to USSR
1952			
1953	Korean War ends; Stalin dies	Worker's strike in GDR	Wolf heads HVA; Beria arrested; Vulcan Affair; CIA and SIS: Shah in Iran; Kokhlov defects to west; GRU: Popov offers services to the CIA

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COLD WAR TIMELINE 1954-1960

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YEAR	EVENTS	DIVISION OF GERMANY	ESPIONAGE
1954		Passport law	CIA: Operation Success in Guatemala; CIA, SIS: Operation Stopwatch/Gold (Berlin Tunnel)
1955	Warsaw Pact	FRG joins NATO; Hallstein Doctrine	Philby avoids exposure; Blake posted to West Berlin GRU: Whalen spies vs. USA
1956	Hungarian revolt; Suez crisis		BND established; KGB "finds" Berlin Tunnel; Crabb crisis; CIA: Operation Wakeful in Egypt
1957	Sputnik		HVA: Schlicht recruited; KGB: Stashinsky assassinates Rebet in FRG
1958			GRU: Popov arrested
1959	Cuban Revolution		CIA: Operation Zapata in Cuba; KGB: Stashinsky assassinates Bandera; GRU: Popov arrested and shot
1960			CIA: U2 overflight; Powers scandal; StB: Goleniewski defects to USA; GRU: Penkovsky begins spying for CIA; FBI: Polyakov recruited to spy against USSR

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COLD WAR TIMELINE 1961-1969

YEAR	EVENTS	DIVISION OF GERMANY	ESPIONAGE
1961	Bay of Pigs	The Wall	KGB: Golitsyn defects to USA; SIS: Blake arrested
1962	Cuban Missile Crisis	Peter Fechter killed	GRU: Penkovsky arrested; FBI: Whalen arrested
1963	Kennedy shot; FRG: Erhard	Kennedy: "Ich bin ein Berliner"	SIS: Philby exposed, flees to USSR; GRU: Penkovsky executed
1964	Tonkin Resolution	Compulsory currency exchange	SIS: Blunt confesses; GRU: Nosenko defects to USA
1965		Brandt: "Small steps"	
1966	FRG: Kiesinger		Ramparts exposes Op. Chaos
1967	Arab-Israeli War		KGB: Walker spies on US Navy; CIA: Operation Phoenix in Viet Nam
1968	Prague Spring; Tet Offensive; Brezhnev Doctrine; Pueblo incident	Protests in FRG; Brandt: "One nation"	HVA: Gast recruited
1969	Helsinki Declaration; SALT talks; FRG: Brandt	<i>Ostpolitik</i> ; Hallstein Doctrine abandoned	

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COLD WAR TIMELINE 1970-1975

YEAR	EVENTS	DIVISION OF GERMANY	ESPIONAGE
1970	Polish protest; Black September		
1971	GDR: Honecker	USSR guaran- tees access to W Berlin; Quadripartite Agreement; Border travel revised; Telephone lines restored; 30/45 day passes	CIA: Big Bird satellite
1972	Munich Mas- sacre; Anti-Ballistic Missile Treaty; Watergate scandal	Basic Treaty; GDR recognized by UN	FBI: Hoover dies; CIA: Operation Banner; CIA: Kuklinski spies in place in Poland
1973		GDR joins UN	FRG: GSG-9; Mossad: Lillehammer Affair CIA: coup vs. Allende in Chile
1974	Nixon resigns; Brandt resigns; FRG: Schmidt	FRG and GDR open relations	Guillaume exposed; Church investigation; Rockefeller investigation
1975	Withdrawal from Viet Nam	<i>Grenzmauer 75</i>	Carlos the Jackal

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COLD WAR TIMELINE 1976-1984

YEAR	EVENTS	DIVISION OF GERMANY	ESPIONAGE
1976	SS-20 missiles		CIA: KH-11 satellite; CIA: Filatov spies in Soviet Foreign Ministry; Multiple moles unmasked in HVA
1977			HVA: Rupp penetrates NATO; CIA: Kampiles leaks KH-11 to Soviets & arrested; FBI: Boyce & Lee arrested
1978		Church-State Agreement	CIA: Filatov arrested and shot
1979	Invasion of Afghanistan; “Empire of evil” speech; Iranian Revolution; SALT II		HVA: Stiller defects to USA
1980	Miracle on Ice	Wall’s final form	FBI-CIA: Operation Courtship
1981			
1982	Falklands crisis; Lebanon war; FRG: Kohl		
1983		Order 101	
1984	Pershing missiles		

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COLD WAR TIMELINE 1985-1991

YEAR	EVENTS	DIVISION OF GERMANY	ESPIONAGE
1985			Walker arrested; Polyakov arrested; Gordievsky defects to USA; CIA: Iran-Contra begins
1986	LaBelle bombing		Iran-Contra scandal
1987		750th Anniversary of the founding of Berlin	Tower Commission
1988			
1989	Solidarność elected; Tiananmen Square; Invasion of Panama	October Revolution; Nov. 9: Wall falls	Stasi HQ stormed; Stasi disbands
1990			
1991	Warsaw Pact dissolved; USSR dissolved	<i>Die Wende</i>	KGB disassembled; SVR established

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BOOKS ABOUT THE COLD WAR

Useful and readable recent books on the Cold War start with H. W. Brand, *The Devil We Knew*, and Edward Pessen, *Losing Our Souls: the American Experience in the Cold War*. More lengthy ones from a variety of political outlooks include John Lewis Gaddis, *We Now Know: Rethinking Cold War History*; Bernard A. Weisberger, *Cold War, Cold Peace*; Thomas C. Reed, *At the Abyss: An Insider's History of the Cold War*; Martin Walker, *The Cold War: a History*; Robert Cowley (editor), *The Cold War: A Military History*; Athan G. Theoharis, *The Yalta Myths*; and Stephen J. Whitfield, *The Culture of the Cold War*.

For specific texts on Germany's role, see W. R. Smyser, *From Yalta to Berlin: The Cold War Struggle Over Germany*; and William Glenn Gray, *Germany's Cold War*.

The key popular Cold War books for Americans of the 1950s are William Lederer and Eugene Burdick, *The Ugly American*; and Graham Greene, *The Quiet American*. Also, for an expression of general western-bloc perceptions of the Soviet Union and the KGB, no more widely read nor more influential title existed than Ian Fleming, *From Russia, With Love*.