

Intelligence faction denounces the 'Trust'

by Scott Thompson

Given the rate at which the cheering section for Soviet Communist leader Mikhail Gorbachov as a great and sincere reformer is growing, it is very useful that a handful of intelligence specialists have joined *EIR* in exposing how Soviet practices of deception and provocation are at work today. They are focusing attention on the *modus operandi* of the model Soviet deception ploy, the so-called "Trust," run by Cheka (Soviet intelligence) founder Felix Dzerzhinsky during the New Economic Policy period in the 1920s. Importantly, this patriotic faction in the U.S. intelligence community points to how the "Trust" bid to fool Western intelligence about the nature of the Soviet Union went hand in hand with the NEP campaign to get capital investments and credits from the West, as is Moscow's goal again today.

Specific reference to the Trust and the NEP is made in the November 1988 issue of *Nightwatch*, a publication of the Security and Intelligence Foundation. The foundation's initiator, the late James Angleton of the CIA, was one of the first to rediscover the links of the original "Trust," a network of bogus Russian opposition groups run by the Cheka, with Soviet attempts to gain economic advantage from the West by means of the deception that the NEP was a retreat from socialism. The *Nightwatch* piece, entitled "The Opposition: A Danger or a Deception?" raises many worthy tasks for U.S. intelligence.

Key excerpts from *Nightwatch* include:

"At the present time the Soviet party-state unquestionably has a compelling motive for deceiving the West. According to a recent CIA/DIA study, the economic dislocation caused by Mr. Gorbachov's policy of restructuring has been severe. As a result, if the current pace of economic reform is to be sustained, substantial monies must be found for investment in the civil sector. According to the report, these monies can only be obtained by diverting them from the military sector, foreign borrowing, or both. Because there exist powerful psychological, institutional, and political prohibitions against

diverting substantial sums from military expenditures, the Soviet ruling elite's best hope for funding lies in foreign and specifically Western loans and credits. The Western powers, though, have long had a marked disinclination to extend large scale economic assistance to the Soviet party-state during periods of East-West tension. . . . Assuming that they [the Soviets] are unwilling to abandon their designs upon the Western powers, a deception operation aimed at promoting the misapprehension that Mr. Gorbachov and his reformist allies are less hostile to Western interests than a reactionary opposition makes eminent sense. . . .

"Such a campaign is not unprecedented in Soviet history. During the period of the New Economic Policy (NEP) of the 1920s—the apparent historical model for Mr. Gorbachov's policy of perestroika—the Soviet Union was able to obtain desperately needed aid, trade, loans, and credits in part because of a massive strategic deception operation known as the TRUST. Because the TRUST was such a complex and multifaceted operation, it defies simple description. It is worth noting, though, that one of its most important sub-operations was designed to exploit the vulnerabilities of the Western press to systematic deception in order to promote the entirely fictitious notion among attentive Western publics, and among Western public policymakers, that the NEP was a concrete manifestation of a retreat from communism and, by implication, an indication that Bolshevik Russia might be induced to return to the community of nations if sufficient incentives were forthcoming. Although it is impossible to measure the precise effects this sub-operation had upon the Western publics and public policymakers, most authorities believe it played a substantial role in alleviating Western apprehensions and inducing Western governments and enterprises to enter into a series of extraordinarily ill-advised economic ventures with the Bolshevik regime. . . .

"It would therefore seem to follow that the Western powers should adopt an attitude of skepticism and a policy of cautious restraint. Sadly, this has not been the case. During the month of October, for example, banks in West Germany, France, the United Kingdom, Italy, and Japan are reported to have advanced loans to the Soviet Union totaling nine billion dollars. . . .

"Such haste in extending economic assistance to the Soviet party-state is at best ill-considered. There are two reasons for this. The first is, if Mr. Gorbachov is in fact the liberal reformer that he is represented as being, the West is doing him, and itself, a disservice in removing or at least alleviating the economic pressures that give urgent meaning to his calls for restructuring. The second is that if he is not what he purports to be, the West is inviting its own exploitation on a scale not dissimilar to that of the NEP/TRUST."

'Marshall Plan' opposed

A second factional document, which echoes many of the themes of Soviet deception discussed by the first, is a study

by the U.S. Global Strategy Council, "Gorbachov's Challenge: Detente II."

This is a report of the Task Force on the Dangers of Detente II, whose chairman, Dr. Richard Pipes, was deputy assistant national security adviser to President Reagan during the early part of the administration. The two co-directors of the task force were L. Francis Bouchey and Ray S. Cline. The former represents the Council for Inter-American Security, which co-sponsored the study, while the latter was CIA Deputy Director for Intelligence, before his current role as chairman of the U.S. Global Strategy Council. In writing for the *Washington Times* on the task force report, Dr. Cline directly raised the NEP-style deception as a precursor of that being carried out by Gorbachov today.

Some key passages from the executive summary of the report, which is available for \$9.95 from the U.S. Global Strategy Council in Washington, D.C., include:

"The central problem the task force addresses is a readiness on the part of many Americans to embrace Gorbachov's enticing new line about Soviet 'reforms' and the wonders of a new age of detente, peace, and cordiality. The siren song promises: that, if the outside world will only reduce its military weapons and extend economic help to bail out the perpetually collapsing Communist economy, the prospects are that 'Good Communists' in the Kremlin will prevail and all will be well; that still deeper nuclear missile cutbacks will be made, thus benefitting Western politicians worried about financing big defense budgets and staying in office; that less hostile propaganda and less intimidating diplomacy will be forthcoming from Moscow; and that expanded trade and investment opportunities will be available to market-hungry businessmen and farmers, provided that credits can be extended to the Soviet Union. . . ."

"We believe the Kremlin leaders have four key objectives:

- First, they are attempting to foster a less threatening image of themselves in order to gain unwarranted Western cuts in defense spending.

- Second, the Soviets hope to parlay this less threatening image into the acquisition of massive American-taxpayer subsidized cash loans and the loosening of controls on the transfer of military-related or dual-use technologies.

- Third, the Soviets are fervently attempting to stop the Strategic Defense Initiative, while they rapidly expand their efforts to develop a country-wide ballistic missile defense (or 'Red Shield') in direct violation of the Anti-Ballistic Missile Treaty.

- And fourth, the Soviets want to protect the territorial gains they achieved in the 1970s. Thus they have spent billions in the 1980s to defeat anticommunist freedom fighters. . . ."

The task force warns against the vision of a Soviet "Marshall Plan" that is being peddled by the "Trust friends of glasnost" in Western Europe and the U.S.:

"Many in the Reagan administration favor a real 'partnership' with the Soviet Union and want to assist it in attaining economic superpower status. . . . Granting Most Favored Nation status would require the United States to suspend—even if temporarily—the Jackson-Vanik Amendment, which mandates that a demonstrated free flow of emigration from the Soviet Union exist prior to any granting of MFN. . . . We conservatively estimate that, if present trends in Western lending to the Soviet Union continue under Detente II, the Soviet Union could receive up to \$70 billion in cash loans during the next ten years from banks in the United States, Western Europe, and Japan. If the Soviets are granted Most Favored Nation status and allowed entrance into international financial institutions, the amount they receive in loans, bank deposits, and profits from the sales of bonds and securities could rise significantly."

No Christmas gift

On Jan. 3, the *Wall Street Journal* carried as its lead letter to the editor another criticism of taking Gorbachov at his word, a letter from noted author on Soviet strategy and tactics Joseph D. Douglass, Jr., on euphoria over Soviet leader Gorbachov's forces cut announcements. Under the title "Gorbachov's 'Christmas Gift,'" Douglass questioned whether the proclaimed reductions would mean anything, given "the massive size of the Soviet army" and 30,000-tank advantage in Europe.

He continued: "What is particularly surprising is Central Intelligence Agency Director William Webster's conclusion that the Soviet reduction would 'substantially reduce' the Warsaw Pact's ability to launch a surprise attack on the West. The ability of the Warsaw Pact to launch a surprise attack is mainly dependent on just about everything other than troop strength. Among the more critical factors are Soviet deception and disinformation skills, radio-electronic combat capabilities, special forces (spetsnaz) operations, in-place KGB and GRU agent networks, and airborne forces. None of these assets are likely to be included in the force reductions."

The chances of Gorbachov's being sincere may be better evaluated, Douglass suggested, by referring to "two especially compelling historical references": "The first is Lenin's enormously successful deception, the New Economic Plan [sic], in which communism was portrayed as changing and embracing capitalism in order to gain economic and technical assistance from the West. This eminently successful strategy . . . is described by former KGB officer Anatoli Golitsyn in *New Lies for Old*. The second is the strategic deception 'peaceful coexistence,' which was launched by Nikita Khrushchov in 1955 to gain economic and technical assistance from the West and to hasten the defeat of the West. This strategy is described by the former secretary of the Czechoslovak Defense Council, Jan Sejna, in 'We Will Bury You.' . . . Both situations bear an uncanny resemblance to the recent events taking place under Gorbachov."