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When the CIA 'Snows' Its Own Directors

Adm. William O. Studeman's April 4 letter on the Central Intelligence Agency's Soviet economic analysis is one more example of the extraordinary ability of CIA personnel to lead CIA directors into perdition. If the CIA "described a Soviet economy . . . burdened by bloated military expenditures and a starved consumer sector," why did identifiable military outlays in the CIA's Soviet GNP accounts decline from about 22 percent in 1950 to 6 percent in 1987, while the consumers' share was a constant 55 percent? When even the Soviets admitted consumption ceased to grow in 1982, probably some five years too late, why does the CIA say consumption grew at 3 percent per annum during the 1970s and more than 2 percent annually even in the 1980s?

According to the evidence in CIA's files, Soviet military outlays more than tripled from 1970 to 1985. Why does the CIA say the increase was only about 36 percent? By the same standard, procurement of weapons and military equipment in 1985 was at least five times the 1970 level. Why does the CIA say it was less than 5 percent higher? From 1980 to 1985, the Politburo increased both military expenditures and procurement more than 50 percent. Why does the CIA say military outlays grew only 3 percent while

procurement declined 6 percent? Was this one reason two special national estimates rejected the evidence that the Soviets were on the nuclear brink in 1981 to 1984?

In 1991 the chief of the Soviet general staff said the military consumed one-third (or more) of GNP, or nearly 65 percent of the Soviet budget. The CIA's estimates are less than 12 percent and 25 percent respectively. If that isn't "wrong," what is?

The report of the "outside experts" commissioned by the House Intelligence Committee was one more in a series of whitewashes that the CIA engineered for decades, but it was more critical than Adm. Studeman implies. In fact, the CIA's Soviet economic analysis resulted in bad economics and worse intelligence. Because the CIA's military economic cost model relied heavily on expensive U.S. satellite collection systems, the CIA wasted billions on it.

Adm. Studeman says that exposure of the CIA's errors is "fiction" and a "canard." With all due respect, admiral, you have been snowed.

WILLIAM T. LEE
Alexandria

The writer is retired from the Senior Executive Service with 41 years in Soviet military and economic intelligence.