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## Review Essays

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# Review Essays

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## Gorbachev and Beyond: An Empire Transforming?

LAWRENCE G. KELLEY

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The publications reviewed below reflect in various ways the enormous difficulties which Russia has experienced in transitioning to post-Soviet realities, and which others have had in dealing with her. Perestroika and imperial collapse ushered in radical change, but like a curse from the past many old themes (strong central authority, the crucial role of the security organs, pride in empire, fear of encirclement, desire for a buffer) have returned with a vengeance. Russia's severe dislocations and palpable weakness vis-à-vis other great powers have also left their imprint on foreign policy, where the psychology of national humiliation has become an important factor in its own right. As Moscow gropes toward an uncertain future, Western governments search for the right combination of pressure and conciliation needed to anchor it in a mutually advantageous, stable European security order. The role that emotion plays in this process, while counter-rational, should not be dismissed out of hand. Long ago a reactionary Slavophile poet crafted a line that Russians quickly appropriated as folk wisdom and now quote beamingly: "Russia can't be known with just the mind." This thought may appear at first to be just one more murky reference to the enigmatic "Russian soul"--until one realizes that its author, in his day job, was a diplomat.

In *Russian Civil-Military Relations*, Kansas State political scientist and former Foreign Service Officer Dale R. Herspring examines the turbulent military debates in the first years of the Soviet state over doctrine, force structure, reform, the role of the Party, and the impact of national minorities as a prologue to strikingly similar clashes that confronted Gorbachev during perestroika, and to some extent Yeltsin later. Superimposed on this presentation he contrasts the ability of three classic analytical models--those of Roman Kolkowicz (the Party and army as competing rivals), William E. Odom (condominium of interests), and Timothy J. Colton (conflict or cooperation, depending on the issue)--to explain modern Russian politico-military interaction; he finds them all useful but deficient.

Herspring's work focuses on the years since 1985. This is not a comprehensive history, but a selective treatise heavy on present-day analysis and laced with political theory. In it the author perceptively identifies core issues that have consistently driven Russian civil-military relations in this century, most notably doctrine but also the ideological straitjacket of the offensive and Moscow's catastrophic refusal to come to grips with alternatives, the debate on professionalization vs. conscription vs. a militia, opportunity costs, extent of the industrial base, need for reserves, the role of geography, educational level of the peasant masses, and the best method for employing national minorities with questionable reliability and limited language ability. Herspring also describes how Gorbachev seized control of military doctrine from the army as a prerequisite for implementing perestroika and discerns three major trends reflecting the chaos, uncertainty, and dissatisfaction of the internally fragmented modern Russian army: policy instability (confusion over command authority, missions, and legitimacy), politicization, and disintegration. His description of the current state of the army is accurate and most impressive.

This exceptional study demonstrates the limits of standard models but points out unchanging factors that have shaped Russian civil-military relations in the past and will doubtless do so again. Future historians will appreciate the irony that the army, which for decades had served as a primary lever for the political socialization of Soviet youth and creation of the "new Soviet man," ultimately became a hotbed of national consciousness (not least of all because of ethnic hazing), and that young political officers contributed heavily to the downfall of their own political structures.

In *Commonwealth or Empire? Russia, Asia, and the Transcaucasus*, Lieutenant General William E. Odom (USA, Ret.) (see Herspring's work) and Robert Dujarric of the Hudson Institute supply a disturbing but now widely accepted answer to the question, "Quo vadis, Russia?" Back to the future. They argue that by 1994, "Central Asia and the Transcaucasus were coming under a new Russian hegemony, if not imperial control." Henry Kissinger's description of Russian foreign and security policy in *Diplomacy* agrees with this assessment: "The dominant geopolitical thrust has been the attempt to restore preeminence in all the territories formerly controlled by Moscow." Military power has served as a primary instrument for policy implementation.

The Commonwealth of Independent States (CIS) has been a dysfunctional concept, and that was especially true in the early years. The army initially considered it simply a synonym for the USSR, but others viewed it as little more than a divorce court for partitioning the Soviet Empire. A confederation bereft of authority, its weakness created instability and a local power vacuum, potentially allowing regional powers (China, Iran, Turkey) to fill the void in an area that Russia had considered its sphere of influence for 300 years. Moscow's repeated attempts to forge voluntary CIS arrangements with local clout clashed with national sovereignty and failed. However, Moscow developed an assertive new national security doctrine that called for protecting the rights of the Russian diaspora, and consensus domestic political support emerged for restoring control in the new "forward area." Yeltsin's swing to the right after the twin shocks of 1993 (mutiny and election results) led to the substitution of bilateral for multilateral solutions, and this approach worked. Some former republics bristled but most cooperated, recognizing their weakness and lopsided dependence. The holdouts faced economic stress, strong-arm tactics, the covert arming of opposition groups, and the prospect of protracted civil war.

Thus, Russia became the grudgingly accommodated gendarme of the CIS while pursuing its own muscular agenda. It packaged military operations in Georgia, Moldova, Tadjikistan, and Nagorno-Karabakh as peacekeeping and requested UN funding for them. Moscow also held trump cards in the form of the Border Guards, whose mission and significance swelled, and an abundance of trained officers needed by the former republics to run their own military establishments. However, the aforementioned regional powers actually made only limited inroads in the Near Abroad, valuing their relations with Moscow too highly. And Islamic radicalism, frequently invoked to justify Moscow's military presence, turned out to be a red herring. Russian forces enhanced stability by increasing the scope of hostilities and strengthening authoritarian rule, and the authors believe that a Solomonic choice now confronts most countries in the area: democracy or stability.

One should not forget that acute resource limitations moderate Moscow's aspirations, and it would be wrong to expect the single-minded success of Russian pursuits in this area, but Odom's study remains valuable four years after its writing. It should be noted, though, that Chechnya, which technically falls within the Russian Federation, receives no coverage here.

*Spies Without Cloaks* by Amy Knight, a Russian affairs specialist at Johns Hopkins and the Library of Congress, superbly complements Odom's work in documenting the continuity of the Russian power ministries with their Soviet roots. Her book investigates the multiplicity of renamed, reorganized, and resubordinated KGB successor organizations; demonstrates how they have successfully resisted democratic control by virtue of their indispensability; and shows how Boris Yeltsin has used them to fortify his hold on power. The work is an outspoken, extensively documented, liberal democratic critique of their practices. It argues that the much-touted reforms of the "state within a state" have involved much more rhetoric than substance.

Following the 1991 coup attempt, Gorbachev demonstratively abolished the KGB--mastermind of the affair, symbol of internal terror, personification of human rights abuse, and lever for Moscow's domination of the republics. Its dismantling led to reshuffling, revelations, and reductions but notably did not terminate the KGB's functions, for Yeltsin, like the Soviet leadership, quickly learned that he could not rule without the security police. The scare of the

1993 "Red October" mutiny led him to quietly consolidate most of those units under his command. As his contentious chief bodyguard Alexander Korzhakov put it, Yeltsin directed him to "create a small KGB. My own personal mini-KGB"--among the truly initiated the name and mindset endured--and those organizations' functions grew to unprecedented proportions.

- The security services' domestic activities dominate Knight's presentation, but the Foreign Intelligence Service (SVR) and Border Guards (FPS) also attract their share of criticism. Among her findings:
- The security services lack legal structures; their operational guidelines rest on rescindable directives, not law.
- These organs possess broad, overlapping authority and owe loyalty to the President alone.
- Lack of parliamentary and judicial oversight opens the way for abuse.
- The SVR enjoys widespread, across-the-board support, even among democrats, and is viewed differently from the organs of internal repression despite the crimes which its predecessor committed abroad.
- An informal old-boy network of present and former intelligence operatives in the CIS and Eastern Europe continues to serve Moscow's interests.

Knight's powerful, multifaceted, well-documented book argues that the security services threaten democratization in Russia. Her excellent if iconoclastic chapter on the 1991 coup presents a revisionist view of events, one now widely held in Russia: "Gorbachev was not an innocent victim of coup plotters, but backed the idea of introducing a state of emergency in the country all along," retreating only at the last minute. In her uncompromising argumentation, however, one often senses a certain academic purism. I could not help drawing parallels with the de-Nazification process in occupied Germany, where political desirability conflicted with the pragmatic need for technical skills, forcing Allied and German administrators alike to make uncomfortable compromises. The author yearns for immediate change and safeguards against renegade behavior and abuse. But Russia, an authoritarian state for a millennium, will not likely change that fast, and the safeguards Knight seeks exist only in the most developed liberal democracies.

The KGB's Ninth Directorate (later christened the Main Guard Directorate, GUO), which included the Kremlin guard regiment ("the Arsenal") and bore responsibility for protecting the leadership, rose to astonishing prominence in the post-Soviet years. Described by dissident KGB General-Major Oleg Kalugin as "largely useless, full of ne'er-do-wells and drunkards," the unit nonetheless spawned two individuals who by virtue of proximity to the throne wielded disproportionate influence: army General M. I. Barsukov and Presidential Security Service (SBP) chief A. V. Korzhakov. Korzhakov's kiss-and-tell memoirs, *Boris Yeltsin: From Dawn to Dusk*, indicate how much 11 years of well-positioned mediocrity leveraged by loyalty can truly achieve. Under Yeltsin this "eminence grise of the Kremlin" (as described by Knight) came nearly to exert policy control over the entire security establishment, although he commanded only about a regiment's worth of men. His writings omit that point. Rather, partly inspired by revenge over his dismissal, they depict a political snake pit rampant with Byzantine intrigue and personal feuds. Mercifully available in Russian only and intended for that audience, they illuminate the seedy reality surrounding the world's second most powerful man and flesh out events which CNN beamed around the world, among them the coup attempt and Yeltsin's 1994 failure to emerge from his aircraft during a stopover in Shannon (heart problems, not drunkenness). Korzhakov suffers from credibility problems and may overstate his role in events, yet he conveys rare firsthand insights into the still dim niches of Kremlin power. Those who find the reminiscences of this proud but disgruntled Chekist titillating will be happy to know that, reincarnated as a deputy in the State Duma, he is considering a sequel.

The credibility problem bedevils contemporary intelligence operatives as well, especially those who later morph into "reformers" like Oleg Kalugin and former East German HVA chief General-Colonel Markus Wolf. Kalugin's memoirs, *The First Directorate*, describe inter alia his transformation from case officer to critic; Wolf's *Man Without a Face* reveals his disaffection over Honnecker's ossified policies and initial elation over Gorbachev's reforms. Both men stress their involvement in *foreign* intelligence and studiously distance themselves from the hated organs of internal repression and from terrorist activities; both spoke out against their governments at mass demonstrations. Kalugin principally targets KGB chief V. A. Kryuchkov in his criticism, while Wolf slams Stasi chief Erich Mielke. But despite their protestations of conversion, many Russians find the newborn reformers suspect. As our next author wrote: "Why should I believe the democratic credentials of government prosecutors and former KGB generals? Their chorus sounded bizarre." Indeed, Kalugin's personnel trained Bulgarian assassins to murder dissident Georgi Markov in London ("It was completely legal" said Kalugin) and kidnapped defector Nicholas Shadrin, who died of a drug overdose in the botched attempt. Wolf, for his part, remains an unreconstructed socialist ("I seek no pardon as a

representative of the losers"), proud of his 34-year struggle to undermine Western democratic institutions and only grudgingly conceding that his multiple acquittals in West German courts indicate the rule of law rather than "victors' justice," as he had vociferously charged earlier.

But whatever their flaws, these men succeeded wildly in foreign intelligence; Wolf triumphed. What military officers should glean from their memoirs is a feel for how professionals practice the world's second oldest profession. In that respect, their morality and politics are secondary issues. These writings reveal a great deal about operational principles and tradecraft; forewarned is forearmed. Wolf commands immense respect for his legendary success. Concentrating on the West Germans and NATO, he placed agents in two chancellors' offices, and his Romeo spies extensively penetrated NATO Headquarters. Ironically he considers his greatest accomplishment--running Günter Guillaume--to be his greatest strategic failure as well, since the action toppled Willy Brandt, "the most far-sighted of modern German statesmen." Kalugin operated more modestly but scored a decisive victory by handling John Walker during the early phase of his exploitation. Tellingly, both men have healthy respect for the FBI, but military counterintelligence clearly leaves them cold. The KGB ran the Walker gang with caution but impunity for 17 years (until an angry Mrs. W. turned in her ex), while the HVA easily recruited US agents throughout Germany, including at West Berlin's Teufelsberg and Tempelhof SIGINT facilities. Kalugin relates that once a walk-in source from Air Force counterintelligence provided him a list of personnel suspected of working for the KGB; all were wrong, though others were in place.

Kalugin and Wolf disagree on at least two important points: ideology and romance. Wolf believed that ideological conviction provided the best motivation in recruiting both HVA officers and agents, although he readily employed other techniques as well and admits with chagrin that history will remember him above all for the success of his Romeos. Kalugin, however, disdained ideology, preferring to play to vices, revenge, or material rewards; here he typified KGB officers and other Soviets of the time, who had long since written off Marxism-Leninism. And he reports that 90 percent of his romantic approaches went nowhere. Finally, the nearly half-Russian "Misha" Wolf complains of an imperial mindset that should give Moscow pause--the arrogance, condescension, and fickle treatment that characterized the KGB's handling of an ally whose professionalism often exceeded its own.

Interpreters, to borrow a phrase, "don't get no respect." Routinely taken for granted and remembered only for their blunders, theirs is a thankless profession. Pavel Palazchenko's *My Years with Gorbachev and Shevardnadze*, though, should effectively counter the prejudice with which they contend, for this very personal account of his observations displays the power of a discerning and critical mind. An Americanist, Foreign Ministry arms control specialist, and the trusted shadow of Soviet statesmen at the height of perestroika, he enjoyed a unique vantage point from which to judge world leaders and their bureaucracies. He describes the intricate shaping of US-Soviet relations but also provides a damning commentary on the dry rot of the Brezhnev years: "Nothing worked, nobody cared." Among his more intriguing insights:

- Soviet Americanists genuinely liked the United States, while Germanists (Valentin Falin) resented Germany and, consequently, provided bad advice; Arabists (Yevgeniy Primakov) viewed their region mainly as an arena where astute diplomacy could win big points.
- The Strategic Defense Initiative, which triggered Soviet nightmares over linkage between the nuclear offense and defense, generated "a tone approaching hysteria" in the military-industrial complex.
- To the USSR, especially the elder generation, German unification represented "the collapse of a universe," a sort of belated, treasonous capitulation that forfeited the gains of World War II.

Despite his sophistication and liberalism, though, Palazchenko occasionally remains mired in Russian nationalist thought on fundamental security issues, alliance relationships, and national pride. Thus:

- He could not comprehend the rationale for the Reagan arms buildup or policy of aggressive ideological confrontation, viewing Moscow's arsenal and its position in the world as justified.
- He underappreciated the critical significance for NATO-Europe of nuclear coupling and the implications of sovereignty.
- Against a background of ethnic passion fueled by an often violent policy toward nationalities (Tbilisi, Baku, Vilnius), he could state with disarming candor: "I had always been critical of a great deal in my country but had never thought of it as an empire."

There, indeed, was the rub, for most of the 75 million non-Slavs in the USSR--not to mention Eastern Europe--certainly did. And this perceptual problem continues, even among the intelligentsia; in Knight's words: "For many Russians democracy and self-determination do not necessarily have to extend to the other CIS states."

In a memorable 1935 quotation Stalin expressed his disdain for the Vatican by caustically quipping: "The Pope! How many divisions has he got?" Fifty years later Mikhail Gorbachev knew better than to ridicule the power of the Bishop of Rome--the former Archbishop of Krakow, Karol Wojtyla. If the fall of the Berlin Wall truly began on the Austro-Hungarian border, then surely the collapse of East European socialism began in the Lenin Shipyard in Gdansk, where the Polish Pope served as Solidarity's invisible guiding hand. Tad Szulc's admiring work, *Pope John Paul II: The Biography*, describes how he became "the first modern pontiff to turn the Vatican into a full-fledged player in world affairs." A proponent of gradualism but champion of political freedom, John Paul's discreet encouragement, moderation, and intercession allowed Poland to weather multiple crises without violence. Much of this story has not been told. Contrary to popular belief, he tacitly accepted General Wojciech Jaruzelski's imposition of martial law (made under massive Soviet threats, though Moscow now denies that it intended to intervene) as the lesser of two evils and opposed US sanctions declared in response. His actions stunned Washington, underscoring the gap between Vatican and National Security Council thinking. Speculation abounded about a "Holy Alliance" between the Great Mediator and the Great Communicator, but it proved unfounded; the Pope turned down Reagan's proposal of joint cause. Formally their approaches remained independent, if complementary, but between 1981 and 1989 John Paul received 22 US intelligence briefings with overhead imagery (no strings attached) and refrained from criticizing the US defense buildup. Yet it was his dealings with Jaruzelski, nearly as widely respected a patriot as the Pope, to which he attached the greatest importance, for they laid the groundwork for secret triangular diplomacy with Gorbachev that enabled his country to peacefully transition to democracy.

On the eve of the tenth anniversary of the Velvet Revolution, John Paul II's catalytic, behind-the-scenes role remains among the least recognized aspects of the demise of the Soviet Empire. His activity represented only one factor in its outcome, but his success in maneuvering just below Moscow's threshold of pain while averting cataclysm offers a lesson to those of us in the national security community who place our greatest reliance on the force of arms. Szulc's biography illuminates the possibilities of "another way." Still, one slightly negative issue emerges unwittingly from between the lines: the sometimes prickly nature of Polish nationalism, which NATO may soon experience firsthand.

*Enlarging NATO: The Russia Factor*, by Richard L. Kugler of RAND, outlines a conceptual framework for expanding the Alliance. The book was produced for the Office of the Secretary of Defense as a guide for strategic thought. The author does not ask *whether* NATO should expand--based on declaratory policy he believed that it should and would--but *how* to do so. His message is a well-articulated plea for integrated, long-term planning to achieve a particular vision of political and security relationships--the academic equivalent of the warning: "If you don't know where you're heading, any road will take you there." Despite disclaimers about policy advocacy, his own preferences are clear: creation of an institutional web of relationships with Russia, gradual but unlimited enlargement, an independent Ukraine, power projection to meet military contingencies, and political control over new members' weapons modernization. Kugler identifies Moscow as the greatest obstacle to enlargement ("Russia is seeking absolute security for itself, but at the cost of absolute insecurity for others"), yet he stresses that the stability that NATO seeks to promote in east central Europe also hinges on quelling multiple longstanding national antagonisms. His chapter on "The New Geopolitics of East Central Europe" is particularly vivid, but curiously, over half of this volume concerns an analysis of "statism," the idea that Russia will act like a state rather than a cause--an academic excursion that I found overdone. Ultimately, he argues, NATO can expand in a manner that both ensures stable relations with Moscow and safeguards other countries' interests. This work virtually defines NATO thinking on many issues but tacitly reflects the philosophy "expand or die." Not all accept that position.

NATO expansion created sharply split, unlikely coalitions in the Congress and the public at large. None of the familiar political labels fit the opposing groups, and the intractability of the issue can be gauged from the prominence of spokesmen on both sides. Besides Administration officials, enlargement's champions include Henry Kissinger, Zbigniew Brzezinski, Richard Lugar, Joseph Biden, and *The Washington Post*; its detractors--George Kennan, Paul Nitze, Sam Nunn, Daniel P. Moynihan, and *The New York Times*. Their rhetoric has been outspoken. Kissinger called expansion "America's most important goal," while Kennan termed it "the most fateful error of American policy in the entire post-Cold War era." The issue has raised a vast number of implied, embedded, or associated concerns, such as

the nature of the anticipated threat, ability of an expanded Alliance to provide for the common defense, Alliance strategy, the nuclear umbrella, European Union expansion and the link to a "backdoor" defense commitment from NATO via the Western European Union, admission criteria, domestic US politics, costs, Alliance leadership, Atlanticism vs. French aspirations, gratitude for past services, the legacy of historical wrongs, geopolitics, border disputes, ethnic tensions, playing the "Yalta card" of Cold War guilt, the future of democracy in Russia, and any number of others. Kugler touches on some of these questions, but one must look elsewhere for detailed answers.

Michael Mandelbaum, a political scientist at Johns Hopkins, articulated the best-known Western case against enlarging NATO in a short book titled *The Dawn of Peace in Europe*. In it he argues that "the status quo is both desirable and feasible," that NATO's principal mission has changed from deterrence of war to reassurance of countries undergoing major political and economic transformation, and that continued US commitment to the Alliance remains essential for stability in the new Europe. *Parameters* will review this volume in the near future. For now, despite his pathos-laden title and regardless of one's degree of agreement with his prescriptions, Mandelbaum has written an exceptional analysis of the hidden realities of Alliance politics, which I highly recommend.

In the past year concerns have also arisen among some of enlargement's staunchest supporters. Henry Kissinger, distressed at the arrangements codified by the NATO-Russia Founding Act, argued in a syndicated column that Moscow had succeeded during the deliberations over that agreement in acquiring greater influence over Alliance matters than even NATO members wield themselves. And indeed, Russian diplomacy does deserve credit for its gains; as a result of its tenacity and NATO's desire for positive engagement, rarely has a country negotiating from a position of weakness achieved so much. Critics also charged that no real public debate had preceded the precipitous announcement of expansion as US policy. Be that as it may, the Senate under the leadership of Kay Bailey Hutchison and John Warner helped rectify that problem by posing fundamental questions in a widely publicized letter to the President that framed the 1998 congressional debate over ratification. This document provides an excellent example of how the legislature in a democracy properly executes one of its constitutionally mandated duties.

On 1 May 1998 the Senate voted overwhelmingly to approve NATO expansion, turning down in the process draft amendments that would have imposed a three-year moratorium on further accessions and required candidate members to join the European Union before entering NATO. Thus, the door is open to the largest expansion in Alliance history. Whether the new NATO will remain the bulwark of security and cohesiveness that we have known and meticulously honed for five decades remains less certain, but Russia's subjective perceptions will continue to be a factor in that equation. The challenge that now confronts policymakers in capitals and NATO-crats in Brussels is to avoid turning that organization (*cum* offshoots) into the mocking characterization that Kissinger once offered of Gorbachev's Common European Home: "A vague structure extending from Vancouver to Vladivostok in which everyone would be allied with everyone else, diluting the meaning of alliance to the point of irrelevance."

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## Review Essay

### War By Other Means: Economic Intelligence and Industrial Espionage

**RICHARD S. FRIEDMAN**

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The 21st century will be marked by information wars and increased economic and financial espionage. All sorts of knowledge will become strategic intelligence in the struggle for power and dominance. The race for information of all kinds will be motivated not only by a desire to lead, but will be required to avoid obsolescence. It is information that will be the moving force in the 21st century. -- Alvin Toffler[1]

The Norden bombsight and the atomic bomb were the most closely guarded American technological secrets of World War II.[2] Carl L. Norden and Theodore H. Barth invented the precision bombsight in 1927. By 1931 Norden and Frederick I. Entwistle of the US Navy had perfected the invention. Because of existing security concerns, the inventors were told no patent could be issued earlier than 1947, by which time the instrument was expected to be obsolete. After the bombsight was adopted by the US Army Air Corps in 1931, it was kept under armed surveillance at all times. Despite all these precautions, the Norden was compromised in 1938 and delivered to the Nazis by a German spy.[3] The atomic bomb secrets were acquired by the Soviet Union even before the bomb was dropped over Japan.[4]



These two vital and closely guarded military technologies were obtained by foreign powers in wartime. Concern about loss of civilian and dual-use technology today, in peacetime, should not come as a surprise.

In 1993, Peter Schweizer aroused considerable interest with his book, *Friendly Spies: How America's Allies Are Using Economic Espionage to Steal Our Secrets*. Appearing in the wake of a number of sensational cases, Schweizer's book began to make the American public and industry aware of a growing problem. A broader perspective on the subject of economic espionage, from Pierre Marion, a longtime senior official of the French Intelligence Service, is relevant:

I think you have to separate very clearly what are the fields which are covered by an alliance and the fields which are not covered by an alliance. It's clear that when you are allies, you have certain sectors. I'm speaking of the armaments. I'm thinking of diplomatic matters where normally you should not try to gather intelligence. But in all of the other fields, being allied does not prevent the states from being competitors. Even during the Cold War, the economic competition between the states is moving from the political-military level to the economic and technological level. In economics we are competitors, not allies. I think even during the Cold War getting intelligence on economic, technological, and industrial matters from a country with which you are allied is not incompatible with the fact that you are allies.[5]

M. Marion's views reflect those of leaders in other nations. The fact that in a number of nations many industries are government-owned suggests that Marion's belief may be considered both logical and pragmatic.

In *War by Other Means: Economic Espionage in America*, a broad-ranging examination of economic espionage, John J. Fialka introduces readers to the subject by reciting the story of Francis Cabot Lowell of Massachusetts who traveled to Great Britain in 1811 and returned with the secrets of the Cartwright loom. This act of economic espionage revolutionized the New England textile industry and greatly enriched Lowell. Fialka points out,

Spies are normally associated with wartime and the theft of military technology. In the vast popular literature, there is hardly a mention of the peacetime industrial spy. One reason may be because spy stories tend to blossom when wars end. War is relatively clear-cut; there is a winner and an eventual loser, a beginning and an end. The end is normally the signal for the memoir writers to begin, but the economic struggle that attracted Lowell's stealthy genius is not clear-cut. Winners win quietly, and losers are often unconscious of loss, or too embarrassed to admit it. And it is a war that does not end. The stage for the studiously low-key dramas of economic espionage is set, as one perceptive French writer puts it, in a kind of perpetual limbo, where there is "neither war nor peace." [6]

Educated as a lawyer, Fialka is a *Wall Street Journal* correspondent and investigative reporter. He covered the Gulf War as the *Journal's* lead reporter, and his book *Hotel Warriors* is about Operation Desert Storm. His analysis, methodology, and narrative style will be familiar to readers with a military background. Fialka concludes that economic warfare conducted against American technologies constitutes a time-lapse Pearl Harbor, and he establishes a broad outline of what he believes should be the US response to this form of international competition.

The books in this essay, selected from a growing number, all address what the press has come to call *business intelligence*, *economic espionage*, *commercial intelligence*, and *industrial espionage*. The terms are frequently used interchangeably, although *business intelligence* is usually taken to mean the common practice of one business collecting information about another. If, however, the collection process is covert or undertaken by clandestine methods, *industrial espionage* is more accurate. *Business intelligence* can also include "dirty tricks" that seek to disrupt the operations of competitors.

Besides the collection of information about competition, businesses use a broad range of operations, including security measures and private counterintelligence, to protect and advance their commercial interests. The important distinction is that *business intelligence* in the United States does not involve the national government; it is entirely a matter of business against business. *Economic intelligence*, however, can involve a government that engages in collection of information on behalf of its business sector. This is in the nature of a government-business association in competition against foreign companies.

While Fialka introduces readers to his book by relating the story of Francis Cabot Lowell, Ira Winkler, a former

National Security Agency analyst, begins his book *Corporate Espionage* by quoting a homely example from one of Ann Landers' advice columns in which she responds to a correspondent's lament about an aunt who "stole" trade secrets and business from a dear old grandmother. Like Fialka's book, Winkler's quickly takes the reader into the heart of today's international business world, in which commercial intelligence is of increasing value and hence of concern to businesses and governments alike.

If Fialka's book were compared to Clausewitz's *On War*, as a general philosophic treatise on the subject, then Winkler's book resembles Henri Jomini's practical guidebook for the military commander--Fialka deals with policy and grand strategy, while Winkler has produced a "how-to" manual for the industrial commander. Winkler cautions readers,

No matter who is out to get you--your competitors, foreign government, disgruntled employees, and so on--your attackers can only get to your organization through your vulnerabilities. It's up to you to learn what those vulnerabilities are so you can figure out what are the appropriate steps to take to reduce your risk. *You should not become so preoccupied with technical vulnerabilities, which is what most people do, especially since you're more likely to be hit through operations, physical, or personnel exposures.*[7]

Winkler relates a number of fascinating anecdotes to illustrate his major points; they make interesting reading, and each carries a specific lesson. One example demonstrates the usefulness of his book. In the chapter dealing with employees, Winkler provides a case study of a newspaper advertisement for technical help. He points out that the ad gave potential technology thieves complete details about the sensitive work in which the company was engaged. The follow-on discussion indicates how to prepare an advertisement that would seek the same skills without revealing sensitive or confidential data. This book, while focused mainly on commercial operations, has considerable value for anyone who has an interest in safeguarding sensitive or confidential information. The case studies and lessons learned have application not only to business and industry but to government security as well. Indeed, the volumes discussed here, and other new ones appearing monthly, sound an alert and often suggest practical solutions.

Despite the examples given by Fialka and Winkler, there are proprietary secrets that have been preserved for a long time. The Benedictine Order of Monks, founded in the 6th century, has managed to keep the recipe for its famous liqueur a secret. When a descendant of the inventor of Coca-Cola was rumored to be considering selling his family's secret formula, Wall Street analysts tried to discount the potential damage because of the name recognition of the product, other products, and a broad range of other resources. The formula apparently is still secret.

In arguing for national recognition of the problem and adopting a program for solutions, Fialka quotes Dr. James P. Chandler, a George Washington University Law Center professor who has pressed for a solution because the loss of valuable innovation may not be replaceable in a future when defense and corporate research budgets are severely reduced. Dr. Chandler states, "It is impossible for the US to continue to transfer its intellectual property out of this country into a no-man's land of laws that doesn't protect the technology once it's gone." Fialka insists, "We need a coherent, modern body of criminal law that deters economic espionage. Congress has made a good start with a new law that makes it a federal crime to steal proprietary economic information." [8] Because of increasing concern about foreign and domestic economic and industrial espionage directed against US interests, in October 1996 Congress enacted legislation making disclosure of trade secrets related to products sold in interstate commerce a criminal offense.

On 24 September 1997, Steven L. Davis, a resident of Washington, Iowa, was charged in a ten-count indictment with wire fraud and theft of trade secrets, the first prosecution under the new legislation. A federal grand jury in Nashville, Tennessee, concluded that Davis stole and disclosed trade secrets concerning development of a new shaving system by the Gillette Company of Boston. The indictment alleged that Davis, a process controls engineer for Wright Industries, a Tennessee designer of fabrication equipment, was hired by Gillette to assist in development of the new shaving system. Both Gillette and Wright Industries agreed the project was sensitive and confidential.

The indictment charged that during February and March 1997, Davis disclosed technical drawings to Gillette's competitors in the razor market, Warner-Lambert, Bic, and the American Safety Razor Company. The disclosures were accomplished by fax and e-mail, and Davis was therefore also charged with wire fraud. In Boston US Attorney

Donald K. Stern, announcing the indictment, said:

Congress correctly understood that, in this day and age, stealing trade secrets can be more damaging than breaking into a company's warehouse and stealing its inventory. That is particularly so in Massachusetts, where intellectual property is our life blood. In this case, it is alleged that the defendant stole Gillette's shave secrets.[9]

A short time later, on 2 October 1997, the Justice Department announced from Washington the indictment of Taiwan businessman Yang Pin-Yen and his daughter Yang Hwei-Chen for allegedly stealing trade secrets from Avery Denison Corporation, a California manufacturer of adhesive products. The 21-count indictment charged that the Yangs plotted from 1989 to 1997 to defraud Avery Denison and illegally obtain its trade secrets. The indictment charged that the Yangs met in Cleveland on 4 September with an Avery company employee, Lee Ten-Hong, to obtain confidential and proprietary information in violation of the 1996 Economic Espionage Act. (Lee plea-bargained with the prosecution to one count of wire fraud in exchange for his full cooperation in the case against the Yangs and their Taiwan company, Four Pillars, a manufacturer of pressure-sensitive products in Taiwan, Malaysia, Singapore, and the United States.) This is the second case against Taiwan nationals under the new law, following the 10 July indictment of three people for trying to steal trade secrets from Bristol-Myers Squibb, the pharmaceutical manufacturer.

Obviously corporations have difficulty replicating the ability of the Benedictine Monks and the Coca-Cola Company to keep their proprietary secrets. The intent of Congress has been to provide the economy and industry a new weapon in their security arsenal. In judging the success of the legislation, we will have to wait and see if industrial secrets will be kept more secure than, for example, the Norden bombsight and the atomic bomb.

When Francis Cabot Lowell stole the Cartwright loom technology, that secret too was protected by strict laws, one of which prohibited individuals such as Lowell from even visiting mills. The prohibition from visiting was waived in Lowell's case by the company because the management was contemptuous of the Americans and could not imagine they would understand what they saw. Upon departure, Lowell, his family and their baggage were all searched twice by British Customs agents, who found nothing. The secrets left England in Francis Lowell's encyclopedic memory.

## NOTES

1. Alvin Toffler, *Powershift: Knowledge, Wealth and Violence at the Edge of the 21st Century* (New York: Bantam Books, 1990). Author of *Future Shock*, Toffler is a well-known scholar and "futurist."
2. The production of the Norden bombsight, an intricate mechanism with over 2000 parts, was accomplished in a suburb of New York City, shrouded in secrecy and protected by armed guards.
3. Although the Germans had all of the Norden secrets, they never made any use of this information since they apparently did not realize what they had obtained.
4. In 1950 a Soviet spy ring was uncovered in the Los Alamos atomic installation. These events, together with the explosion of a Soviet atomic bomb in 1949 and the victory of the Communists in China that same year, prompted a widespread conviction that subversive conspiracies within the US government would lead to Soviet triumph.
5. Quoted in Peter Schweizer, *Friendly Spies* (New York: Atlantic Monthly Press, 1993), p. 9.
6. John J. Fialka, *War by Other Means: Economic Espionage in America* (New York: W. W. Norton, 1997), p. xii.
7. Ira Winkler, *Corporate Espionage: What It Is, Why It Is Happening in Your Company, What You Must Do About It* (Rocklin, Calif.: Prima Publishing, 1997), p. 111. Emphasis added.
8. Fialka, p. 206.
9. *U.S. v. Davis* (US District Court, MD, Tennessee), "Guilty Plea in EEA Case" (from R. Mark Halligan, esq., 12 May 1998). Leah Gregor, Beveridge & Diamond, P.C., reported that Mr. Davis pled guilty in the Gillette/Davis EEA

prosecution. Mr. Davis was sentenced to 27 months of imprisonment and ordered to pay restitution. (Readers with Internet access who are interested in tracking cases under the Economic Espionage Act of 1996 may want to examine the web site at: <http://www.execpc.com/~mhalign/>.)

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## Review Essay

### Amphibious Operations

JEFF KOJAC

Whether in the future the United States projects power unilaterally or as part of a coalition, it is likely to do so with a joint force. Inasmuch as all joint campaigns enjoy the difficulties and complexities of multiservice interoperability, amphibious operations are especially susceptible to the friction and uncertainty resulting from requirements for interservice cooperation. Ship-to-shore movement, shore bombardment, establishing a beachhead, and advancing beyond the beachhead are not easy matters. Because of the problematic nature of amphibious operations, and unfamiliarity with them, some Army and Air Force officers doubt their efficacy. For example, in a 1997 *Foreign Affairs* article, Lieutenant General William Odom (US Army, Ret.) dismissed the operational requirement for US amphibious operations in the post-Cold War world. Odom's pronouncement was reminiscent of the comment made in 1949 by General of the Army Omar Bradley, then Chairman of the Joint Chiefs of Staff, that amphibious assaults had no place in the atomic age. That was just a year before the US landing at Inchon. By contrast, the current Chairman, General Henry Shelton (USA), recognizes that airlift and airpower are not a panacea for the requirements and difficulties of power projection. Shelton used amphibious forces, including an Army airmobile assault force aboard an aircraft carrier and a Marine air-ground expeditionary unit, as a major portion of his joint force when he commanded Operation Restore Democracy in Haiti in 1994.

Four books recently published by the US Naval Institute Press discuss selected 20th-century amphibious operations. These works are historical studies; none answers the question of whether or not amphibious operations are relevant to the 21st century. Nonetheless, each builds a reader's perspective and raises several points pertaining to the nature of amphibious operations which are important for joint and Army command and staff officers to understand if they are to take advantage of this globally applicable form of power projection.

Of the four books reviewed here, *Amphibious Assault Falklands* is the most informative regarding the nuts and bolts of amphibious operations. Written by the commander of the British amphibious task force and the Royal Marine officer who served as the task force's adviser on Falkland topography, it provides an insider's view of the details and human

relations which are the keys to success in such operations. Before the Falklands War, the British armed forces were focused on contributing to NATO's defense of central Europe against the Soviet threat and peacekeeping duties in Northern Ireland. Fortunately for the British, the Royal Marine 3 Commando Brigade had been retained for use against the Baltic flanks of the Warsaw Pact. Using their training for Baltic landings, the Royal Navy and 3 Commando Brigade were able to respond to the occupation of the Falklands and take advantage of Argentinean mistakes and misfortunes. The British army and air force did not believe the enterprise would succeed, and distanced themselves from the operation until it was well under way. It is important to recognize also that if the Argentinean Junta had waited a year to invade the Falklands--giving itself the time to acquire additional Exocet air-to-ship missiles (Argentina had only five in 1982) and the British the time to sell or mothball half of their amphibious ships--it is unlikely the British could have successfully challenged the armed occupation of the Falklands. The book makes two points, clearly and repeatedly: first, without preparatory training amphibious operations are likely to suffer from terrible blunders; second, amphibious power projection is absolutely necessary when there is no local host-country support.

*Sea Soldiers in the Cold War*, written by two retired US Marine Corps officers, provides a summary history of amphibious assaults, global amphibious force structure, and technological development in support of amphibious operations from the end of World War II to the conclusion of Desert Storm. The authors review amphibious operations in major regional conflicts. However, they comment only in passing on the ground-breaking British use of helicopters in an amphibious assault during the Suez Crisis (1956); the amphibious deployment of US forces into Lebanon (1958, 1982-84), the Dominican Republic (1965), Grenada (1983), and Iranian oil platforms (1987-88); and the Cuban Bay of Pigs landing fiasco (1961). The authors do not provide lessons-learned from these landings in the course of low-intensity conflicts, even though these are the sorts of operations most likely to be repeated in the post-Cold War world of peacekeeping, humanitarian missions, peace enforcement, and noncombatant evacuations. Nonetheless, *Sea Soldiers in the Cold War* demonstrates the flexibility of amphibious forces and the variety of operations they can undertake in diverse conflicts and circumstances.

Discussing the amphibious assaults of World War II, *To Foreign Shores* covers the many US Army landings in the North African, European, and Pacific theaters, as well as the Marine Corps' smaller landings during the Pacific island-hopping campaign. Written by a respected naval author, this book pays repeated notice to the operations and technology of American landing craft. The reader comes away from the book with the perspective that the US Army was highly dependent on amphibious operations for maneuver and forcible entry into enemy territory during World War II. This well-written book moves back and forth from the campaign level to the personal level, though it does not contain a thorough analysis of why disparate American forces could succeed consistently throughout very different amphibious operations around the globe.

With *At the Water's Edge*, Theodore Gatchel, a former instructor at the Naval War College, investigates Sir Walter Raleigh's statement that "it is more difficult to defend a coast than to invade it." This is a unique perspective. Most authors on amphibious assaults look at matters from the viewpoint of Liddell Hart, who wrote, "A landing on a foreign coast in the face of hostile troops has always been one of the most difficult operations of war." Gatchel provides the perspective of the German and Turk defenders at Gallipoli in 1915, the German and Japanese defenders during the Second World War, the North Koreans in 1950 (contrasting their failure at Inchon with their success at Wusan), and the Argentine military in 1982. Additionally, Gatchel takes a profitable look at British preparations to defend against Nazi invasion in 1940. His thesis is that one of two factors will be most important in defeating an amphibious operation: destruction of the amphibious task force at sea, or deterring the operation with heavy use of sea-mines. *At the Water's Edge* would have been strengthened with a look at the Allied debacles in Norway in 1940 and at Dieppe in 1942 with a view to demonstrating lessons learned by both sides in preparation for the Normandy landings. Additionally, Gatchel is silent on the experiences of the Russians and the Germans in Black Sea and Baltic amphibious landings. He might also have provided another look at defending against amphibious assaults if he had considered the preparations the British and New Zealanders made on Crete, and assessed the German airborne assault of the island in relation to that defense.

Without question, the prospect of US armed forces making Tarawa-like amphibious assaults against well-fortified positions in the near future seems unlikely. *To Foreign Shores* plainly demonstrates, however, that the US Army's amphibious landings in North Africa, Italy, southern France, the Philippines, and New Guinea were not against

fortified positions either. Additionally, *Amphibious Assault Falklands* points out that the British were able to make a landing against the Argentinians in 1982 which was not opposed by ground or naval forces. As *At the Water's Edge* notes, long coastlines make it difficult for even large armies to defend each potential landing beach. Thus, amphibious operations allow joint force commanders to move to where the enemy is not, or to serve as a feinting force in order to fix in place some portion of the adversary's forces.

Amphibious forces can project American power rapidly and effectively to a region, and loiter indefinitely in that region as a deterrent force. Conversely, if ground and air forces are deployed to a nation they are susceptible to terrorist action (Saudi Arabia, Lebanon) or to escalating tensions (Taiwan). And since the United States cannot afford to sustain static deployment of ground and air forces in all potential crisis locations, an amphibious capability permits discretionary allocation of force. To cite a recent example, a single amphibious unit was responsible for operations in Zaire, Sierra Leone, and Albania during the spring of 1997.

It is unlikely that there will be resident US forces with host-nation support where future geopolitical crises occur--in most cases, a resident force might be able to deter a local crisis in the first place. The overland deployment of US forces to a crisis, such as the NATO deployment through Hungary and Croatia to Bosnia, requires the approval of the nations being transited. NATO allies France, Spain, and Italy refused to permit US aircraft to transit their airspace for Operation El Dorado Canyon against Libya in 1986, demonstrating that there are no assurances that any nation will grant US air or surface transit rights in a crisis. It is furthermore unlikely that the United States will again have six months to prepare for combat in a nation which borders a crisis, as it did during Desert Shield. *Amphibious Assault Falklands* emphasizes that the British had no realistic airlift option between Europe and the South Atlantic: even the British parachute battalions went across the beach. Likewise, *Sea Soldiers in the Cold War* shows that airborne assaults cannot be relied upon to provide sufficient force even for low-intensity conflicts: the US interventions into the Dominican Republic (1965) and Grenada (1983) required amphibious helo-seaborne forces, just as the Haiti operation did in 1994; Desert Storm's force buildup relied on prepositioned shipping and sealift from the United States.

These four books provide a record of US armed forces' requirements for forced entry from the sea since 1941. Looking ahead, the flexible nature of amphibious operations is well-fitted to the global security requirements of the 21st century. Lessons learned from past and current events argue in favor of joint force commanders and their staffs understanding amphibious operations and being prepared to take advantage of this unique power-projection capability which can put substantial American forces on foreign land anywhere, anytime.

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