

N A T O S E C R E T

-17-

C-M(81)93

72. The activities of the KGB are generally closely interwoven with the normal diplomatic activities of the Soviet Embassy. In their attempts to exert political influence and to collect general political information the KGB intelligence officers act in such a way that it is very difficult to distinguish between overt and covert activities. For example, the head of the Embassy's press section is an official of the International Department of the Central Committee of the CPSU and the TASS and NOVOSTI correspondents are KGB officers. In April 1981 the TASS correspondent was declared persona non grata as a result of clandestine contacts with a Dutch civil servant who had access to highly classified material.

Defence

73. In the field of defence there are two main targets: defence policy and military installations including armament. Both continue to be important to all Soviet bloc Services. Within the past year they have placed special priority on:

- NATO military capabilities;
- infrastructure of the French military forces;
- Trident submarine programme;
- laser weaponry development;
- anti-submarine warfare technology;
- US Air Force strategic bombers;
- the neutron bomb;
- the MX missile;
- US military manpower recruitment policy.

74. A prominent member of the Hungarian Intelligence Service who was Assistant Military and Air Attaché of the Hungarian Embassy in Rome since September 1977 was requested to leave Italy on 31st July, 1981 because he had been gathering information about the Italian armed forces.

75. In France, the Polish diplomat Wincenty GADOMSKI, acting Polish Consul at Lille, was recalled following his attempts not only to recruit agents among the Polish émigré community in Northern France but also to develop contacts with a senior reserve officer of the French army aimed at his ultimate recruitment. During meetings with an agent, coming from abroad, GADOMSKI had requested him to obtain documentation on military equipment used by NATO forces.

76. On 28th June, 1981 an employee, William Holden BELL, of Hughes Aircraft Company was arrested and charged with espionage for the PIS in the United States. He had furnished highly classified documents on US military weapons and radar systems to a Polish national who was President of the United States operations of the Polish American Machinery Company and, at the same time, a known PIS intelligence officer.

77. In July 1981 Joseph George HELMICH, a US national, was charged with delivering to the Soviet Union Secret and Top Secret repair and maintenance instructions for the KL-7 crypto-system, technical details concerning the rotors of the KL-7 crypto-system and key lists for the system.

N A T O S E C R E T

-17-

N A T O S E C R E T

C-M(81)93

-18-

HEMLICH delivered the material to the Soviets in Paris in 1963, while serving with the US Army as a cryptocustodian. It was also determined that the agent had received instructions in espionage tradecraft, including photography, secret writing, and methods of clandestine communications. In 1980, it was determined that HELMICH planned to, and in fact did, make trips for the purpose of meeting with representatives of the SIS which were to provide him with an opportunity to claim funds which the Soviets had agreed to hold for him as future payment for services rendered in the past.

Science and Technology

78. In the field of science and technology increasing efforts by the Soviet bloc, the Chinese and North Korean Intelligence Services have been observed: particularly in advanced electronic and computer technology and in energy-related, including nuclear, technology. The Soviet Union has also shown interest in offshore oil drilling and Arctic-related technology, marine propulsion and developments in aviation engineering and aircraft fuel systems. In comparison with former years the Chinese interests have shifted to more sophisticated equipment such as electronics and computers.

79. Among the Soviet bloc countries of Eastern Europe, Poland has maintained an aggressive and certainly, in terms of numbers, the largest intelligence presence within the United States. The PIS remain adept at acquiring scientific and technical material by circumventing, through a variety of means, US Department of Commerce export controls. Such material has been acquired in purchases by individual Polish intelligence officers and also by Polish owned and controlled corporations, operating within the United States. On the other hand, PIS operations have been undermined within the past year by the defection of a critically placed Polish intelligence officer.

80. A large part of the scientific and technological intelligence is gathered from unclassified material. Often research fellowships granted to members of Soviet bloc countries are used as cover for intelligence purposes. In some cases KGB officers have themselves enrolled in courses of study as part of their pursuit of scientific and technical information. In this field security precautions are not very high and the open-mindedness of the Western society is most helpful to Soviet bloc countries and saves them each year millions of dollars they would otherwise have to spend either on purchases in Western countries or in investments in research programmes.

81. In Italy two Soviet intelligence officers were expelled for gathering information about electronics in the military field and about nuclear technology. One was working under cover in a Soviet commercial representation in Rome, known for some time as cover for intelligence officers of the Soviet Military Intelligence Service (GRU). The other one had worked in a Soviet Italian enterprise; an example how the SIS exploit commercial relations for espionage purposes.

N A T O S E C R E T

-18-