



Written by [C. Mitchell Shaw](#) on February 14, 2020

Given “Intelligence Coup of the Century,” How Can U.S. Explain Foreign Policy Failures?

A recent joint report by the *Washington Post* and ZDF, a German public broadcaster, reveals that for decades leading up to 2018, a Swiss company that made encryption devices and software for more than 100 countries in the world “was secretly owned by the CIA in a highly classified partnership with West German intelligence.” The report also lays bare the well-kept secret that the CIA and West German intelligence “rigged the company’s devices so they could easily break the codes that countries used to send encrypted messages.”



It has been called “The intelligence coup of the century” in a classified CIA report obtained by the *Post*. The implications are staggering and far reaching. As the *Post* [reported](#):

For more than half a century, governments all over the world trusted a single company to keep the communications of their spies, soldiers and diplomats secret.

The company, Crypto AG, got its first break with a contract to build code-making machines for U.S. troops during World War II. Flush with cash, it became a dominant maker of encryption devices for decades, navigating waves of technology from mechanical gears to electronic circuits and, finally, silicon chips and software.

The Swiss firm made millions of dollars selling equipment to more than 120 countries well into the 21st century. Its clients included Iran, military juntas in Latin America, nuclear rivals India and Pakistan, and even the Vatican.

But what none of its customers ever knew was that Crypto AG was secretly owned by the CIA in a highly classified partnership with West German intelligence. These spy agencies rigged the company’s devices so they could easily break the codes that countries used to send encrypted messages.

The CIA report “describes how the United States and its allies exploited other nations’ gullibility for years, taking their money and stealing their secrets,” according to the *Post*. That CIA report goes on to say that in the operation — first code-named “Thesaurus” and later “Rubicon” — “Foreign governments were paying good money to the U.S. and West Germany for the privilege of having their most secret communications read by at least two (and possibly as many as five or six) foreign countries.”

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Crypto AG, the CIA-owned and operated company that sold back-doored encryption to 120 nations, was — from the 1950’s until the past couple years — a direct line into the most secret communications of foreign governments for the CIA and NSA. Those governments were not limited to just America’s enemies. The list included nations Washington considered allies and even nations for whom the United



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States went to war, such as Kuwait.

The United States and West Germany were not stingy with the intelligence gained from the sale of deliberately compromised encryption devices. The report shows that “at least four countries — Israel, Sweden, Switzerland and the United Kingdom — were aware of the operation or were provided intelligence from it by the United States or West Germany,” according to the *Post*.

Perhaps the greatest implication of the now-revealed scheme is best phrased as a question. Given that the U.S. Intelligence Community had secret and unhindered access to the communications of nations across the Americas, Europe, Africa, the Middle East, and Asia, how was it possible for American foreign policy to be so bad? How can anyone who knows so much make such colossal mistakes? And — just to put in the for-what-it’s-worth column — remember that during the period when the CIA and NSA had access to all those communications, American bases and interests were attacked and Americans were killed by forces within the nations we were listening to.

It brings to mind a famous quote from James Forrestal, the first secretary of defense (before that, the office was known as secretary of war). Speaking of the way the establishment had handled foreign relations with Russia, he said, “Consistency has never been a mark of stupidity. If the diplomats who have mishandled our relations with Russia were merely stupid, they would occasionally make a mistake in our favor.”

The implication for us now is that dealing with Eastern Europe, Asia, Africa, and the Middle East from the 1950’s until well into the 2000’s — as with Russia in the 1940’s — the “mistakes” in foreign policy were not mistakes at all, but carefully planned and stage-managed failures used by powerful Insiders to advance their agenda at the expense of American sovereignty, interests, and lives.

Image: metamorworks via iStock / Getty Images Plus

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