

Panel III "Espionage and Counterintelligence"

Lloyd Salvetti:

[Our next panel] is focused on intelligence operations with a particular focus on espionage and counterintelligence operations in the final stages of the Cold War. The panel chair is Jim Olson, a career CIA operations officer and presently CIA Officer in Residence at the George Bush School. Among the senior assignments he held in his 30-plus-year career, Jim was Chief of CIA's Counterintelligence Center and was involved in counterintelligence operations for his entire career. So we have a great panel. It's going to be a great discussion. Jim.

James Olson:

Thank you, Lloyd. It is my pleasure to chair the panel on espionage and counterintelligence, and it's a particular pleasure also to see again so many of my friends and colleagues from the CIA and from elsewhere in the Intelligence Community. I should add that I am so happy to see here today also so many of my new friends, colleagues and students from the Bush School, and from Texas A & M University. One of the most intriguing aspects and one of the most vital aspects of the Cold War was the confrontation which took place between the two largest and most powerful intelligence services in the world, the CIA and the KGB. This confrontation occurred not only in Washington and Moscow, but also in most of the capitals of the world, where CIA and KGB officers competed daily to penetrate the other side's secrets. On our panel today,

we have two of the foremost practitioners of the art of espionage and counterintelligence, one from each side, and a distinguished historian who has written extensively on the subject. Major General Oleg Danelovich Kalugin, to my immediate right, was born in Leningrad. His father was an officer in Stalin's NKVD, as you know, the predecessor service of the KGB.

General Kalugin began his overseas intelligence career under cover first as a student, then as a journalist, in New York. From 1965 to 1970, he served as deputy chief of the KGB Residency at the Soviet Embassy in Washington. He became the youngest general in the history of the KGB, and eventually rose to the position of head of foreign counterintelligence. In his illustrious career, General Kalugin played a key role in some of the most notable and controversial intelligence operations of the Cold War, including Nicholas Shadrin, Georgi Markov, and John Walker. General Kalugin resigned from the KGB in 1989, and became a critic of the KGB and the Communist system. Today he is chairman of a consulting firm based in Washington that provides information services to business in the former Soviet Union. General Kalugin is the author of *The First Directorate: My 32 years in Intelligence and Espionage Against the West*.

Mr. Paul Redmond, to my far right, was born in Massachusetts and graduated from Harvard. Served in the CIA as a case officer and Chief of Station from 1965 until his retirement in 1998. Mr. Redmond's career was devoted almost exclusively to espionage and counterintelligence operations against the Soviet Union. Mr. Redmond played key roles in the investigations of some of the major spy cases of the 1970s and 1980s, including Aldrich Ames and Harold J. Nicholson. He served in East Europe, East Asia, Europe and CIA Headquarters. Since his retirement last year from the CIA, Mr.

Redmond has worked in the field of business counterespionage and as a consultant on counterintelligence issues for the Permanent Select Committee on Intelligence in the House of Representatives. Among other assignments there, he's reviewed the counterintelligence policies and practices of the Department of Energy and the nuclear weapons laboratories.

Allen Weinstein, seated in the middle of our panel, was a Professor of History at Smith College and chairman of its American Studies Program from 1966 to 1981. From 1981 to 1984, he was a Professor of History at Georgetown University, and then at Boston University from 1985 to 1989. He's held visiting professor appointments at Brown, Columbia, and George Washington University. From 1982 to 1984, he directed the research study that led to the creation of the National Endowment for Democracy. Since 1985, Professor Weinstein has been a member of the Board of Directors of the United States Institute of Peace. Professor Weinstein has a very long list of publications, and two of his most recent ones are particularly relevant toward the discussion here today: *The Haunted Wood: Soviet Espionage in America*, *The Stalin Era* was published in 1999, and *Perjury: The Hiss-Chambers Case*, an updated version of his earlier work by the same name was published in 1997. I'd like to note that I use both of those books in the courses I teach here at the Bush School. Professor Weinstein served as the historical consultant for two History Channel programs on Soviet espionage in 1998 and 1999. He is currently the president and CEO of the Center for Democracy in Washington, a non-profit foundation established in 1985 to promote and strengthen the democratic process in countries around the world.

To start our discussion, I've asked each of the panelists to make a five-to-seven minute presentation on his view of the CIA-KGB confrontation. General Kalugin and Mr. Redmond, as practitioners, will comment on the successes and failures of their own services, and also their perceptions of how good the other side was. I've asked Professor Weinstein to provide an historical perspective on CIA and KGB operations during the 1970s and 1980s, and to provide his informal verdict on who won the human intelligence war. [Laughter from audience.] That's right wasn't it, Allen? After the opening presentations, each of the panelists will have the opportunity to address one or two what I hope will be probing questions to the other panelists. I anticipate this will allow ample time at the end for questions and comments from the audience. Our leadoff speaker will be an extremely capable, professional intelligence officer and a worthy Cold War adversary, Major General Oleg Kalugin.

General Kalugin:

Most intelligence services tend to lose the sense of realism and modesty once they go public; it's a natural phenomenon. Russian intelligence is the best in the world. Period. These words are not mine. They belong to the current chief of the Russian SVR, Mr. Vlasislav Trupnikov who, I understand, was on a visit to Washington a few days ago. Well, he singled out the Brits as the second best, by the way. The CIA was treated with disdain as a shattered, shaken organization, which is incapable of delivering or performing today. He said this two years ago, though; things may have changed since. I would not come here to disseminate propaganda. This is not my job these days. I would

certainly want to emphasize substantive differences between the former Soviet intelligence, and I was one of the Soviet Cold Warriors. I've never concealed the fact. There was a substantive difference between the two services for perhaps two major reasons. The Soviets were obsessed with human intelligence and not only in terms of collection of intelligence, but as a means to promote the cause. Actually, all the great collection of information provided by Soviet intelligence was subordinated to a single cause: to weaken, deceive, confuse, injure, damage, and destroy the other side. Well, if I understand correctly the CIA, and I was involved as a counterpart for years, this country's intelligence was obsessed excessively with technical collection as well as analysis. We never had these problems, because the human sources provided us with excellent [information]. In fact, in terms of numbers, sheer numbers, we would beat any country. That's true.

In terms of ultimate, eventual outcome, well, this is where we have a school of thought which says, intelligence played little if any role in the outcome of the Cold War. Economic power, technological progress, political imperatives, and geographic situations, they shaped the contemporary war. And yet, and yet, had it not been for the Soviet intelligence, we would have probably created and tested our atomic weapons not in '49, maybe '55. The Soviet intelligence displayed a crucial role in providing the Soviet scientific community, very talented, I wouldn't doubt that, but with timely and precise information of technical nature which allowed us to become on a par with the United States. In '45, Stalin thought we roll our tanks to the Atlantic shores. It was America's nuclear superiority which prevented Russians from going over the board. Now, and again, if I think of John Walker, another guy who provided us with strategic intelligence,

I may quote Admiral Studeman who said that “Had military conflict erupted between the two super powers, the compromised cryptographic material would have powerful war winning implications for the Soviet side.”

Now, in counterintelligence business we were also pretty good at one point. For some time we did manage to obtain, there were several names today dropped like Agee and Ames and others. But, in the long run.... Actually, we managed with the help of Ames to expose a whole ring of CIA spies in the USSR. In the long run, in the final analysis, the score would be 5 to 1 in my count in favor of the United States on counterintelligence issues. I'll explain if someone wants me to elaborate on this subject.

Now, in the United States, analysis was extremely important because of lack of human resources inside the USSR. In 1950, there were no CIA assets in Russia. There were 200 in the United States, Russian, Soviet assets. Well, I must say that recent publication of the *US News and World Report* was fantastic. They claimed, the author claimed that we ran 500 agents in the United States in the late '70s and early '80s.

Absurd! Barely a dozen were run at that time. So I consider this publication as a typical piece of disinformation by the Russian intelligence service. [Laughter from audience.]

Now, let me go back to analysis. Well, we didn't have to have great analysis. Well, the CIA had several thousand people involved, right? We had 150 or so. We didn't need that analysis because we knew that the Western societies will crumble down anyway. It was preordained, I mean, by the very nature of Soviet Communism. We would never report in the political intelligence to our leaders, we would never deviate from the Party line, and in the final years of Brezhnev, when he was sick and really disinterested in anything, Khrushchev, the chairman of intelligence, would say, “No more than a thousand

words and never just upset the Party Secretary General because if he's upset," well, he was very emotional at the time. That was the political intelligence. In scientific technological, we did a great job. In military we did very well. In counterintelligence I will explain.

Now, I come to probably a very important item and this would probably give reason for me to ask questions from my former counterpart, Mr. Redmond. It was Nicolai Berdaev, a great Russian philosopher, who said in the '20s, "Communism cannot be defeated physically, it must be eradicated from the souls." We claim the Cold War is over. That's true. Major battles are won, the fire was extinguished, the ideological clash which really threatened the very existence of mankind is now over. But the ashes are smoldering. Russia is not free from the old totalitarian and imperial mentality. If you watch President Yeltsin's performance in Turkey, and some of the statements and actions by the Russian military, they would prompt you and immediately alert you to the possibilities that Cold War may be revived in a different form, not ideological but in another confrontation rivalry where my country--and I'm a citizen of Russia by the way-- may pose, once again, a threat to the world and to stability in the world. Well, at that point I will hand over. I exhausted my time.

Mr. Redmond:

Oleg's quoting of the good General Trupnikov is perhaps the most comforting thing I've heard in a long time. Clearly they have no idea of the wonderful things we are

doing against them. [Laughter from audience.] Congratulations to George, and he's finally learned to keep secrets there, apparently.

The United States recognized the Soviet Union in 1933. By 1934, they had major spies already in the State Department, whether it was Duggan, unknown codename "Willy" we were just talking about who was not yet identified. The United States Congressman named Dickstein was a controlled source, agent of the NKVD. Hiss, I think, was working by then. They had staff officers in place, both illegal and illegal, the great Boris Bazarov in New York, Peter Gutzeit in New York, Akhmerov I think came to this country to set himself up the great illegal in '34 or '35. So what you had by 1936, at the latest, was a well-established apparatus with many agents stealing us blind already by professional intelligence officers. There was no CIA at that point, there was no intelligence presence in Moscow, but we did have an American ambassador at that point, named William Bullitt, who said, "We should never send a spy to the Soviet Union. There's no weapon at once so disarming and effective in a relationship with the Communists as sheer honesty."

That's where I start. That's where our collection efforts began. In effect, the espionage Cold War, in my view, began, before World War II. Of course then we have the atomic spies during the War, exposed afterwards. We then have another distinguished American ambassador after the War, Joseph E. Davies, (was he during the war?) who said that "the Soviets had--he said this in '46--a moral right to resort to espionage because our not giving them the atomic secrets was a hostile act." We got off to a wonderful start, operating in Moscow. In the period 1948 - 50, we sent two Chiefs of Station. The first had eight days of training, the second one had 21 hours. One of them

was almost blind, he wore glasses which fogged up, or iced up, depending on the weather, so if he couldn't see the surveillance on him because of his eyesight, he certainly wouldn't have seen it was cold. In 1949 we established a station in Alaska, the job was to catch, go out on the beach, I suppose with the Eskimos, looking for beach drift, we're that desperate. It's kind of funny, but a lot of money was spent and that was what was going on. Of course there were the many cross-border operations out of Turkey, Iran, Finland, cross-ice operations, submarine landing operations, infiltration operations, all with a sort of military cast, which I think was probably understandable, given it was the military running the place and the war had not long over. Perhaps the most striking statistic about the infiltration operations, the PDCOMPASADO group had 18 people when they were dropped in, 16 were immediately casualties. We now know that Philby compromised at least many of them in the Balkans, and probably others were compromised just by sheer lousy tradecraft on our part. In March of '53, Stalin dies. We then get into the business of legal travelers, including a bunch of Yalies whose main qualifications as far as I can see, was they could sing. This was big business, and it was also a bit dicey. They didn't have diplomatic immunity, and listen to this statistic. 1958, there was one arrested; 1959, four. George Blake was briefed on this program in June 1959. In the year of 1960, sixty of these legal travelers in that program were arrested and of course, the program had to be stopped because it became a little bit embarrassing. It gave the State Department a major case of the vapors, even by the standards of those times.

By the early 1950s, to go back in time, the first real spy cases began to come along. They're all defectors, volunteers. The ones who survived, defected; the ones who didn't were lost. The first one of any instance of any significance was a guy, when I first

came to work, was affectionately know to us as Leo the Lion. He was actually a former member of Smersh, believe it or not; he looked and behaved like one. But he was really our first source. He came along in the very early '50s. Then, of course, Yuri Rastvorov out of Japan and Peter Deriabin out of Vienna, both KGB officer defectors. The first in-place operation of any significance ran from '53 to '55, a GRU officer, again a volunteer, named Popov, who provided really the first major significant and positive intelligence, in this case military information, that we got after the war, including the initial one of his great coups which George Kisevalter, the great case officer, got the entire map of the disposition of the Warsaw Pact forces at that point from that case. Of course, Penkovskiy in 60-62; Golitsyn who became very controversial later; another KGB officer out of Finland, Nosenko whom you've all heard about in 62-64; and of course, Polyakov and Kulak in the early '60s. The interesting thing, in retrospect, and I'd like to address some of this to Oleg later, was that these were all intelligence officers. We had very little luck then, or frankly very little luck later, with people who were not intelligence officers. Then we had the monster plot, the so-called Angleton monster plot where the theory was there was a major penetration of the place because of Golitsyn's information, Golitsyn said there was, which essentially paralyzed the operations for years into the '70s.

In the late '60s and early '70s, when I actually first really started working the program to recruit and run Soviets began to take a form, a direction that made sense and began to produce results. It was a massive effort worldwide, every Station was getting their posterior kicked if they weren't working on it. It was sometimes it was logical-- recruit the so-called golden youth because they were spoiled brats; other times it was sheer insanity when we were told we had to shrink every one of our targets. I even had to

have a psychiatrist present when I was developing--not present, but sort of in the background at one stage in the history of this lunacy--when I was trying to recruit a person in the Far East. But this major program started to pay off in the '70s when we got Shevchenko, who was probably the best foreign policy source we every actually recruited; the likes of Bokhane, the GRU officer; a KGB officer named Mr. Paulusjut (?). They were essentially recruitments, not volunteers, a big change.

We did have one hiccup as time went along in 1977, I think. We had two major flaps in Moscow--a case called TRIGON, the Foreign Ministry guy, was compromised. The young lady went out to meet him, Marty Shogi; was jumped. A GRU officer from Algeria, who was back there for the first meeting in Moscow; our case officer got jumped. Again, all within a very brief period of time. That prompted Stansfield Turner, I suppose following Navy tradition, to shut the place, the Station down. And it stayed shut down for a good long time, which prevented us from picking up some cases, including the case that was referred to this morning, who provided the fabulous military--Jim referred to it earlier--who provided the fabulous military R&D information, once we were allowed to resume operations in Moscow.

END SIDE A

Mr. Redmond continues:

Over these years we also, in a very American way, in a very practical way, evolved and learned from our mistakes. The ultimate thing was to recruit somebody or

accept a volunteer in Moscow and run them there. Tradecraft was developed in Eastern Europe, where we had many more cases, that was elegant. It enabled one to do operational acts when you surveillance 24 hours a day, 7 days a week, 365 days a year. There's a man, I think, in this room somewhere who was actually physically exfiltrated from an Eastern European country by a Station that had surveillance 7 days a week, 365 days a year, non-stop, and we could pull that off. We also evolved--if we got caught we'd lose the tradecraft. We'd make new tradecraft so we could actually run people in Moscow successfully. The technology kept up with again in a very American way.

So, it seems to me it's a very American story, almost in a small way the way we fought say World War II. We went into it, we can do anything, we got beaten up, a lot of people got killed, there were disasters, but we learned from our mistakes and we proceeded along to thrive. So by the time 1985 came along, we had well into the double digits of good penetrations of the Soviet government, most of them being run out of Moscow. It did not cover the waterfront; we didn't have much in the arms control area. I'm a little bit comforted by that by what I heard this morning, apparently some of these negotiators, even if we had recruited them, they wouldn't have been able to tell us anything because they didn't know what the Soviet side was thinking, even though they were negotiating. We heard this this morning. So it was a great American success.

We then had a great American disaster. We did the offense in a very nice, very effective way. We grew up, we developed, we matured. At the same time as we did the offense, we did not do the defense because it is not nice. It requires you to be unpleasant, it requires you to be cynical, it requires you to think the worst of people, it requires you to be calculating, it requires you to be Byzantine, all those things nice Americans are not.

The net result of that was Ames the disaster, Howard the disaster, which essentially wiped us out. So, my message was, we did a very American thing by success in the positive aspects of collecting, but we were a major failure in the counterintelligence arena up until essentially the end of the Cold War. That's about all I've got.

Professor Allen Weinstein:

When Jim Olson asked me to come here, I did not realize I would be mediating at a CIA-KGB Gong Show, but here goes. First of all, on a serious note, I've been an academic for 30 years of my life, whatever else I've done for my sins. And I must say I'd like to join the Director and President Bush and everybody else who has spoken a word to the Texas A&M community. I've seen campuses hit by tragedies in the past, but I don't think I've ever seen a campus that has responded with as much humaneness and has come together as quickly and in as remarkable way as this particular campus. My compliments to the administration, to the faculty, to the students and all of the others involved. I'll stop there.

At the end of Harry Truman's first visit with David Ben Gurion, the first prime minister of Israel, Truman looked at his watch and said, "Well, Mr. Prime Minister, I've really got to go. You know I've got the busiest, I have the hardest job in the world. I'm a president of 160 or 170 million Americans," whatever it was. Ben Gurion laughed and said, "With all due respect, Mr. President, I have the hardest job in the world." Truman was puzzled and he said, "You? How?" He said, "Well, I'm the Prime Minister of one

million prime ministers.” [Laughter from audience.] The fact of the matter is when I wondered through the halls before, I said to myself, why am I up here? Why, in fact, are not any of you in this audience, those from the Intelligence Community past and current, those of my colleagues in the historical profession, many of whom have written very distinguished books including those on intelligence. So there’s a little bit of that uneasiness at the moment. Shame on our chairman for giving us only a third of the time that the morning panel has had, but we’ll deal with him later.

First of all, this is a generational gathering. It’s a generational gathering and a very important one as such, but I wanted to share with you by way of opening my remarks, lines that have meant a great deal to me over the years by the great French historian, Marc Bloch who talked about the bitterest disagreements among people often serving as their strongest connective tissue. We’ve seen that up here today. And Bloch’s words were this: “To be excited by the same dispute, even on opposing sides, is to be alike.” Let me just repeat that. “To be excited by the same dispute, even on opposing sides, is to be alike.” This common stamp deriving from common age, is what makes a generation. If you disagree with me, then if you were a General Kalugin, imagine General Kalugin trying to interest, for example, one of his Polish friends or one of his Hungarian friends in all of the crises of the former Soviet Union. Or for that matter, Paul Redmond trying to interest one of our French friends. Mark Twain once said that--I’m just joining President Bush in this commentary at the moment--but that “Human nature was located somewhere on the scale of evolution between the angels and the French.” [Laughter from audience.] That was Mark Twain, not me. But the point is that we do share superpower existence over that almost half century together in confrontation. And

we are first beginning to sort out the historical legacy. I'm tempted, my father used to tell the story from his roots in Lithuania in the Jewish ghettos, stettel [phonetic], of the two farmers who argued over a piece of land. A rabbi called them together and said to the first farmer, "Tell me your side." The first farmer gave it, and the rabbi said, "You are right." The second farmer said, "But, rabbi, you haven't heard me yet." He said, "Well, tell your story." The second farmer told his story and he said, "Well, you're right." A stranger was watching this scene and said, "But, rabbi, surely they can't both be right." He said, "You know, you're right too." [Laughter from the audience.] The fact of the matter is depending on which of my friends to the left and right, and what criteria you care to use and which time period one cares to talk about; I'll get back to that in a minute. Each one of them can, in this incident, I'm not fudging it, I'm thinking, by the way, Jim is, taking a vote in the end just because we are a democracy, and I would like to know what people in the audience think of this process, just to share the discussion.

I thought I would do something before getting to my evaluation. I know I've got about three minutes left, but I'll try to be..... By the way, I'm in, as Jim came, for the last 15 years I've run a small business called the Center for Democracy, which is a non-governmental organization in which we people who have been in my line of work and we spent a lot of time in Moscow during the periods we are talking about today and elsewhere. David Ignatius once coined a word, coined a phrase, which I've always loved. He called us "overt operatives." Basically what the CIA did so effectively often in the 1950s perhaps should have transferred over to public transparency. I'll get back to the transparency issue in a minute. A number of organizations have done in the 1980s and 1990s.

One of my Russian acquaintances is the result of doing this book is the person familiar to General Kalugin, although not perhaps one of his great heroes in Russian terms, who is General Vladin Kerpachenko, who has been Yevgeni Primakov's closest pal, perhaps over the [Kalugin interjects: "Handler."] handler, well handler, whatever, and a leading official in Soviet intelligence. I won't mention which one, but one of the four distinguished DCIs sitting in the front row here actually met General Kerpachenko in my home at one point, they may recall, but that was another time. That was that honeymoon period dividing the earlier Cold War and whatever we may have ahead of us. Kerpachenko wrote a memoir which got published in Moscow, not in English, and probably none of you, or very few of you, except for some of the real pros have read that memoir. It's heavy going, I'll admit, but there is one fascinating section that I thought sharing because it fits into this occasion. He described--I'll take a minute to do this--he described the last meeting of the Warsaw Pact intelligence chiefs. If you will indulge me, I'll just give you a small portion of that. "Our closest and most multi-dimensional contacts were maintained with the GDR's intelligence service of Markus Wolf and his colleagues and in descending order of intensity there followed Bulgaria, Czechoslovakia, Hungary, and Poland. Contrary to quote 'experts' on the KGB and the US and NATO, we had no consistent contacts with Yugoslavia and Rumania. The last important meeting with our friends from the intelligence services of Eastern Europe took place in Berlin in October 1988, our last multilateral meeting." Keep in mind that date, 1988, not '99, but '88. "But the demoralization had set in before the political consequences would become apparent. Delegations from Cuba, Mongolia, and Vietnam also joined. The meeting occurred against the backdrop of mounting political decay among the regimes of Eastern

Europe, and this obviously influenced our discussions. Although official reports affected an optimistic tone, corridor discussions among the participants were, without exception, cheerless. The majority of delegation leaders felt insecure since reshuffling of their state ministries had already begun. After returning to their countries from the meeting, one by one, the intelligence service leaders began to abandon their posts. At the Berlin meeting itself, there was a general feeling of doom, with one epic nearly over and another still unknown in its details having commenced. One delegation leader complained to the rest of us, he did not know what to state in his formal report to the gathering. Another asked this riddle: 'What is socialism?' He immediately answered himself, 'It is the most difficult and tedious way from capitalism to capitalism.' [Laughter from audience.] A third stated in embarrassment, 'For us, there is no longer a Communist party. There are only convulsions left.' And a fourth noted simply that his country was no longer occupied with politics but with the economy, and intelligence service work had to be subordinated to the needs of the national economy. We could not set the date and place for a future meeting. None of us wanted to take over that responsibility. We parted with a special sadness, recognizing we would never again see most of our colleagues. The cooperative work of the intelligence services of the socialist countries had come to an end."

Which brings me to the question of who won and who lost in this whole process? One of the fascinating things, most of my research has been concentrated using our archives, and to some extent their archives, on the period of the 1930s and 1940s when, as General Kalugin is well aware and Mr. Redmond and all the rest in this room, it was not difficult to identify anti-Fascist or pro-Communist or Communist figures in the

United States and in Western Europe and elsewhere, who were willing to serve Soviet intelligence purposes for ideological reasons, anti-Hitler sentiment, belief that the Soviet Union was, in fact, the apotheosis of human existence and so forth. The interesting thing is the Congressman that Paul mentioned, Mr. Dickstein, there are only two people I can identify based on the Soviet archives research, only two people my co-author and I could identify, who basically did this for the money. One was a Congressman, and one was a Hollywood producer who talked his KGB operative handlers into arranging for money so that he could start a record company. For ten years he kept the FBI busy and for twenty years the KGB, the NKVD, the KGB, whatever, hustling both services for money for his motion pictures. So you see, only in America, as we say. By the middle or end of the 1940s, you could not find these ideological agents. After the Nazi-Soviet Pact, after the word of the Moscow trials had really begun to spread, and with the growing disillusionment with the beginnings of the Cold War, ideological espionage of Americans against their own country came to an end.

However, and from this point on, you're dealing with illegals, very good ones at times and agents for hire, traitors of the sort we have mentioned here already. The interesting thing is that despite the failures that Paul has mentioned in American efforts to rev up operations in the Soviet Union during this period, when Ken Philby and others, Blake and others, were passing along information so that essentially all the KGB had to do and their military associates [had to do] was just to check out where these people were arriving and when, just pick them up and do what they were going to do with them. But by the '60s, and certainly increasing into the '70s and '80s, what you do is you find a growing number of disillusioned Soviet citizens. There was a general named Kalugin

who joined them in the late '80s. Essentially deciding that for the sake of their country, for the sake of the values that socialism had pronounced at the very beginning of its existence, and the democratic socialists of Western Europe and the United States and elsewhere had kept to, they had to change that society or help change it by whatever means they could. And for some that meant cooperation with Western intelligence services. In short, ideological espionage hits the Soviet Union with a passion and a vengeance. And there was great vengeance taken after people who were caught, of course.

So, there are discontinuities here. How do you evaluate them? How do you evaluate our successes and failures? How do you evaluate their successes and failures? I'm not certain that you can in any coherent way. We also had, look, you talked about seven days [of training] or whatever it was, for the first Agency people who were sent over. Those of you who read *The Haunted Wood* know about my favorite intelligence chief, other than the Soviet ambassador whom they also, they gave him a night job. He had a day job as Soviet ambassador back in the late '40s, and in the evening he doubled as Station Chief. But the gentleman before him was a gentleman named Dolbin who didn't speak English, and was forever sending Moscow memos explaining how his English was really improving and he was getting to the point where he could hold conversations and so forth. But, by then, they had no agents to call upon because of the defectors, and counterintelligence was at least as sloppy and unimportant then as it was to prove in subsequent years. The reason we learned as much as we did about Soviet networks in Canada and the United States and elsewhere was because of the fact that Igor Gouzenko and Elizabeth Bentley and Whitaker Chambers walked across the line and

began talking to the FBI and other intelligence agencies. The defectors were our crucial information sources in those years. But Mr. Dolbin was good because the Soviets learned something from him. He had two people left, and he put them to clipping newspapers in the Soviet Embassy—I'll stop after this, Paul--and magazines and just sending something back to Moscow. Miraculously, though it hasn't been commented on, somebody in Moscow must have realized that, my God, this is the most transparent society in the history of the world, in which most of what you want to learn can be learned publicly, does not need the additional attractiveness of being a secret, much less a mystery, as one of the writers, one of the speakers said this morning, and, of course, that may have at least encouraged them in the absence of agents to move in that direction. We don't exactly know at this stage in the game.

I'll stop there. I really, if I had to render a judgment on this process, I would say that the halcyon years, despite the value of material, scientific and military and other material that Soviet intelligence may have picked up in the post World War II period during the Cold War, the halcyon days, the golden age of Soviet intelligence here was still the 1930s and 1940s, when people did not work for the money but because of their belief in the Soviet Union. And the golden age, if you will, of American intelligence in the Soviet Union were the days of the '60s and '70s and '80s, when disillusionment with the system and a belief that the Soviet system would not, not, not reform itself. That spread widely amongst the intelligentsia, including those in the intelligence services whose information sources were better than other Soviet citizens and they began moving in the direction of the West in very desperate ways. I think I'll stop there.

Mr. Olson:

Thank you very much, Allen. I'd like to take a few minutes now and have some interaction within the panel. I'd like to start by asking Paul if you have a question for any of the other panelists?

Mr. Redmond:

Oleg, when we were sort of working against you guys, one of the things that always puzzled us was that you expressed, your service always expressed the belief that we were kidnapping you; one of your people, Russians or Soviets, would die overseas; there would be a proper autopsy done, but you'd still be convinced that the people had been murdered. That happened, I remember, once in Switzerland, and somebody jumped off a roof in New York, as I recall, and clearly your side, if I may put it that way, was convinced that we, the American side, were kidnapping, drugging and bumping off people. When some of your people would go missing, we would have one of those quiet sessions when the KGB would approach us and the first line would be, "Well, why have you kidnapped him?" That was always a mystery why you people thought that because we weren't; couldn't have pulled it off anyway probably if we tried to kidnap someone. Now we understand, largely from your book because you describe how you would actually even plan to kidnap a CIA officer in Beirut, and thanks to Mr. Andropov, that didn't happen. We now know that your service's involvement in the Markov business, the apparently inadvertent perhaps the best word would be to use manslaughter of

Artamonov Shadrin. Now that you are living here now that you know us personally, etc. etc. We've been to your houses, you've been to our houses, would you like to comment on that?

General Kalugin:

Oh sure, no problem. The Soviet mentality and experience shaped our view of the world, kidnapping, murder, lies. We thought the other side was no better. That's the answer, simple. Specific cases? Well, let's start with Artamonov Shadrin. A slaughter you say? Well, let's put it this way, I'll go back into Russia's history. In the manuals of the Russian Okhrana, the Czarist secret police, there is one paragraph about agents, I mean informers, of the secret police. The manuals suggest that these informers should be treated like mistresses, always taken care of, treasured, valued and protected. While the Soviet intelligence borrowed a lot from these old manuals; don't forget we are the oldest, well, beside the British, service in the world. When the CIA sent a man by name of Artamonov Shadrin, the man who was sentenced to death in absentia by the Russian Military Tribunal for his treason, to send him to Austria and get him involved in operational game with the KGB, which would never, never hesitate to kill him on the spot. That was irresponsibility and recklessness on the part of the CIA, who should have read the old manuals of the Russian Czarist police. Well, in fact, I offered another solution which was not just execution but rather kidnapping the man, and then parading him in front of the television cameras, showing to the world how greatly we have penetrated the Western and CIA intelligence, I mean service. For us it was a matter of

propaganda value, not the execution, but it happened that way. I think this experience would have been always be on the minds of intelligence officers who deal with such delicate and sensitive situations. Markov's case? Well, I was the first to reveal the details and the plot behind, and discussions relevant to the subsequent murder of this Bulgarian dissident. You don't kill the messengers, do you? That's all I will say.

Mr. Redmond:

Fine. But what about...I frankly still find it shocking that you seriously considered kidnapping some nice guys like us--in Beirut.

General Kalugin:

Oh, yes. In Beirut. Right. That was, indeed, that was a neat idea, indeed, to kidnap a CIA officer who was under the cover of the military office in Beirut. The job was supposed to be done by the Palestinian, well, friends of ours. They would interrogate him while he was in captivity, with us sitting behind the screen or whatever. The plan was approved by Mr. Andropov, and as we were about to launch the operation, all was ready, the Palestinians were only happy and elated to do the job. My former chief decided to just remind Andropov of the forthcoming great feats of the Soviet intelligence, and that was really the end of it. He called Andropov and said, "Tomorrow we are going to move in on that American fellow." All of a sudden Andropov shouted in the telephone, "Listen. Stop it! Stop it! This is crazy! They will do the same to us, and they

are so many all over the world. We shall launch a warfare among the intelligence services, and they have an advantage over us in many parts of the world. Stop it!" So, the operation was canceled, thanks to his wisdom.

Mr. Olson:

Professor Weinstein. Do you have a question that you'd like to ask one of the other panelists?

Professor Weinstein:

I'd like to ask one question of both panelists, but before I do, I'd like to put in a plea to the organizers of the meeting. Since our friend Pat Moynihan's name has come into every session, I didn't want him to feel lonely in this one. So I've just raised it myself because, of course, he deserves to be here as one of the architects, along with Director Tenet, of the release of the VENONA Papers which has proved to be so useful and interesting to those of us writing on this subject for that period. But it might be interesting for the sponsors to try to interview him, and perhaps include some responses of his to some of the criticisms that he has taken this morning, just by way of giving him a bit of equal time. Just a thought. But, having suggested that, to my question. The year is 1981, '82, pick your year, before '84, say before '85. And each of you defects to the other side. And you immediately place yourself at the disposal of the director of the other

service. What are your recommendations, your chief suggestions, other than naming names, to improve the quality of the service?

Mr. Redmond:

That's a fascinating question, because it's not unlike the one the Bureau and our little group who were trying to catch the spy, Ames, who would turn out to be Ames, eventually. It's more or less the same question that we asked people that we interviewed, or the Bureau interviewed with us, trying to smoke out who knew what. I hope you're not trying to catch a spy here. To improve the quality of the service or get better results, I guess the same thing? I think the first thing, if I were advising the KGB in that era, I would have advised them to support the likes of Agee, which they were doing, and anybody like that, to embarrass the Agency as much by compromises, so we could be shut down again the way we were in '77 by Admiral Turner, shut down in Moscow. In other words, to paralyze us operationally as much as possible. Further, to make the embarrassments as noisy as possible, so we would spend even more time down on Capitol Hill explaining them--instead of 30% maybe 60% of our time. The second thing I would have advised probably, and this is very tactical--I lived a tactical operational life--would probably be to concentrate on a handful of CIA DO officers in the division where Jim and I worked, who were always under a great deal of pressure to produce and recruit Soviets and/or Eastern Europeans, and string one of them along or several of them along with an operation and eventually lower the boom on it and try to recruit them that way,

thereby getting an insight over the longer term into our Soviet operations. So, that's the two things I'd advise, would have advised.

General Kalugin:

Are you seeking advice for the US government or for the Russian government?

Mr. Olson:

Seeking your advice for the Director of Central Intelligence of the US Government, in the year 1982, 1983, after your defection.

General Kalugin:

I would revive the clandestine arm of the intelligence service. This country has been confronted on several occasions with rogue states and leaders who are not capable of coming to terms with the civilized world. Instead of bombing them the way this country did in Yugoslavia, or in Iraq, or elsewhere, with no result, I mean, actually, they are still in power. Milosevic is still in power, Saddam Hussein is doing well, Fidel Castro would have been long time ago suffocated as a friendly embrace. Well, he is alive because, because, he is alive because he has been embargoed and sort of isolated. That's wrong. But, what I mean by clandestine service is, well, this is an old American notion I fully share, that intelligence is the front line of defense and also offensive. The result is an

alternative to the Marines, active covert actions. Well, Yugoslavia would have been isolated completely, economically, transportation, communication, in every sense, financially. It would be stifled because all the countries around Yugoslavia are friends of the United States or the West. Russia would never be able to dare to break the blockade. Well, instead you chose to bomb. So what is the result? The destruction of the country. What the Russian government is doing now in Chechnya is not only irresponsible, it is criminal, because they are exterminating, well, the whole nation. As a Russian I feel outraged and disgusted over this and what's going on in Chechnya. How many terrorists are there in Chechnya? Ten? A thousand? A million? They never identified them except the two guys, bad guys, Hatab and Assai. Well, this may go on and on. They will simply destroy the country and destroy the nation. This is a crime against humanity. Well, where is intelligence? The Russian intelligence today is a sorry shadow of their old days and not because, what is true Allen said correctly. The Soviet intelligence thrived on a great cause for which we were willing to fight and die. This cause gradually faded away and evaporated, because the system proved to be incapable of delivering the pledge they had made for so many years. The Soviet system, in fact, fell down under the burden of economic inefficiency and inhumanity and blunders of the Soviet leadership. Where is the intelligence these days? They are involved in interparty political privatized battles? They are not doing their job, and, well, fortunately this country is in peace and in prosperity. And it has a chance to improve its performance by reviving essential parts of the intelligence, not just collection, but active involvement to promote the interests, national interests and security of this country. Well, that advice is all right. That is all I have to say.

because they read smuggled hostile, anti-Soviet literature. Is that true that the CIA played such a tremendous role in eroding the moral and ideological fabric of the Soviet society? How much effort you indeed put into, well, subverting the Soviet system?

Mr. Redmond:

I think Bobkof answered the question and you just did if you take those statistics from the effect of Radio Liberty, that answers the question at least from the Radio Liberty point of view. There were obviously, there were activities to publish books, things like that.

General Kalugin:

Human rights organizations. We always thought that Amnesty International and a few other establishment were operated and supported by the CIA. I know it may be not time to reveal, well, who knows?

Mr. Redmond:

Oleg, scout's honor. We never had anything to do with Amnesty International.
Thank God.

Mr. Olson:

Mr. Olson:

Oleg, we'll conclude this portion of our presentation with a question for another panelist from you, if you have one.

General Kalugin:

I have one question, well, probably more than one, but in his memoirs, my former friend--well, I liked him--Mr. Philip Bobkof, Army General, Chief of the Secret Police under the Soviet regime. In his memoirs about the collapse of the USSR, he states that there were three major reasons. One: the subversive activities of the CIA and other Western special services. The second: lack of power for the KGB to fight dissident movement in the USSR. And third, which I think is correct: blunders and inability of the Soviet leaders to adjust to the changing world. The question is: Is it, well, on the other hand, and this is something very important, I'm probably not well familiar with the question related to the CIA active measures in Russia. I know one specific example, Radio Liberty was a great institution, by the way. Great institution, because it provided an outlet, voice of freedom for millions of Russians. Several dissident groups which popped up in Russia were influenced by the foreign broadcasts, including Radio Liberty, BBC, to a lesser degree the Voice of America. In a survey by the Russian security police among the dissidents prepared in the middle of the '80s, it was pointed out that 65% of Russian dissidents became dissidents under the influence of Western broadcasts and 35%

Allen. Would you like to comment?

Allen Weinstein:

First of all, as someone who wandered around a great deal around Central America in the '80s and parts of southern Africa, as well as in your part of the world, Oleg, the fact that the National Endowment for Democracy and then the Center for Democracy, which I helped found, which are totally and impeccably privately funded and have no relationship with the CIA or any other government organization. It was useful to have some of the bad guys perceive us as having some link, because it helped keep my staff alive, and I'm very grateful for that. So I want to take this opportunity to thank the Agency and the directors and all the others for that. I've said this in that *Post* article that David Ignatius did on all of us back ten years ago.

More seriously, first of all I'm absolutely fascinated. So the KGB had a public relations survey agency, did it? And it took surveys on Soviet public opinion?

General Kalugin:

No, no, dissidents who were jailed by the way.

Allen Weinstein:

I want you to keep in mind

Mr. Redmond:

In other words, an objective survey.

General Kalugin:

They had nothing to lose._

Allen Weinstein:

Let's keep in mind the process, you are in your jail cell and someone comes from the service and says, "Now I want you to tell me, did Radio Liberty turn you into a dissident?" What are you going to say?

General Kalugin:

They would put a question differently. I'd say, "What influenced your behavior? Your mind set?" Any specific channel of, I mean, well, say housing conditions? Or some kind of mistreatment on his job. People would often, it's human factor, remember. Human factor played a tremendous, always does, in whatever.

Allen Weinstein:

There are many human factors. You know, the role of Radio Liberty and Radio Free Europe, please don't forget, that this was your prime source of accurate information during all those decades.

General Kalugin:

That's right, I don't argue with that.

Allen Weinstein:

Devoted, loyal listeners to Radio Free Europe and Radio Liberty were members of the nomenklatura, particularly in the intelligence services and the government, because that way they would know what they weren't being told by their own government. Obviously, dissidents listened as well as did many ordinary people who got up the courage and curiosity to do that. But look, you have travelers coming through from all over the world, you have people being able to compare, the process of globalization we talk about as if it began the day before yesterday began many centuries ago. One of the things that makes people like myself a little frustrated is this notion that somehow the economic motives alone are what are going to transform people. The East Berliners who pushed through the Wall and went west that memorable day did not go west only to shop,

to look in the windows. They went west because they wanted to assert their right to go west when they wanted to. The people who stayed in the Bialydome for those three days during the coup were not people who thought Yeltsen was going to provide, put bread on the table tomorrow. They thought enough is enough, basta, and they were going to make their statement, as you did and as others did. This is global, Oleg, it is not something that is cooked up by the CIA or by even, God help us, French intelligence. But I mean...

General Kalugin:

Listen, when, if a man is approached by the KGB in the old days, a free man, and asked a question, "Why do you not behave according to Soviet standards? Why do you utter some remarks negative of the Soviet Union?" He would say, "Well, because I feel, I see lines for bread or lack of food or tools, housing, whatever." But, in jail, they have nothing to lose. They will tell exactly why and how they were influenced. I think this is a most objective survey in a sense.

Allen Weinstein:

Those of you who are law enforcement officers, we have an absolutely new approach to prisons. We've got to start polling people in prisons who will tell you candidly, candidly, candidly, what they think, irregardless of what you may want them to think. So keep that in mind.

Mr. Redmond:

I have a question back. Bobkof was Head of the 5th Directorate, right? In our image of the 5th Directorate was that they always had plenty of resources, they were everywhere. Do you buy his assessment? They didn't have enough? Or is this rationalization?

General Kalugin:

That's ridiculous, absurd. It's absurd because, unfortunately, this a school of thought in Russia these days. Look at the memoirs of Krichkov, my former boss, in two volumes, never published in any foreign language. And I think he deserved that kind of treatment. He says that there were five guys who destroyed the USSR. It's really, it's a preposterous notion that five persons would destroy the mighty Soviet Union. Well, number one, of course, was Mr. Gorbachev; number two was by the way, Mr. Yakovlev, Alexander Yakovlev, who, like myself, went to Columbia University in '58. And I often recall what Milovan Djilas, the well-known Yugoslav character, said years ago. He said that "I was a product of this system. I contributed to it. I have now become its critic." Mr. Yakovlev was one of the most outspoken critics and architects of the Soviet regime. In fact his memoirs are coming most likely next year. He is waiting for the exit of President Yeltsin, because one chapter would be absolutely devastating about Yeltsin's performance. But he will tell in honesty how he himself, a senior political figure in the country, when this great transformation of his political views and his views of Russia and

Russian society. I'd not advertise the book, but I want you to simply know that there are people who would be, will provide real insights into the Soviet system of the old days.

Allen Weinstein:

For Mr. Krichkov's, a title for the English language edition of his book, if it comes out? He could call it *The Gang Who Couldn't Coup Straight*. Sorry about that.

Mr. Redmond:

I'd add parenthetically that regarding General Kalugin and his friend, Mr. Yakovlev, as I recall, Kruchkof thought Yakovlev was working for us. Kruchkof thought you were working for us. At one point he thought you had recruited Yakovlev for us, but then he'd forgotten Yakovlev...

General Kalugin:

[It was very] confusing, who recruited who for the CIA? In '59, as far back as '59. That's a typical conspiratorial mentality of the country whose leadership came to power by force through conspiracy, through overthrow of the rotten government but through illegitimate way.

Mr. Olson:

Thank you, panelists. The floor is now open for questions, and I ask that you please introduce yourself, if necessary, as you make your question.

Mr. Woolsey:

Jim Woolsey, Washington lawyer. I'd like to ask Oleg Kalugin to give us the components his five-to-one scorecard of CIA vs KGB. And if I might have a second question, I'd like to ask all the panelists, given the materials that have been published privately in several languages and come out very recently, what is the judgment of each of the three with respect to involvement of the KGB and the attempted assassination of at least one of the men that I would cite as one of the five men who helped destroy the Soviet Union, namely John Paul II.

General Kalugin:

The ratio comes from the fact that at least 25 or 30 Soviet KGB officers in the last 20 years cooperated with the Western services, the CIA. I mean defectors and moles in place, defectors in place. Right? The number of CIA officers who were used by the Soviets is, if you divide by five, well, that would be approximately that figure. Not only Ames and Nicholson, I mean those that did not succeed like say, Edwin Moore in '76, I believe. No, no, no, I'm sorry, yeah, in '76, he threw over the fence of the Soviet Embassy in Washington, a brown bag full of classified documents. It was due to

stupidity and the responsibility of the Chief of Station, and our security, Mr. Yurchenko, by the way, security officer who called the Metropolitan Police. He thought it was a terrorist act. So, a missed opportunity, and Moore was sentenced to what, eighteen years or something in jail, see, that's a missed opportunity, missed boat.

Mr. Redmond:

On the question of some new information in Czechoslovakia, out of Czechoslovakia, that apparently they've given the Italians, at leads one to believe, all I know is what I've read in the papers, there maybe have been some, at least if not direct Soviet, certainly Eastern European activity in that area. That's the latest that I know.

Allen Weinstein:

Let me give a word of background here to the Washington lawyer, Mr. Woolsey's question. Our center back in 1993, the Center for Democracy, held a conference. We were holding a series of networking conferences in Europe involving leaders of the new democracies, and we held one on the proper role of an intelligence agency in a democracy at the request of my friend, then President Zhelyu Zhelev of Bulgaria, who was having trouble with some of the old Stalinist types in his intelligence service. Former Director Colby came with me and that was helpful to have someone from the States. The Germans sent someone. We had all the intelligence directors from the region. And I began urging them to release, the Bulgarian folks, to release the materials they had on, whatever they

had, on the Papal assassination, because there certainly was a long follow-up review on that process by Bulgarian intelligence. President Zhelev persisted and, in fact, they released that material, at least they released the material they claimed to have. It should be very apparent to people in this room, I'm one of those who does not read or write Bulgarian, and along with most other languages, but we just hired, I hired some, privately, some people who do and are very reliable scholars. And, basically, they came to the conclusion that I'd been given a lot of garbage. That if there had been material there that had been useful, it'd all been taken out. There were a lot of news clips and memos from Agent X to Agent Y saying, "Well, I don't know anything about it. Do you know anything about it?" "No, I don't know anything about it. Do you know anything about it?" Back and forth. Eventually this will all go to the Library of Congress--this material which we have on microfilm--but, if I just had an instinct on that, I wouldn't think the KGB was necessarily directly involved. But given the assassin's, or the attempted assassin's, Mr. Agca's background and the rest of that, I don't think we know the full story. Which intelligence services were involved, East Bloc and whatever.

General Kalugin:

May I add something? The Bulgarians would never raise a finger to doing a thing like that without KGB's approval. At the time, Andropov was not bent on wet affairs, indeed, he was against wet affairs, even against targets who had been sentenced away--I mean, in absentia. Well, the Vatican, that was beyond any one reason. It was like to assassinate the Queen of England, the President of the United States. No, that was, I

simply reject the idea. I have no proof again, of course, but I, simply knowing the psychology and practices of the KGB, I would never accept this. In fact, we always claimed it was a CIA, a typical trick to just to stain our reputation.

Mr. Olson:

Judge Webster first and then the second question.

Judge Webster:

Bill Webster. My question is inspired in part by a reference by Professor Weinstein to General Kripchenko, to whom I asked the same question and got a rather ambiguous answer. And also by General Kalugin's reference to the importance of the care and feeding of informants. And it has to do with Yurchenko. Yurchenko came here, as you know. He defected, came from Italy. He was given a level of treatment that we later concluded was inappropriate and reformed our whole defector program as a result. But when he redefected, the question remained

END SIDE B

Judge Webster continues:

as to what was going to happen, his expectations were too high and for various other reasons. But, a more insidious suggestion is that perhaps he was sent here on purpose to divert attention from the mole in the CIA, and that was his mission. He accomplished it, and he left. This is one of the mysteries that I wish both Mr. Redmond and Mr. Olson would comment on the current state of the art. I felt, when I was there, that he was a bona fide defector, that he had given us information that led to the arrest and conviction of Pelton, information that led to the identification of Edward Lee Howard. And that while those could have been throwaways, it seemed to me a high risk program for the simple purpose of diverting our attention from someone we had not identified or did not even know at the time existed. Could I have your comments?

Mr. Olson:

There is certainly no doubt in my mind that Yurchenko was a bona fide defector. I think he was a very disturbed individual and he redefected out of psychological problems that he had. I think his information was good, and I don't believe that there was any grand ulterior design behind his defection. Paul?

Mr. Redmond:

Well, those were very rough times. We had visitors coming, I remember the head of the French again, turned up. This little general. And we used to brief them annually and spend time saying, "We are going to recruit Russians." And them saying, "Yes, of

course,” and then go shopping. This year, the only thing he wanted to hear about was how we had really screwed this up, “this disaster of the Western world, stupid Americans.” The head of the French Desk, a great guy named Dick Kahane got sick of it and he said, “General, we were doing just fine until we took him to a French restaurant.” [Laughter from audience.] I’m sorry, Bill.

Now, on a slightly more serious note, I think there are a lot of reasons why Vitaly Sergeivich went back. The main one was that we failed to recruit him. He came here with a lot of his problems; we debriefed the hell out of him. It was a goat rodeo, to put it very politely. The requirements were pouring in on us. We even got one wanting to know about Raul Wallenberg, which we had to send a driver down with a debriefer to southern Virginia to satisfy the requirement—it came from some Republican contributor probably. The debriefer came back, and I duly reported that Vitaly Sergeivich did not know where Raul Wallenberg was and had never heard of him, nor did he know where Jimmy Hoffa was buried. [Laughter from audience.] Now, trying to get serious about this. The only way to cope with these times, ladies and gentlemen, was to have the odd laugh. We didn’t recruit him, therefore, we could not help him personally get through the problems of adjustment here, to put it very briefly. I am one of the people who think there is a good chance he was sent. Sandy Grimes and Jeanne Vertefeuille, who were the real heroines of the Ames case--did most of the work, I just get to talk about it--say they have never been wrong when they agreed on the subject and that I should be institutionalized for thinking that. I just think he didn’t really give us anything current. Pelton was important but Pelton was inactive. They had Ames, and I think there is a good chance he was sent. I would add, finally to answer your question, there is not one shred

that I know of of source reporting that implies that. But my professional judgment--I'm out of the business now--is that is a good chance he was sent as a starburst.

General Kalugin:

Well, I cannot imagine a CIA Deputy Chief of the Russian Division to defect to Russia to prove something. In Russia, in the old USSR, any defection, even a kook from a fishing trawler, would be a political scandal. People were not supposed to run from the paradise. They were supposed to ask for permission. If granted, cleared, they would travel on a ship, I mean trawler, fishing trawler. For a senior figure, Deputy Chief of the 1st Department, to defect to the West is just unthinkable. And since I handled all these defection operations, I know, and I can give you 100% assurance, we did not practice sending as defectors, KGB officers or GRU officers, for that reason, to the West. Inevitably, it would leak to the Russian public, and they would say through the Voice of America Liberty, they would say, "KGB officers are running from this country. What is going on?" This would be a major blow to the purity and stability of the nation in the opinion of the Party leadership.

Now back to Yurchenko's reasons. Number one, the CIA promised that his defection would not be disclosed to the media. He would simply disappear. This pledge was broken. It was reported in the media that a senior Soviet official from the KGB defected. Second, he had in, he was my subordinate, so I'm sort of aware of his problems. He had an ulcer, and his mother died of the cancer, the stomach cancer, and he was very nervous that he may, well, die as well for the same reason. He tried all sorts of

cures in the USSR; none helped. He thought [that in] America, a great nation, [with its] medicine, surgery, whatever, drugs, he would be cured. Well, it didn't help as far as I know. In this country, he was not cured. Third, he had a mistress, her name was Mrs. Urieskovsky, as I recall. She was a pretty Ukrainian girl, I mean wife of a Russian First Secretary. She went to Canada, and he thought he would lure her from Canada, and, well, they had an affair in Washington. When she went to Canada, he went to the United States. He went to Canada in the hope to, well, get her out from her husband's embrace. I believe, this is my hunch, that Aldrich Ames, who was by then operational, may have tipped the Soviets that Yurchenko will try to get his mistress out of Canada. And she was warned because she did not accept his offer to defect. So, for him it was a major personal loss. He really was in love with her, well, at least as far as I know. Then finally, he was overly protected. He felt his freedom to move around was sort of limited by the CIA and he thought he was looking for freedom and instead he was almost in captivity. I mean, not really, but the way he thought.

So these reasons made him.... The final reason: Six months before his defection, there was another Russian literary figure by name of Betov if I recall right, Betov. He defected in London and then landed in the United States. In several months, for some reasons which I do not recall, the internal KGB security investigated this case. He came back, and said he had been kidnapped and drugged by the CIA. And Betov was pardoned by the Soviet authorities because they thought, well, in fact, I participated in a similar pardon procedure for a GRU officer by name Chebatriov, who defected in Belgium, in Brussels, in '77, I believe. When he came back on his own, instead of execution or 15 years in jail, I suggested that we play this record for all intelligence officers. Those who

erred, those who made a mistake, I mean, who committed even a crime but found enough will power to realize that they were wrong and came back, they should be treated differently. Not as traitors, but, you know. In fact, this case worked well. Chebatriov received 13 years in jail, and was immediately, by the decree of the Presidium of the USSR, released from jail, at KGB's request, and sent 200 miles from Moscow to teach French at the local school. So, apparently the word well, well, reached Yurchenko, well, and he thought, well, if he is not well accepted in this country, why not try? And he tried, and I think he will. And Krichkov, by the way, at that time, was not interested in poking this, you know, another defection. He had already 15 or so before Yurchenko, you see. The Politburo looked with great suspicion at the intelligence service at the time. Then Ames already was operational. And indeed to cover up Ames, he was shown to the Russian intelligence officer as a victim, a casualty of the Cold War machinations of the CIA. That was a deliberate policy to fool our own people, with the exception of those who knew, and the public at large, the whole of the Soviet Union.

Mr. Olson:

Allen. Some brief comments._

Professor Weinstein:

First of all, Bill, I hope that clarifies everything. And secondly, I was kind of, generally to the extent I knew anything about this case, what Jim said made sense to me.

With all due respect to Paul. But I've just listened to Oleg's 12 reasons for the redefection of Yurchenko, and it has opened my mind on this one again, at least each one of them sounds in its own way somewhat persuasive, but I don't know. I don't know. You obviously have thought about this a lot yourself, and it may be that there's still something you don't want to tell us.

General Kalugin:

Why should I try to fool you?

Professor Weinstein:

Why not?

Nigel West:

Nigel West, English author. Thank you very much indeed to the panel and the conference confirming my anti-Gaulic prejudices. Last week in England, an American traitor, Doctor Theodore Hall, was buried. He died the previous week, and he had been identified in the VENONA text as having been a Soviet spy inside the atomic bomb program. A few weeks before that, Melita Norwood, another Soviet spy whose codename appeared in VENONA, was identified through Vassily Mitrokhin, and she got up and she said that she was proud of what she'd done, and she had no regrets, and she would do it

all over again. My question to the panel is, why, what is the justification for redacting, for concealing the names of traitors from the declassified versions of the VENONA texts?

Mr. Olson:

Paul or Allen? Well, well ask Oleg.

General Kalugin:

[Some words inaudible] Well, I may be wrong. Well, there was no evidence. Her admission of the guilt, and there was no name, was there, in VENONA, her name, was it there really?

Professor Weinstein:

It was not in the VENONA material. In her case, actually, we mis-identified here in our book. We had her identified as Tina. She went by apparently another codename as well. But the organization was the same, and I'm certain it referred to her. And that came directly from the KGB files, so presumably that was accurate. In terms of redacting names from the VENONA files, I don't, I know many of the people, some of them, at least, who used to work on the declassification process there, but I don't know. I just don't know why they should, at this stage of the game, not identify everyone they can identify who has been in the public eye. In this case, I suppose the one factor was that he

was never arrested, that he left the country. He talked at length, to, as you know, to Joe Albright and Marsha Kunstel for their book, *Bombshell*. He didn't quite concede that he had committed espionage, although he kind of tiptoed around that point in that memo of his, or that apologia at the end of the book. And he, too, retained a belief in his youthful convictions, as I believe he referred to them, into his old age. But, I have no real answer to that question. I assume it had to do with concern over privacy rights. Even of, it's one of the, one of the [voice in the audience—"try and double back"]. Pardon? Try and double back. Well, indeed. But at this stage in the game. But, I don't know. I don't know.

Mr. Olson:

—

Time for one more question, I'm afraid. _

Jerry Schecter:

Since we're solving mysteries this afternoon.... Jerry Schecter. I'm a writer on the Cold War. I'd like to ask Mr. Redmond and General Kalugin. How did the Nosenko and Golitsyn affairs play, in the sense that Golitsyn you referred to as being part of the "monster plot." Did that really disable the Agency? Was the KGB aware of the internal problem created by Golitsyn and Nosenko? And is the Nosenko case really over? Has it been resolved?

Mr. Redmond:

I don't know if the KGB knew it at the time. They subsequently referred to Angleton as one of their better assets, not in the sense of being an agent, but of being a big help to them. His policies being a help to them in pursuing their business. The "monster plot" essentially boils down to this: When Golitsyn defected, he said, among other things, that there was a spy in CIA, I forget, in the DO, or the DDP, I guess, at the time. The first name of...had an initial; I've forgotten what it is. He thought.... But, I must add, he also said that the French intelligence services were penetrated top to bottom, and he was absolutely right on that. In any case, he also said that they will send somebody after me to discredit me--after me in the sense of time. Nosenko turns up and, in effect says, no, there's not big spy in CIA. People then came to the conclusion that Nosenko had been sent to discredit Golitsyn. That led to all the unfortunate events with Mr. Nosenko's incarceration and interrogation, and to Golitsyn being a bit lionized and further, which is the main "monster plot," was, if, it's pretty clear from this reasoning, if you believe Golitsyn, that there was a big spy. If there was a big spy, they must know everything we are doing. Either the cases were controlled from the beginning, and, therefore, they knew about it obviously. Or they found out cases we were running and were controlling them, controlling the information. That essentially is the SE or SB Division part of the "monster plot," which essentially paralyzed the place for I don't know how many years, quite a few years. As for the impact, I can tell you a story. I came to work in about 1965, and I happened to be lucky to be given a job of supporting the Headquarters end of an in-place source in one of the Soviet intelligence services of an

extraordinarily high rank and extraordinarily high access. And he was providing us, literally, with hundreds of spy leads, including two illegals, and nobody believed him because everybody just assumed that he had been sent because of the “monster plot.” Does that answer that?

Mr. Olson:

Oleg, do you have a brief comment on Nosenko?_

General Kalugin:

Golitsyn provided the US government intelligence and counterintelligence with valuable information about Soviet assets. And when he stated, for instance, in the United States and elsewhere, when he stated the French intelligence and counterintelligence were infiltrated from top to bottom, he was correct. But he suffered from the same conspiratorial mentality as many Russians did, and this obviously affected some of his handlers in the CIA, including James Angleton. For that reason, they treat Nosenko, a bona fide, genuine defector as a spy, as a double agent. Had they had at the time, the CIA, any source inside the KGB--by the way, for me it was a good indication there was none at the time--they would have found out that nearly 100 Russian KGB officers, intelligence, including myself, were punished or recalled from their jobs overseas and even fired in Moscow because Nosenko and some of his buddies would go to the same girlfriends and get drunk and things like that. So 100 were punished for that. Well, since

this was never known that a man was treated the way he was, and I think this is another indication how accurate people must be, many intelligence agency with human, [sources], humans, particularly those who chose to become agents or defectors, and may I remind them, since we raised this interesting issue. Another case of Tolkachev, the man who was a CIA source inside the USSR. The man who was shot by the Soviets, thanks to Aldrich Ames, I believe. His wife, who collaborated with him, was also briefly jailed. She was released after Gorbachev came to, I mean after Yeltsin, I believe. Well, anyway, she was released from jail. She went to the US Embassy. She said, "I'm Mrs. Tolkachev, just from jail. And I..." And she was turned away and she died of cancer a year later. That's another example of, and of course, the latest one, Mitrokhin The guy came with a treasure trove of information to the CIA Station in Riga, Latvia. He was turned down. The Brits were good to pick it up, pick him up. Oh, that's another case. Don't.... An intelligence officer must always be alerted to an opportunity and never miss a chance. That's my motto.

Mr. Olson:

I know we are over time, but I think, Paul, you just need to respond to that if you'd like to, and then the last word from our historian.

Mr. Redmond:

I don't know about Mrs. Tolkachev being turned away. All I can tell you is we were going to *incredible* lengths to try to find the son, to get money to him and help him out. So, it's inconceivable to me that the Agency would have turned Mrs. Tolkachev away. Further, we have gone to unbelievable lengths through the late '80s and all the way through the '90s to get money and assistance to the families of the people who were executed or put in jail. Always having to keep in mind, however, that we don't want to cause them problems. They had enough. We had to be very careful how we went about this. So I sort of reject the assumption, reject the assertion that we turned her away.

General Kalugin:

It's not an assumption. It's a fact.

Mr. Olson:

The last word from Professor Weinstein.

Professor Weinstein:

Three quick points. First I think we all, particularly those of you in the Agency, past and current, would like to thank General Kalugin for his suggestions on how to improve the administrative processes of the Agency. Secondly, I wanted to make an announcement that the next meeting of the *Alliance Francaise* will be in the lobby after

[laughter from the audience]. And, finally, I want to hark back to, the historian in me wants to hark back to some of the issues that came up that morning and which we have, I'm happy to say, assiduously avoided this afternoon, namely discussions of the lessons of espionage and counterintelligence. But there were some very important points. One of the speakers this morning, for example, pointed out, correctly I think, that the lessons of the intelligence issues dealt with in the Cold War do not necessarily present a model for future, for understanding of future intelligence issues. But, whenever the questions of history comes up, one of my favorite examples of a useful discussion of this matter was an exchange between the great American historian, Charles Beard, and a close friend of his, George S. Counts, who was then president of Teachers College at Columbia University in New York. They were walking along Riverside Park some many years ago one nice Sunday. Counts said to Beard, "Beard, [(this is all in Counts' memoir if you want read it, the more extended version)], what have you learned from history?" Beard said, "Well, don't be ridiculous. That's a question that would take months to answer, years in fact, with what I've learned from history." As they kept walking, the years and months became weeks, and the weeks became days, and the days hours, and the hours minutes, and finally Beard glowered--they were coming to the end of Riverside Park--and he said, "All right. I've learned three things from history. Those that the Gods would destroy, they first make mad. That the mills of the Gods grind slowly, but they grind exceedingly small. And, at the same time, that the bee fertilizes the flower it robs." Well, Counts kind of shrugged his shoulders and said, "When you ask questions like that, I suppose I should expect an answer like that, Charles." And they parted company; went their separate ways. And at 2:00 in the morning on that Monday, the phone rang in

George S. Counts' bedroom, and it was his friend Beard. I should perhaps mention that the date was December 8th, 1941, the day after the Japanese bombing of Pearl Harbor for those too young in the audience to have lived through that day. Beard said, "Counts, I just remembered I learned one other thing. That when it gets dark enough, you can see the dawn." And I've always felt for all of the historians who have given me important, useful lessons on what one has learned from history other than the obvious inexorable law of unintended consequences, or that one thing leads to another, that the Beard-Counts dialogue has been one of the most useful ones. Thank you, Chairman, that's all I wanted to say.

Mr. Olson:

I'd like to thank all of our panelists and all of you, and I think I speak for all of them when I say, we look forward to continuing the discussion in the corridors and the meals during the rest of the conference. Thank you all very much.

END PANEL III