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PROGRAM

The MacNeil/Lehrer NewsHour

STATION

WETA-TV PBS Network

DATE

September 3, 1991 7:00 P.M. CITY

Washington, D.C.

SUBJECT

Former KGB Official Oleg Kalugin/Restructuring of KGB

ROBERT MACNEIL: We turn now to a conversation with a man who's been at the center of some of the most celebrated spy battles between the KGB and Western intelligence, the kind immortalized in John le Carre's tales of George Smiley and other spymasters on both sides of the Iron Curtain. He is KGB Major General Oleg Kalugin, a top counterintelligence officer who trained for the job as a student at Columbia University and with tours of duty in Washington and New York. He helped organize a major KGB espionage coup, the Walker spy ring, which turned over valuable code information to the Soviets. Another coup was the defection of CIA agent Edward Lee Howard, who escaped to Moscow with the names of many CIA contacts in the U.S.S.R.

But Kalugin grew disenchanted with the KGB and publicly broke with it last year. For that, President Gorbachev stripped him of his rank and medals. Despite the punishment, Kalugin was elected soon after to the Russian Parliament on a reformist ticket.

On Sunday, Gorbachev restored Kalugin's honors. Shortly after that, Kalugin talked with correspondent Charles Krause.

CHARLES KRAUSE: General Kalugin, thank you for joining us.

Was President Gorbachev's decision this past weekend to restore your rank and your medals a signal to your former colleagues that he's serious about reforming the KGB?

OLEG KALUGIN: Well, I think yes. The exoneration I got from the President and the reinstatement of my previous position, including my pension, suggests that President Gorbachev is willing to go far enough to overhaul the security service organization. In fact, I understood that when I heard him the day after the coup when he spoke at the Supreme Soviet session. He had finally understood that without reforming profoundly the KGB, we would never have peace in this country.

KRAUSE: Has the Fifth Directorate, which had, or has, at its responsibility protection of the constitution, has that been abolished?

KALUGIN: Well, it hasn't been abolished yet, but there will be another outfit inside the KGB. It will deal with problems of control over subversive elements. And I emphasize subversive in terms of preaching and organizing attempts to violently overthrow the government of the U.S.S.R. Also terrorists, as I said. And also cases of corruption by top leaders of the Soviet Union. These will be the major functions of the former Fifth Department.

No political parties, no public associations, or anything like that, would be under control, neither the church nor culture nor sports nor other facets of public life will be under control of the KGB any longer.

KRAUSE: You said that Mr. Bakatin has agreed that there will be no more political surveillance in this country. Do you think he has the power to make that happen?

KALUGIN: Well, if he doesn't change the top personnel of the KGB, he will not be capable of doing it. This is why he asked me to help change some of the chief lieutenants of Mr. Kryuchkov and replace them with people who we may trust.

KRAUSE: And has he acted on your recommendations?

KALUGIN: Well, he asked my recommendations, and I prepared some. We'll see whether he'll act or not.

KRAUSE: The KGB had as its principal activity defending the Communist Party. And over the past couple of weeks Mr. Gorbachev, at various times, has sort of demonstrated a soft spot in his heart for the party. Do you think he really wants to depoliticize the KGB?

KALUGIN: I tend to believe him, though I should have no reasons to believe him. He on so many occasions deceived the public and his own party and the people who trusted him. And yet when I saw him the day after he made his historic speech in which he dissolved the party, and also said very harsh words about the KGB, I had the notion that he would really do it. In fact, I came up to him afterwards and said, "Mr. President, if you are

serious enough, and I have no reason to disbelieve you, then I am on your side. And my friends will be on your side." I mean the friends from the democratic wing. And he was really shaken by the coup, and I really felt sorry for him.

In these circumstances, I have no other choice but to support him for the time being.

KRAUSE: President Gorbachev has said that he was deceived by General Kryuchkov. And yet you and a number of other people were warning publicly that General Kryuchkov did not support this process.

How was it that Mr. Gorbachev failed to see what was going on?

KALUGIN: Well, I have only an educated guess on the subject. I think Gorbachev, as one of the party leaders, always relied on the KGB information and was deeply involved in the assessment of facts they presented. He thought it was very reliable and good information, and I think he was wrong.

Second, he thought the KGB is the best-organized unit in the Soviet political hierarchy and he thought it would be the last defender of -- if anything happens, the KGB will be his last supporter.

And third -- this is something which I have certain reasons to believe it's true -- the KGB may have something about Mr. Gorbachev which we do not know yet exactly what. But it keeps him as if dependent on KGB. And I think Kryuchkov, specifically, knew exactly what he had in mind. I do not discount the possibility that there is something on the President which makes him vulnerable, and the KGB may someday use it. Probably even Chairman Kryuchkov. I mean when put in, you know, dock, I mean at the courts, he will probably say something very detrimental. In fact, he may even concoct something just to blacken the President. But he may also have something really truthful, something which will not be good for the President of the U.S.S.R.

KRAUSE: Why was this coup so poorly planned? The KGB was aparently in it from the beginning, and presumably your former colleagues would have known how to do it right.

KALUGIN: Well, I would answer rather simply, though you may not like the answer. Whenever the Soviet Communists tackled any problem, they always failed, be that the construction of Communist society, agriculture, or preparing coup d'etat. I mean they failed miserably each time.

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Also, you must know Chairman Kryuchkov, he's very indecisive and cowardly, in many ways. He would obey the orders of Lukyanov. He was inspired by him, I'm sure. But he was very hesitant about what to do and how to proceed. He's not a professional, as you know. He's a typical party apparatchik who knows about everything and knows nothing about anything.

You know, this is the trouble with our society. It was run by people who were not knowledgeable about things they were supposed to know.

And third, of course, the split inside the KGB. I mentioned this on several occasions, publicly, that there was a widening gap between the leadership of the KGB and the rank-and-file officers, the younger generation, who simply did not believe all this stuff about, you know, Western imperialist circles trying to impose their will on the Soviet people, you know. And at a crucial moment they simply refused to obey. This is why the coup failed.

KRAUSE: Even though there have been changes and there is some reform in the KGB, do you see any threat of a repeat of what happened two weeks ago?

KALUGIN: We cannot exclude such a possibility, provided we do not stop economic chaos, and possibly hunger and other things, you know, the national conflicts which would result in bloodshed. If these things go on and happen again on a massive scale, then there'll be another attempt, not necessarily by the present leaders of the military, armed forces or the KGB, but some disgruntled people who simply get together one day and try to stage a coup d'etat by whatever means they have available to them at that moment. They'll not be, necessarily, any structural organization, you know, part of the government; they will be simply disgruntled, unhappy, you know, people who would just try to topple the government.

And this is why I suggested that the West should give massive aid to the U.S.S.R., not in cash, but in food supplies and some consumer goods which would fill the shelves, empty shelves in stores, and people would feel there is some change.

If we manage to, you know, keep ourselves on the surface, I mean keep afloat, for another six months, probably by the spring we shall manage to get on our feet and then proceed on our own.

KRAUSE: The Walker spy ring, I believe, was one of your most successful operations. Over the past several years, has anything changed, in terms of KGB activity in the United States and CIA activity here in your country?

KALUGIN: Well, I think both the KGB and the CIA suffered serious setbacks in the last few years. The CIA operations in Moscow and in some of the East European countries, particularly in Moscow, were undermined by Lee Howard's decision to go over to the Soviet side. As you know, as a result quite a few people, invaluable agents of the CIA, were arrested and executed.

As far as the Soviet side is concerned, numerous defections by KGB officers, as well as the arrest of some of them who were CIA spies, also made this organization very weak. In terms of its possessions today, I doubt they have anything serious at all.

I don't know about the CIA right away. I think the CIA has now better possibilities than the KGB, because they are on the --you know, they could work on the tide of sympathies towards the West, even an ideological closeness, in some ways. While the U.S.S.R. security services and intelligence have really nothing to rely on, simply money. But money doesn't work when you have so many defections. People are afraid to get in touch with the KGB.

So, I believe there is no comparison.

KRAUSE: Can George Smiley go to his grave knowing that the West won the Cold War?

KALUGIN: Well, I think we all won. If we look at it seriously, in terms of a victory, humanity won. I mean we got rid of, not completely yet, but of totalitarian state. And in that sense, I feel the victory is universal.

KRAUSE: But that's an easy answer. You spent a whole career trying to...

KALUGIN: Yes, win, to make my side a winning one.

Well, let me say, quite sincerely, I also won. I won simply because I understood some years ago that I couldn't live with the lies and hypocrisy and deceit which surrounded my country and my people. So I suffered, to a degree. But in the long run, I won. And I think the Russian society, the Soviet society, whatever remains of the Soviet Union, also won.

KRAUSE: By obtaining their freedom.

KALUGIN: By obtaining their freedom.

KRAUSE: Thank you.

KALUGIN: Thank you.