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**TRANSCRIPT**

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**BROADCAST EXCERPT**

ROBERT MACNEIL: Finally tonight, another in our conversations about the future of intelligence after the Cold War. Tonight we get the views of an analysts who served at the Central Intelligence Agency for 20 years. Melvin Goodman was Director of Soviet Foreign Policy Analysis until he resigned in 1986, protesting against what he called politicizing of the agency. In 1991 he was among former CIA officials who testified against the nomination of Robert Gates to be CIA Director. Mr. Goodman is now a professor of national security at the National War College and has written numerous articles on the subject of intelligence.

Mr. Goodman, thanks for joining us.

MELVIN GOODMAN: Thank you, Robin.

MACNEIL: The CIA has been criticized in this series of conversations, beginning with Senator Daniel Patrick Moynihan, for failing to foresee the collapse of the Soviet Union. Till 1986 you were the chief analyst, Soviet analyst. What happened?

GOODMAN: Well, I think the major problem was one of politicization. There were some analysts, not many but a few, who saw the weakness of the Soviet Union, not necessarily predicting the disintegration, but knew that there were very serious problems. It became very difficult in an environment of politicization, which Casey and Bob Gates had introduced into the CIA, to get that story across. Therefore, when you had the CIA failing to miss [sic] the Soviet collapse, there was this problem of: Could they have gotten it right or could they have done a better job if the had gotten the story out?

MACNEIL: Do you mean that the Reagan Administration had such a big political stake in portraying the Soviet Union as a continuing menace that you at the agency tailored your intelligence to that view?

GOODMAN: Exactly. The problem was trying to justify very large increases in the defense budget during the early and mid-1980s. And to do that, you had to show a Soviet Union that was extremely strong, an economy that was still expanding, oil production that was increasing. Therefore, any attempt to show weaknesses in the society, weaknesses in the economy, weaknesses in foreign policy, conciliation in arms control, for example, it was very difficult to get this kind of material outside of the agency.

At the same time, you had politicization of intelligence, where you had a story made up out of whole cloth. And that, of course, was the papal assassination memo.

MACNEIL: So, in other words, with all the huge resources of the CIA and other intelligence apparatus, it wasn't really until Mr. Gorbachev came out and announced to the world that they'd been fudging their own books and basing their projections of economic growth on mining their own, selling their own raw materials and things that the world knew that the Soviet economy was collapsing.

GOODMAN: Well, that's true. As late as 1986, the CIA was still saying that the East German economy was as large as the West German economy. As late as 1985-1986, the CIA was still saying that the Soviet economy was about 60 percent the size of the American economy.

So, it was very late that the CIA realized that there was a tremendous economic burden from Soviet defense spending and that, essentially, the system of the Soviet economy was corrupt and was falling apart.

MACNEIL: Is the CIA still politicized?

GOODMAN: I don't think so. I think there were corrections that Jim Woolsey has made, even though you had the incident involving Haiti, when clearly the CIA was presenting intelligence to the Congress based on operational collection that was flawed. So that issue was politicized.

But Woolsey has created another problem, because what he has done is to create a partnership, a merger between the operations side of the house, which is involved in clandestine activity, and the intelligence side of the house, which must remain open in order to provide objective analysis to the Congress and the President.

So, I think the new Director is going to have to reverse this tendency, because you will run the risk of politicization if it is not reversed.

MACNEIL: Spell out what you say happened in the case of Haiti.

GOODMAN: In the case of Haiti, you had operators in the field clandestinely collecting intelligence. This is related to policy. Their sources were primarily opponents of Aristide. Therefore, the intelligence that the CIA was producing and that analysts were putting together was based on clandestine collection that was flawed because they were really only talking to the opponents of Aristide.

Now, of course, the analysts should have been more careful, more zealous. They should have scrutinized this material more carefully, but they didn't. And that's why you got the great flaw in the CIA presentations to the Congress on Haiti, which became an embarrassment for the Clinton Administration.

MACNEIL: How do you correct that politicization?

GOODMAN: I think one way of correcting it is fundamentally separating the intelligence side of the house -- that is, analysis -- from the espionage side of the house. Richard Helms, I think, made the same point the other night during one of these interviews, and I support that completely.

MACNEIL: You mean within a different organization or within the same organization?

GOODMAN: Well, preferably, if I had my druthers, it would be a separate organization. But if you can't arrange that, if it's impossible to do anything until the Aspin Commission reports, then there must be very strong and high walls built between the intelligence side of the house and the espionage side of the house. And these are the walls that Woolsey has knocked down. They must be rebuilt.

MACNEIL: Something I don't quite understand there. Maybe I'm just slow in getting this. If there is a clandestine operation, presumably it has the support of the Administration, unless the CIA is doing something on a rogue basis on its own. So, if the Administration is ordering the CIA to do something clandestine and those operatives are then reporting back, as in the case of Haiti, with intelligence that goes against what the Administration's policy is, it doesn't make sense.

GOODMAN: Well, you have put your finger on the problem. The clandestine side of the house is responsive to policy. Intelligence cannot be responsive to policy. Intelligence has to

be open. It has to be able to tell a policymaker that the policy is wrong, that the policy is flawed.

If you look at the Pentagon Papers and you look at the CIA analysis of Vietnam, you will see that the CIA was exactly right about the difficulty we had entered into in Vietnam and why the policy was going to fail. At the same time, you had clandestine agents in the field collecting intelligence to support the policy with regard to Vietnam. But analysts can't be part of policy advocacy. They can't be out there doing the work of the policymakers. That is why the CIA was created in 1947 by Harry Truman, to have an independent voice with regard to intelligence.

MACNEIL: Where would you put the operational side of it, the clandestine operational side of it, if you had the structuring of it?

GOODMAN: I would keep the operational side in the CIA. I would make it much smaller. I would restrict covert action to very few requirements. I would take paramilitary activities and give those activities to the Pentagon. I would get out of the business of trying to control elections, trying to insert false propaganda in newspapers around the world. And instead of using covert action to bring down governments, which we have done in the history of the CIA, I would use...

MACNEIL: And failed to do.

GOODMAN: ...covert action, in a modified way, to build societies, fragile democracies in Eastern Europe and the Caucasus, where it's very difficult to get aid in on a timely basis. You could use covert action to build rather than to destroy.

MACNEIL: Senator Moynihan suggested that some other -- he wanted to abolish the CIA altogether. He said it wasn't necessary anymore. But he said some other functions could be taken away, that political intelligence could be returned to the State Department, that military intelligence to the Defense Department.

What do you think about those suggestions?

GOODMAN: I disagree completely with that, Robin. It would be very dangerous to give military intelligence to the military. In fact, Senator Moynihan said it in a way that should raise alarm signals. He said the military will only believe the intelligence that the military produces. Well, I don't think the President will believe that kind of intelligence and I don't think the Congress will accept that kind of intelligence.

So, I think it's very important to keep an independent voice with regard to intelligence. That's why it cannot go to the military and it cannot even go solely to the State Department.

MACNEIL: Looking outside the agency for a moment, which spends only $3 billion of some $28 billion that this country spends on intelligence, are there other areas where money can be saved?

GOODMAN: Yes. I think there is tremendous redundancy in military intelligence. You have each branch, each service with its own military intelligence staff. There's tremendous redundancy there. So there you could have savings.

I think in the area of collections systems, because you have each one of the intelligence agencies -- NSA, NRO, the CIA, DIA -- bidding on systems from American contractors, I think there is a tendency to bid up the prices of these various collections systems, which are very expensive to begin with. So I think there is some savings there if you could systematically review intelligence requirements and collection devices.

MACNEIL: If you could, yourself, streamline the CIA, give it strong leadership and depoliticize it, what would you have it then do differently in this new world than it's been doing?

GOODMAN: Well, I think the major thing...

MACNEIL: You sketched out some, I know, a moment ago, but what would be the most important thing?

GOODMAN: Well, one thing that the CIA must do differently is forget the Cold War, try to put the Cold War behind you. And in intelligence, what that means is you have to look at adversarial relationships, of course, because you have to look at threats to the United States. But at the same time, you have to look at the nontraditional causes of conflict around the world. You have to look at ethnicity, energy problems, economic problems, environmental problems. These are the nontraditional issues that Bob Gates and others would pull out of the CIA and return to other agencies. I think these issues, these systemic problems, these non-military problems are going to be the sources of conflict and confrontation around the world, and this is where the CIA is going to have to become central. And right now the CIA is not central to the analysis of these problems.

MACNEIL: Let's go back to the politicization point, your main point at the beginning.

Are you saying that each President really gets the CIA that he deserves, because he, in effect, creates it each time?

GOODMAN: Well, we didn't have that until Jimmy Carter made Admiral Turner the Director of Central Intelligence, which in a way was the first time a President introduced his own Director of Central intelligence.

Now, Admiral Turner did not politicize intelligence. Actually, the Admiral wa quite open-mined about intelligence. But Reagan followed Carter, Reagan introduced Casey to the CIA, and politicization began then. It was a policy that Gates continued and Webster just was not zealous enough in trying to correct.

So that's why, in a way, you had the Ames disaster, which was symptomatic...

MACNEIL: Why? How does that follow, the Ames disaster?

GOODMAN: There's not a direct linkage. But you have to remember that the CIA was involved in things in the mid-1980s, like the Iran-Contra problem, where the CIA should not have had a role at all.

So you asked the question the other night: Why wasn't the CIA more zealous with regard to monitoring the activities of Ames and why didn't they react when there were clues to what Ames had been doing for nearly, it turned out to be, a decade? The problem was the CIA leadership was looking elsewhere. They were protecting their own flanks with regard to Iran-Contra. And that is why the high-level administration of the CIA was very slow to react to the Ames crisis and why one of the things, one of the first things that a new Director must do is remove that first level of leadership, whose careers were intertwined, somehow, with the failures of the past, both politicization and the Ames crisis.

MACNEIL: Let me just ask you briefly. Is Air Force General Carns, whom the President has nominated, the man to do all that?

GOODMAN: Well, I don't know. We don't know too much about General Carns. He's been described as a good wingman. The CIA needs a flight leader. The fact that he has worked for people as important and as difficult as General Powell and General McPeak and survived that suggests that this is a very tough-minded individual.

So, if he has a certain amount of vision and he's willing to take tough actions and he's willing not to wait for the Aspin Commission to report, I think he will be quite successful.

MACNEIL: Well, Mr. Goodman, thank you very much for joining us.

GOODMAN: Thank you very much for having me.