

DISPATCH		CLASSIFICATION S-E-C-R-E-T	DISPATCH SYMBOL AND NO. EGFW-8593
TO Chief of Base, Frankfurt	INFO Chief of Station, Germany		HEADQUARTERS FILE NO. 74-6-138/1
FROM Chief, SR	DATE 17 APR 1959		RE: "43-3" - (CHECK "X" ONE)
SUBJECT REDWOOD/AEMARSH Comments and Recommendations to Project AEMARSH Renewal	MARKED FOR INDEXING		NO INDEXING REQUIRED
ACTION REQUIRED See paragraphs 1 and 4 below.	INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY		
REFERENCE(S) A. EGFA 24776, dated 12 January 1959 B. FROB 3622, dated 5 March 1959 C. DIR 15931, dated 9 March 1959			
<p>1. We will not forward a request for renewal of Project AEMARSH to the approving authority because, basing our opinion on the material forwarded in reference A and in the progress reports, we do not find sufficient justification for renewal, either in past accomplishment or in future potential. More detailed reasons are given in the following paragraphs. Instead of a renewal we are requesting an extension to 31 August 1959, on which date the project will terminate, unless in the meantime there is sufficient new activity or new potential to warrant submission of a new field project outline. During the extension period we ask you to evaluate AEMARSH/1's contacts in order to determine which are worth preserving; and to devise means for the transfer of such assets. We also would like to know what problems you expect to encounter in terminating AEMARSH/1, and what termination arrangement you would suggest. In the request for extension we are asking for \$ [] for the remainder of FY 1959, i.e., 1 March 1959 to 30 June 1959, and \$ [] for FY 1960.</p> <p>2. Our reasons for not requesting renewal of Project AEMARSH are:</p> <p>a. In practice the project has been based on exploiting the Baltic emigration for legal contacts with Latvia. Most of the emigres in Germany are still there because they cannot emigrate to other countries due to security reasons or poor health. We also believe that a large number of these Baltic emigres, even if they received permission to visit the USSR, would be very reluctant to take the risk of placing themselves under the physical control of the Soviet regime again. Therefore, the extremely small potential of REDSKIN travel using emigres does not justify the cost of Project AEMARSH expenditures.</p> <p>b. It is a fact that both the RIS and the UPSWING are also interested in these Baltic emigres. The emigres have been used for intelligence purposes by the AIS, the RIS, the SMOKE, and the UPSWING ever since the end of World War II. We feel that the FI potential of these emigres has been pretty well exhausted by this time without achieving any noticeable positive results, and that we will encounter the RIS or UPSWING whenever we begin spotting and recruiting in this milieu.</p> <p>c. AEMARSH/1 has limited potential as the principal agent of a REDSKIN project, for he is known to UPSWING as an AIS agent as stated in EGFA 24291, dated 20 November 1958, and he is also known to the RIS as an AIS agent as stated in EGFA 24356, dated 24 November 1958. Because of this, you suggested a "cooling off" period for AEMARSH/1, as stated per EGFA 24965, dated 26 January 1959.</p> <p>d. Project AEMARSH activities have produced a number of positive intelligence reports during the past project year. The Reports Staff "Review of Positive Intelligence Production from Project AEMARSH for the period 1 February 1958 to 1 February 1959" indicate that AEMARSH production was at best of marginal value, and that as much was left out of each of AEMARSH/1's intelligence reports as could have conveniently been included. As a result, especially interesting topics have lacked the desirable authenticating detail of how the information was acquired by the source, and more exact estimates of numbers of individuals, installations, and objects. The comparing of previously collected intelligence information</p>			
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with what source knows about similar topics, and in some instances the same topics, in order to supplement, to correct, and to bring up to date our holdings is likewise not reflected in the reports. In other words, AEMARSH/1 does not seem to have the curiosity and "nose for news" that is required of a good debriefer or elicitor. Almost 100% of these reports are debriefing reports of returnees, defectors, escapees and one visitor from the Latvian SSR. Logically, this type of intelligence gathering, which has taken 50% of AEMARSH/1's time, should be handled under Project AEROPLANE or by CARZONE.

e. As you have indicated per EGFA 24963, dated 26 January 1959, AEMARSH/1 is now sick, and according to previous information, he has to remain in a TB sanatorium for a period from three to four months, if not longer. Due to all of these factors as presented in this and sub-paragraphs e. and d. above, we feel very strongly that the only logical choice we have is the termination of AEMARSH/1's services, with suitable assistance in readjustment.

f. Most of the AEMARSH "Progress of the Operations Toward Objectives" as claimed by the field in their request for a renewal of Project AEMARSH per reference A, with the exception of the intelligence reports, have been achieved prior to the past project year or can hardly be called REDSKIN accomplishments. We are left pretty much in the dark as to just what AEMARSH/1 has been doing during the past year to justify a project costing in the neighborhood of \$ [] [] The following are comments on the corresponding sub-paragraphs of paragraph C., Attachment "A" of reference A:

(1) The development, briefing and training of [] [] and his repatriation to Latvian SSR took place in 1956, and thus cannot be considered as an accomplishment during this past project year.

(2) The development and recruitment of [] [] [] [] [] [] took place in 1956 or 1957, with the only exception of [] [] who was developed and recruited in 1958.

(3) Although AEMARSH/1 was in the process of recruiting [] [] (subject of DIR 33918) for a mission to recruit controlled assets in the Latvian SSR, and [] [] actually did perform the intended travel, we requested that due to security factors, as outlined in DIR 33421, you should discontinue contact with [] [] prior to subject's trip to USSR. As it was expected, [] [] admitted upon her return from Latvian SSR that she had been recruited by the KGB. In other words, credit can hardly be claimed for this case as a REDSKIN operation.

(6) AEMARSH/1 did participate in the recruitment of [] [] However, [] []'s activities were primarily GE activities and did not contribute anything to the objectives of Project AEMARSH. Again, there was no positive accomplishment in terms of claims made for the project.

(7) AEMARSH/1 developed for recruitment as a sub-agent the subject of EGFA 21799, who, while working for the Latvian (Emigre) Red Cross in the Federal Republic of Germany, interviews escapees, defectors and Volksdeutscher returnees from the Latvian SSR. Although we know little about your intention for this person, his recruitment would not appear to require the retention of AEMARSH/1.

3. The agents and activities developed by AEMARSH/1 and the case officers in the field and at Headquarters have been or are about to be transferred to other current or new projects, or are to be handled as developmental activities until the agent or activity will warrant submitting a new project or operational plan. The following changes have been or about to be effected:

a. AEMARSH/1 has been transferred to a new Project AEMARSH/1 effective 1 October 1958.

b. [] [] was transferred to Project AEMARSH/1 as [] [] on 1 October 1958.

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<p>c. [] (also known as []) will be transferred to a new Project AEMHAROS with a retroactive date of 1 March 1959.</p>		
<p>d. AEMARSH/15, who is a support agent of Frankfurt Operations Base, is to be supported through OGA funds until regular utilization of his services will justify a new project based on subject's functions and activities.</p>		
<p>4. We request information concerning your suggestions and ideas about the termination of AEMARSH/1. If there are justifications for renewal that did not appear in your project renewal request and previous reports or if there is a new type of activity indicated for AEMARSH/1, we request that a new project outline supporting AEMARSH/1's activities only be submitted for approval. Otherwise, we will proceed with termination at the end of the extension period.</p>		
<p>2 April 1959</p>		
<p>Distribution:</p>		
<p>2 - COB, Frankfurt 2 - COB, Germany</p>		
<p>1 - RI 2 - SR/2 SR/2/Baltic/Latvia/HR/sb</p>		
<p>[]</p>		
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