1. We note your decision to terminate Roject AEMARSH; we cannot in good conscience, however, agree with several conclusions Headquarters makes regarding Baltic REDSKIN operations in general. If the reasoning in Reference is to be accepted, the logical extension of it leads us to the point where one must inquire whether any Baltic REDSKIN operations have any possibility of success, or value, or are even considered desirable. The following comments therefore are offered:

a. You correctly state that most of the emigres in Germany are here because they were unable to emigrate to other countries due to security and health reasons. The security reasons, however, are primarily Nazi - not Communist - background, which by itself does not preclude our utilization of such prospects. Standards of health required for emigration do not, of course, apply to a prospect who is merely applying for permission to make a 30-day visit. Large numbers of emigres might be very reluctant to take the risk of revisiting their native lands, however, sufficient numbers of them are willing to take that risk for us to consider that there is a definite potential in this type of operation. There have been several such cases in the past; to mention just two -- consider J and C who were both willing to visit the USSR in spite of the fact they were closely connected with KUBARK for a number of years.

b. We fail to see how the fact that other Intelligence Services are interested in Baltic emigres results in exhausting their (Baltic emigres) FI potential. Exercise of normal security precautions and tradecraft practices should preclude our becoming involved with an emigre who has other Intelligence Services connections. Moreover, just to mention one aspect of emigre operations, the amount of REDSOM agents obtained from the "emigres" could not be considered an inability to manufacture any noticeable positive results.

c. The fact that AEMARSH 1 is known to UPSWXNN and the RIS affects his security only to the extent that these Services are able to monitor his activities and surveille his movements. He has been thoroughly briefed on the necessity for increased caution on his part and is perimeted on the necessity for increased caution on his part and is perimeted on the necessity for increased caution on his part and is perimeted on the necessity for increased caution on his part and is perimeted either Service has made any attempts to monitor AEMARSH 1's activities. We feel, moreover, it highly unlikely that UPSWING, at least, would consider it advisable to invest the considerable amount of assets necessary merely to learn AEMARSH 1's contacts.

d. We agree that AEMANSH 1°s reports are not as good as they could be. It is felt, however, that this is due primarily to his limited command of the English language. The reports he writes in German or Latvian are considerably better. Because of the past shortage of translators and our own desire to expedite reporting. ASMANSH 1 had been instructed to submit all reports in the English Language so they could be processed immediately. We feel this shortcoming can be largely alloviated by permitting him to write in German and by giving him training in reports writing.

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ENTRAL INTELLIGENCE AGENCY
JURCESMETHODSEXEMPTION 3020

CONTINUATION OF DISPATCH

EGFA 26229

- e. AEMARSH 1's low productivity is due partly to the fact that he has spent the past four months in a sanatorium, and partly to the fact that a good proportion of his activity has been devoted to AECOMPASS operations. It is estimated that this agent is responsible for at least 75 percent of the AECOMPASS production. It is pointed out that the AECOMPASS operations are also Baltic REDSKIN, and several of them are to the ARMARSH target area itself.
- It is requested that you consider the foregoing comments when forming your final conclusions in regard to what potential exists for Baltic REDSKIN operations. It is further pointed out that we consider the Baltic to be a unique area of the Soviet Union operationally speaking. The population is for the most part dissident and anti-Russian as well as anti-Communist. They do not consider themselves as a part of the Soviet Union, but more in the status of a nation occupied by a foreign power. The major difficulty of course is in gaining access to prospective recruits. The コ and L case would seem to demonstrate that once access is achieved, successful Baltic REDSKIN operations are possible. The volume of tourist exchange to the Baltic does not approximate that to Moscow for example; however, an interchange of tourists does exist, and there is no reason to believe it will not gradually increase.
- In regard to the instant case, we would prefer to retain AEMARSH 1's services, but terminate the AEMARSH Project. We plan to submit a request for an amendment to Project AECOMPASS which would provide for AEMARSH 1's inclusion as a Principal Agent under that Project. This decision is based on the following considerations:
 - a. A full-time Principal Agent is considered necessary to handle present AECOMPASS maritime assets as well as develop new ones.
 - b. Loss of this agent's services would drastically decrease our capability to obtain maildrops. Although this activity is non-productive in the strict sense of the word, it should be obvious to Headquarters that it is necessary and also requires a certain amount of available man-hours. You are reminded that in the past the Baltic Section has been called upon to provide maildrops to Headquarters, Berlin Operations Base, Munich Operations Base, other elements of Frankfurt Operations Base, not to mention other components of FCB/SOV.
 - Termination of this agent would also result in the loss of Γ and Γ I these agents are unwitting of AIS involvement and our assessment of them leads us to conclude they would refuse any assignment proposed by an Intelligence Service.
 - d. It is also probable that more than one maildrop's services would be lost. The majority of the AEVAINs are unpaid, and receive mail merely as a personal favor to AEMARSH 1. Many of these individuals are not aware of the true nature of the letters they receive and believe it to be but personal mail for AEWARSH 1. It is a question - how many of them would be willing to knowingly engage in an intelligence assignment?

APPROVED: Tichan /J FIRITION: 2 - SR - EE 2 - COS

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