

Rationale for Future Operational Action

1. To minimize the extent and abstruse nature of the problems confronting both management and the individual case officer [] would be sheer folly since we, a microcosm of our own society, can neither completely escape from its frustrations and failures nor concurrently permit these to assume impedimentary proportions. Successful performance of our contact work demands surface adaptability amounting to multi-schizophrenia with the corresponding sub surface maintenance of a cool detachment. The past activities of [] form an important ingredient of WOFIRM history. While taking cognizance of and benefiting from the lessons of the past, we must not become prisoners thereof and ipso facto negate efforts which, relatively speaking, may be more attuned to present times than when originally tried. Neither can we entomb ourselves in the web of previous efforts on the premise that there is nothing new so why attempt to be innovative. Intelligence by its very definition is an all-consuming, recondite master demanding a constant dipping into the ever-expanding pools of knowledge and events. The question of where to dip and the nature of the ladle are seemingly rudimentary. Yet these are questions requiring the most profound analysis. We are a statistically-minded nation of people psychologically oriented toward the gathering of facts. Based on our preconceptions of the way life should be, we are more inclined to deduce instant images from restricted facts currently obtained than to theorize within a historical perspective

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and then seek evidence pertinent to proving or disproving the theoretical concepts. This frequently prompts us to jump when we should be reflecting. Our preoccupation with facts to the exclusion of all else encourages adherence to the theory of reductionism resulting in the most complex situations rapidly and often erroneously being reduced to the most simple and understandable terms. Presumably the Soviets and Chinese are both sufficiently au courant relative to this penchant for over-simplification to assess it as a major vulnerability and to exploit it accordingly. In any event, the purpose of this paper is first to explore the rationale behind the presence in West Germany and West Berlin

[] with the mission of procuring intelligence and counterintelligence unilaterally and through liaison, as well as conducting political action and, propaganda operations in support of LNHARP vital interests in this area. The second purpose is to suggest future works of action of a complementary and supplementary nature designed to contribute to the satisfaction of the essential requirements []

West German Target/Rationale

2. Looking at this problem in a broad context, we must necessarily view the question of the overall WOFIRM endeavor in West Germany as an extremely significant link in LNHARP's worldwide chain to contain Soviet imperialism. With its viable economy, its proven scientific genius, its talent for efficient organization, its symbolism of what can be done in a capitalist economy, its theoretical military potential, its geographical location, its potential for helping reindustrialize Communist China, its historic and current economic/political ties with Japan, its potential for assuming a major political role in Western Europe through its increasingly dominant position in the EEC and its close political/economic/military ties with the U.S., both bilaterally and through NATO must make West Germany, for the Soviet Union, its major target in Western Europe. We often seem to evidence some confusion as to precisely where our vital interests rest. There are those who stress the need for a de jure recognition of a U.S./Soviet detente followed by bilateral U.S./Soviet disarmament and other negotiations designed to bring about

some fool proof guarantee of a peaceful world. Continued moves toward disarmament are a necessity as long as accompanied by full coordination with our Allies. However, in the absence of some reliable disarmament agreement - which would seem more myth than reality - there should be no question in our minds that the maintenance of West Germany as a staunch member of the anti-Communist camp is essential to our future national security interests. There are those who would advocate a demilitarization of both Germanies as a maximum concession to the Soviet Union which, no longer feeling threatened, would assume a purely peaceful posture toward Western Europe and would be amenable to close collaboration with the U.S. in settling the world's problems. We cannot afford to daydream or be unrealistic. As of 1967 the combined U.S./European NATO GNP was 1,302.2 billion; compared with the combined USSR/Eastern European GNP for the same period of 488 billion. This relative imbalance is obviously in our favor and, certainly from the standpoint of relative potential for current and future military expenditures, we should want to keep it this way. European

NATO's contribution to the above figure was 540 billion. The GNP for China for 1966 was estimated at 80 billion, a substantial portion of which must be used to feed, clothe and shelter some 750 million people. In terms of capacity for disturbing our most vital interests, the Soviet bloc, for the immediate future, presents by far the greater danger. For the foreseeable future our primary interest should focus on Europe. Should West Germany with its approximately 160 billion GNP fall to the Soviets either through external aggression or the rise of internal chaos resulting in the formation of a pro-Soviet government, we would suffer an unprecedented blow which would patently have adverse ramifications throughout European NATO with absolutely unpredictably dire consequences. The growth in West Germany of a policy of non-alignment between East and West would substantially reduce the credibility of our current military deterrent in Soviet eyes.

3. The key role that West Germany plays in the overall NATO defense structure, the political/economic leverage it is able to exercise in areas of primary interest to the Soviets

military power in her own right places West Germany in the unenviable position of being the primary Soviet target in Western Europe in terms of potential danger to the vital interests of the USSR. Correspondingly, we on the scene are placed in the position of obtaining, on the one hand, information applicable to countering an all-inclusive Soviet effort designed to ultimately bring West Germany under Soviet hegemony and, on the other, deny to the Soviets such information and economic goods as would strengthen their capability for military/political maneuvering to the detriment of the West. Within this framework we, if successful in projecting a better image of Soviet intentions, capabilities and courses of action directed against the FRG, may by extension succeed in developing the equally valuable by-product of information on Soviet military and scientific developments. There are obviously an infinite number of variables here but - outside of the pure bluff category the possibility of which can never be lightly dismissed - there is generally an interesting pairing of considered capabilities and aggressive intentions.

Since future Soviet actions against the FRG target, whether

they be military, political, economic or a combination thereof, will depend to some extent on FRG activities in the same fields, a valid insight into the Soviet view of the picture would probably give us an almost equally valid insight into FRG activities across a broad spectrum, i.e., if Soviet espionage is as capable as we may assume. The converse is not necessarily true since we must assume that the Soviets know a great deal more about FRG intentions and capabilities than the FRG knows about those of the Soviets. Although we should naturally prefer to see Soviet and FRG intentions through Soviet mirrors, those mirrors that are currently available may be expected to generally project events with a self-serving curvature. While seeking a more perfect Soviet mirror as exemplified by an induced defection, we should be remiss if we did not attempt to take full advantage of German mirrors despite the attenuated coverage resulting from a noticeably narrower field of vision.

4. Essentially, through heavy concentration on German contacts to obtain information on Soviet intentions

increasing trickle of disseminable and operational information on our Soviet target, will by the very nature of the endeavor substantially increase our knowledge of the most sensitive German targets such as the MFA, the MOD, the Chancellor's office, the All-German Affairs Office and the Ministry of Scientific Research, to name but a few. Moreover, as our knowledge of the most sensitive activities of the above entities grows, we, relatively speaking, will find ourselves developing a corresponding sensitivity to Soviet interests in these same targets and to Soviet machinations designed to achieve Soviet aims. Each step forward on the West German target should propel us at least a mini-step forward on the Soviet target. Although an over-simplification of an extremely complex situation, in essence we have a three part equation with LNHRP, the Soviets and the FRG forming the constituent parts. Any significant move by one of the above parts must necessarily cause a reassessment by the other two parts who may then move or stand pat, as the case may be. Such an equation is patently in a state

being a factor to be constantly watched. Before we can expect to ferret out indications of Soviet intentions and capabilities vis-a-vis the FRG, as case officers we must first develop the most comprehensive understanding possible of U.S. post war policies toward the FRG, and remain au courant on current and impending U.S. policy moves directly affecting the FRG and the USSR in the economic, military and political fields. As a corollary to this we must develop a keen sense of FRG reaction to our post war policies, some historical knowledge of the development of the German state, an understanding of the insecurity endemic in the feelings of a proud but conquered people, an insight into the workings of the grand coalition and its political base, an intuitive feeling for moves theoretically calculated to lay the infrastructure for West Germany's developing an independent military deterrent, the names and backgrounds of political figures involved in the FRG decision making process, a knowledge of topics designed to bring Soviet and FRG representatives together for official discussions such

reported FRG reaction to these get-togethers. It is only through understanding LNHARP thinking on major issues and getting maximum amount of information on West German thinking on the same issues that we can even hope to theorize relevant to possible Soviet reaction - which could manifest itself on a multi-dimensional front - and be able to probe for and recognize valid indications of precisely what the Soviets have in mind as we converse with German and other contacts. This sort of background knowledge can be acquired only through religiously perusing State and WOFIRM traffic, through as much outside background reading as possible and through supplementary discussion sessions among the case officers.

5. If the above hypothesis is accepted, it would seem that we would literally be shortchanging ourselves by adherence to a policy of compartmenting the efforts of our case officers into fairly proscribed areas. FRG and Soviet moves and countermoves in response to each other and/or as a reaction to LNHARP moves are the primary progenitors of the particular ambience in which we work in our efforts to fill with good intelligence

examination by the Soviets of the magnitude of the future universal threat from China and create a new ambience for the development of FRG/Sino economic relations.

Thus, the entire problem once again becomes an indivisible one, giving one pause to wonder whether we can really

do justice to our coverage of the Soviet target here

without a comprehensive understanding of the West German

target and whether the China target can ^{be} adequately covered

from here without the case officers involved having

fairly extensive knowledge of developments within the

U.S./West German/Soviet syndrome, many of which must,

by their very nature, have a considerable bearing on the

extent and nature of FRG economic dealings with China.

For example, a growing FRG belief that the U.S. was

planning on withdrawing sizeable numbers of its armed

forces from the FRG because of an inability to agree on

offset costs, and FRG conviction that the U.S. would

rely on the flexible response theory to defend West

Europe against a Soviet invasion and/or a combination

of other factors could cause the FRG, looking to its

own survival, to attempt to counter the resulting

Information that the FRG was moving in this or that direction could lead to the recognition of indications of this on the part of the knowledgeable case officer and the opportunity for other probes applicable to the FRG and Soviet targets. We should like to explore at some greater length the following paragraphs precisely what we are seeking to find out about FRG and Soviet intentions vis-a-vis each other and vis-a-vis LNHARP in terms of the above three part equation.

7. Political (FRG/Soviet/LNHARP): It is not the purpose of this paper to summarize political reporting [] and the embassy's political section bearing directly on matters of topical concern such as Soviet/FRG talks relevant to a renunciation of force agreement, an air agreement, a cultural agreement, a commodities agreement and scientific cooperation. These are examples of common interests between the FRG and the Soviet Union. They are significant as such. Although all have some political overtones, at the moment these should not be overstressed. Neither the Soviets nor the FRG has

underneath the situation remains unchanged. Both recognize this. Barring unforeseen circumstances each will remain in opposing camps. As the FRG is more vulnerable to future Soviet attack than the USSR is to future FRG attack, the FRG may attempt to hedge its bets somewhat by appearing more receptive to working out agreements with the Soviets which are mutually beneficial. This is not unnatural. However, the Germans and Soviets know and understand each other well enough to recognize the ephemeral values of hedging. If the time is ripe, the Soviets would strike against West Germany, agreements or no agreements. Being realists, both the Soviets and Germans know this. Both know that LNHRP exercises a major deterrent role even though this, as we will discuss later, may not prove to be decisive.

8. Political (Soviet/DDR Attempts to Prevent March, 1969 Bundesversammlung in West Berlin): No attempt will be made to review the volumes of correspondence on this topic. Soviet/DDR action here perhaps exemplified another dimension of the Soviet political offensive against

could just as easily arise as to whether Soviet/DDR action and threats designed to deter the West Germans from holding this election were made to counter a West German action deliberately calculated to provoke the Soviets, simultaneously place the allies in the position where they had to defend their occupation rights. Of course, one might argue that once an FRG decision was publically made to hold these elections then an opportunity was opened to the Soviets to attempt to effect a fission between the CDU and SPD, a fission between the FRG and its allies who were placed in an uncomfortable position, and, while not necessarily planning to carry out their threats, to intimidate and erode the confidence of the people of West Berlin through a war of nerves which can always be rekindled at Soviet volition. Whether the Soviets feel they were forced into this largely verbal confrontation at an inopportune time because of their preoccupation with internal affairs in Eastern Europe, with the worsening Middle East situation, with their efforts to defend their doctrine of limited sovereignty, to

the remainder of the Communist camp, etc., is unknown, although Tsarapkin's offer of a concession to Kiesinger to change the venue might be indicative of a Soviet desire to extricate itself from a lesser priority situation.

Of course, the Soviets would be the first to recognize that apparently earnest concessions paid for by the DDR would create a conciliatory image for the USSR abroad which was lost to them following the Czech invasion.

In any event - leaving aside the question of counteraction - the current Berlin crisis represents one of the overt instances of the Soviet political offensive directed against West Germany and its interests, this bringing into serious question the future support for FRG political meetings in West Berlin. It is also indicative of the enormous role that LNHRP plays in this perpetual tug of war and how LNHRP can become an unwilling participant in a crisis perpetuated by a unilateral decision on the part of its West German ally.

9. Although West Germany appears to be firmly in the western camp for the foreseeable future and, as

with the Soviets behind our backs, we should be remiss if we did not address ourselves to the fundamental question of essentially what the Soviets and the FRG each have in mind to achieve through an increase in their contacts at an official (as well as unofficial) level. Since excellent specific questions are contained in the attachment to Book Dispatch 6638 - to which reference is here made - we will confine ourselves here to generalizations. From the standpoint of the FRG we are presumably attempting to determine whether there is any basic change or impending change on the part of the FRG policy toward the USSR which could lead to some form of FRG political neutralization. We should also be attempting to determine whether any one or more agreements with the Soviets - despite FRG intentions to the contrary - could put the FRG in a cul de sac from which she would find it difficult to extricate/^{herself} without some deepening of her involvement with the Soviets. Such an involvement, for example, could result from a Kiesinger willingness to enter into negotiations on what the FRG has accepted as its right to hold political meetings in West Berlin. As the major

French, jockey for power in this area, we will see a continuing effort on the part of the Soviets to exploit this power ploy to the maximum, generally with the objective of preventing any meaningful coalition of interests on the part of the Western European powers and with particular reference to ensuring that the West Germans do not end up in the dominant political role in any integrated West European political union. It is always easy - and for good historical reasons - to raise the spectre of^a remilitarized Germany¹ once again attempting to devour its European allies. A dynamic and united Western Europe - if such were a possibility - would provide its own safeguard against Soviet imperialist aims, even if the U.S. nuclear umbrella were completely withdrawn. It is doubtful if the rank and file of the West German people - barring some monumental goof on the part of the government in its dealings with the Soviets - are going to follow with any degree of intense effort what their government is doing in this field. The FRG parliamentary process is such that the people have little choice in

terms of candidates for office, the selection of these candidates being a function of the party leadership. While the opinion of the body politic is not a major factor to be considered by the government in its dealings with the Soviets, we should not overlook the impact of top industrial leaders on the thinking of the governmental establishment in this realm. While these people favor new business they do seem to have a healthy fear of granting too many credits to the Soviets whom they consider as their sworn enemy. Essentially top business leaders seem to have an ill-conceded contempt for what they consider to be an inept and indecisive government. Whether these business leaders are attempting to find and groom a strong leader to take over a government of a people largely unresponsive to a parliamentary type of government for which there is no precedent in Germany history remains to be seen. The emergence of such a leader would have a marked impact on LNHRP/FRG relations, on Soviet/FRG relations, and by extension on LNHRP/Soviet relations. Of course, West Germany is

employment, a condition hardly designed -- except among certain youth circles - to cause disenchantment with the government. Should the economy buckle and the people be subjected to hardship, then we quite naturally would have to make a total reassessment of the entire spectrum of possibilities. It is difficult to visualize any FRG naivete on the question of the Soviets permitting a reunification of East and West Germany. The West Germans are the first to recognize that the only condition acceptable to the Soviets as a pre-requisite to permitting German reunification would be the loss of West German sovereignty, i.e., the ultimate incorporation of the FRG into the Soviet bloc. This is a sacrifice they are hardly prepared to make. Although there may through inter-zonal trade be understandings arrived at between FRG and DDR personalities of a purely unofficial nature, these will be within the context of a German framework. The point here is that, again barring cataclysmic changes, the FRG is most unlikely to enter into any agreement with the Soviets, satisfactory to both parties, that would

40. We have been discussing here mainly West German considerations in their various dealings with the Soviets. Of substantially greater importance, would be the Soviet rationale for talking to the Germans, and this, of course, is germane to the entire major area of assessing Soviet intentions and capabilities against the West Germans, the remainder of NATO Western Europe and ourselves. Since the West Germans, as of this time, are in contact with us across a broad area of mutual interests and are our allies, we are in a considerably better position to follow the reasoning behind their political/economic moves or apparent political/economic moves vis-a-vis the Soviets than we are those of the Soviets vis-a-vis the Germans. Of course, this is an area requiring great care to avoid going off the deep end. The fact that the Soviets, for example, go to a company such as Krupp and place a large order for heavy machinery does not necessarily mean this is done as a part of a Soviet political/economic offensive designed to influence FRG policies toward the USSR,

although there may be some residual collateral benefit to this effect. Rather the Soviets may have determined that Krupp had the best machinery on the market at the best price, the purchase in Germany being purely for these reasons. Essentially, we must be careful not to automatically attach political importance to each economic deal. Admittedly, the Soviets are such masters at disguising the true reasons behind their actions, particularly as they apply to a situation as complicated as the German one, that it is often virtually impossible to perceive what these are. For example, we may get one story from Pravda or Izvestia, another from a Soviet diplomat who dropped some feeder information at a cocktail party which he knew would get back to the Americans, another through the German official who was involved in direct talks with the Soviets, a fourth through one of our agents who has been doubled by the Soviets, and inter alia a fifth from a FRG official in the employ of the Soviets who is feeding into WOFIRM and/or State.

developed. It is also one of the most significant fields for [] endeavor, i.e., the attempt to identify Soviet-controlled feeder sources, particularly if they happen to be operating at a high-level in the German government.

The task is an extraordinarily difficult one and there is obviously no panacea facilitating ready identification.

If any such sources were currently feeding [] contacts, the information would presumably be of a political nature, this being our primary field of concentration.

Lacking positive proof generally extremely difficult to obtain - the task of identifying a high-level Soviet feeder operation is complicated by any number of factors. A highly sophisticated Soviet feeder operation can provide us with an extremely erudite analysis of a situation of intrinsic interest to us and, without our recognizing what is taking place, can sway the thinking of the recipient just enough to either cast doubts in his mind about a course of action which the Soviets do not wish carried out or provide good arguments for a course of action the Soviets desire. The detection of such a Soviet agent of influence is usually complicated

as an agent of influence are so compatible with the general thinking or doctrines of the cover milieu of which he is an integral part, that projected adjustments within the established framework designed to serve Soviet needs evoke no suspicion. In attempting to analyze the rationale behind one or more high officials in the government serving as a channel for the flow of intelligence information into WOFIRM hands, it is recognized that we have a somewhat unique situation here because of the SPD position as the subordinate partner in the grand coalition. Because of this we are inclined to the rather axiomatic position that we are being used as a channel to influence American actions and policies favorable to the SPD. Probably in most and perhaps in all cases this is the motivating factor. However, as we seem to approach an increasingly sensitive period involving U.S./Soviet discussions across a broad front of issues effecting ourselves and Western Europe, it is more incumbent on us than ever to ensure that we are not permitting ourselves to be in anywise maneuvered to the benefit of the Soviets

operations. One must understand the subject matter of a series of reports extremely well in order to have any hope of detecting the hidden Soviet hand behind a really refined feeder operation. Such an operation will usually contain sacrificial information which is useful to us and one will generally be told how such and such action has been detrimental to Soviet interests, etcetera. Buried somewhere in the report however will be significant points which would seem consistent with what we might realistically estimate as representing the real Soviet aims in any given situation. The obvious problem in accumulating circumstantial evidence is that within the sphere of polarized thinking on what should be done relevant to the future of West Berlin, FRG/DDR relations, FRG/Soviet relations, etc., that there would be some parallelism between Soviet thinking and certain factions of the SPD as to steps which should be taken. Despite all the problems we, in dealing through what is tantamount to a high-level liaison with an SPD official or any other party group official, owe it to ourselves to continue to exercise healthy skepticism in examining the product

foreseeable future, LNEARP action or inaction will provide the limitation or latitude within which the Soviet scenario vis-a-vis West Berlin and the FRG will unfold.

11. The Soviets have a talent for serving a variety of objectives from one action. Of course, the optimum would be to obtain the true version of precisely what the Soviets intend to accomplish in any given situation where their interests are at stake and to determine just how far they are prepared to go to achieve their objectives. Generally speaking, such a capability is non-existent. However, this should not deter us from engaging in hypothetical reasoning as to objectives, capabilities and possible responsive actions. A tendency may have developed over the years - substantially fostered by Soviet overt propaganda as well as covert activities - to create the illusion of a growing trend toward U.S./FRG paralysis relevant to West Berlin. When dark clouds commence to hover over us and a new German crisis seems to be in the making we should perhaps concentrate at

vulnerabilities as we do on finding out how the West Germans and West Berliners are going to react to another crisis. Moreover, we notice that the Soviets leave no stone unturned to show us their strong cards both while a crisis is building up and during its course. We should make more of a calculated effort to flush out Soviet/GDR weaknesses. Otherwise, we shall invariably find ourselves on the defensive. We do not want to find ourselves in the position of seeing only the span of the Soviet political/economic offensive in Western Europe and not the weak links on the chain. As a matter of fact we through existing sources and developmental contacts, both German and non-German, should be able to develop information relevant to Soviet/GDR talks or Soviet/GDR problems applicable to any number of topics. Third country diplomats are fascinated from both the academic and pragmatic standpoints with Soviet machinations in this most vital sector of Western Europe and apparently have no particular inhibitions

Perhaps only a few of these people initially
but if they find we have something substantive
to say progress becomes possible. In other words we,
through dialogues with individuals in touch with the
Soviets or with access to information on what they are
saying in different milieu may be able to better assess
the outer parameters of the risks they are willing
to take to accomplish certain objectives and hence
their confidence in their own strength and capabilities.
These dialogues provide excellent opportunities to check
one's hypothesis and follow through accordingly.

12. In the absence of a penetration of the RIS
at an official level or running a high-level double
agent against the KGB, we, on making our analysis
of Soviet intentions are going to have to concentrate
pretty much on the following; viz. (a) information from
existing controlled sources on FRG/Soviet conversations
at an official and unofficial level, (b) information
elicited from third country developmental contacts on

obtained from contacts in the German business community on their conversations with Soviet personnel plus their interpretation of Soviet objectives, (d) information which the Soviets know we will recognize as feeder and (e) feeder information from the Soviets which the Soviets will not know we recognize as such.

As reflected in the preceding paragraphs, barring some unforeseen economic (or other) catastrophe and barring some profound suspicion on the part of the FRG of the U.S. selling them out during talks with the Soviets, we can probably rely on the West Germans remaining loyal allies in the Western camp. However a strong intensification of Soviet pressure on West Germany always remains a theoretical possibility based on anything from the Soviets gaining what they thought was a temporary favorable balance of power over the U.S., the Soviets fearing some acceleration toward a united Europe headed by a militant West Germany which would so upset the status quo as to jeopardize her future long range interests, a serious domestic crisis in the U.S. causing the Soviets to

on the part of the Soviets that West Germany was close to a scientific break through resulting in the development of a credible nuclear deterrent or any combination of the above and other factors. Perhaps we should amplify our thinking on some of the above factors which are particularly pertinent to the German scene.

13. Political/An Integrated Western Europe:

Looking momentarily at the possibility of some form of future European political integration emerging within the next several years, the Soviets, as reflected above, will for many reasons monitor any signs of progress and would presumably move to sabotage any developments toward integration which they considered substantive. Of course, at the moment the Soviets must be fairly content to sit by and watch hopes for any meaningful Western European unity disintegrate as the British and French intensify their distrust of one another, as both attempt to court Bonn and as Bonn attempts to keep a safe distance from each and avoid involving herself in the Soames/DeGaulle imbroglio. The Soviets must take

Bonn are each equally determined to assume the role of leadership in a united Western Europe that the chances of such emerging are indeed slim. Also, the Soviets are well aware that France, in particular, fears the resurrection of Germany as a military power and will take action to prevent this. The Germans also recognize that the allies fear a reunited Germany as much as the Soviets and that such is not likely to take place unless accomplished on their initiative. However, the situation could change through growth of a general fear that a Soviet military move toward Western Europe might be taken through a growing diminution of the U.S. will to resist. The British who on the one hand appear detente-minded and on the other are restressing the Dulles concept of massive retaliation - or perhaps ourselves - might ultimately opt for some political solution that would achieve a military neutralization of the two Germanies followed by reunification pursuant to a great power guarantee.

It would be paradoxical if the FRG - as she grows

increasingly less likely to accept any military neutralization which would not only leave her vulnerable to some future rapid Soviet military move carved out under a suitable pretext but would also concurrently destroy her chances for achieving future political leadership of a united Western Europe. While squabbling goes on at the political level including, quite obviously differences between France and Germany re Britain's accession to the EEC, at the economic level there is an increasing cross-fertilization of technical know-how and an increasing flow of investment funds across national borders into industrial endeavors of common interest. Of course, American companies engage in the same thing. The point we wish to make here is that understandings among various industrialists, who literally control the economies in Western Europe, are paving the way for a future political integration and their voices will not go unnoticed in governmental chambers where policy decisions are made. The Soviets must follow very

14. German/Military: We must naturally assume that the Soviets have the greatest interests in any significant developments toward the growth of a sophisticated, well organized, confident and competent FRG military organization. The FRG, recognizing this, must also recognize that she must make every possible effort to effectively camouflage any sensitive research endeavor designed to lay the infrastructure for a scientific breakthrough in the field of weapons technology. The FRG in the final analysis, would recognize this as their only hope for survival if it appeared that they were about to be put on the sacrificial alter of international politics. The German military draft budget for 1969 provides for expenditures in the amount of DM1,045,870,000 as contrasted with DM930,540,000 for 1968. DM88,920,000 out of the above (a relatively small sum) is allotted for military research and development of an unspecified nature whereas DM335,000,000 is allotted for generalized development and testing. Presumably any portion of

is deemed necessary. There are many interesting inter-related questions arising from this situation which will be considered and elaborated on during this and in subsequent portions of this paper.

At first blush, we would assume that we have a great deal more knowledge about the FRG ministry on defense and the defense readiness status of the FRG armed forces than do the Soviets. In terms of quantities of information, this is undoubtedly true. Also since most of the sophisticated radar and other equipment in the hands of the FRG armed forces is purchased from us, we should also know a bit more about our own equipment than the Soviets do. However, as of this juncture the problem for us is evaluating whether a German military unilateral research program in the field of highly sophisticated weaponry - assuming such a program is underway - is making progress of the type that could cause the Soviets to make a significant move on the international chessboard designed to halt such progress.

It might be that the Soviets would have full information

because we should be taking an enormous risk if we permitted the Soviets to gain access clandestinely to successful basic FRG research of higher military potential which was denied to us. Of course, we should not neglect to take cognizance of the problem relative to the FRG itself stemming from any real weapons breakthrough, this being of collateral interest to us.

15. Although it is impossible to be decisive on such matters, we have felt that there are certain weapons areas within the FRG MOD in which the Soviets would most probably be greatly interested. We have attempted to list these in the hope that we may possibly be able to throw light on the following; viz:

(a) an indication of the depth of Soviet knowledge and efforts to obtain this information in terms of the overall rationale for future Soviet moves, vis-a-vis the West German target and (b) determine whether we can't work back up the ladder through identifying recruitment prospects in this target area and, if recruitments are accomplished, using the recruitees as provocation

latter could result in the development of information of a positive nature on Soviet weapons programs.

Areas of substantial interest to the Soviets would probably include:

a. Persian Missile System (700-mile range) -

Soviets would want to know launching time for each missile once order given; how many missiles could be launched within a certain period of time; which

Persian Missile Systems in West Germany on alert during any given period of time and which not; since Persians pre-targeted, what are targets.

b. ECM (Hi-Par Acquisition Radar which

forces the beams through whatever Soviets would have coming in.) Soviets would want technological basis for this. They always want to know what is new in the way of ECM to counter their ECM, etc. This is of the utmost significance.

c. Persian 1-A: This is a new development

involving modified ground handling equipment for the Persian. It results in more compact ground equipment.

a much faster launching time and a greater number of missiles being carried with each system. The Soviets, in addition to questions on technology and number purchased, would naturally want to know the location of the permanent as well as the alternate sites for the above systems.

d. Helicopters: Soviets would want to know what capability the German forces have for air mobility of troops, plans for the introduction of new equipment, nature of this and where new helicopters would be stationed.

e. German Air Defense Status: Soviets would want additional information on Nike and Hercules systems including air defense alert hours.

f. Electronic Warfare: Soviets would want to know German capability for jamming communications facilities, their radar, target acquisition radar, missile guidance radar, etc., capabilities.

g. Capabilities of any new weapons system or weapons under development: An example would be Soviet

interest in any new anti-tank weapon including the range and new measures designed to counter Soviet ECM devices to protect their tanks. Militarily speaking, one of the greatest threats would still be a massive tank attack across the Northern Plain which might move quite a ways before our forces could muster to stop this.

h. Sophisticated Conventional Type Munitions:

Soviets would want to keep abreast of all improvements in conventional weapons. Of course, they have seen weapons captured on the battlefield in Vietnam but they would be interested in the latest modifications.

i. Status of anti-tank barriers: Soviets

would want to know the location of land mines, any atomic demolition devices, concrete barriers, etc.

(There could always be an agreement that atomic demolitions could be used for defensive purposes only.)

j. Defensive Capabilities: Soviets would want

to know the plans and capabilities for defense against chemical, biological and radiological weapons.

k. Logistics: Soviets would want to know the reserve supplies of ammunition, fuel, etc., available to the Germans to support a war and their resupply procedures.

l. Mobilization Plans: Soviets would also want to know these.

m. Communications Systems: Soviets would want to know the German capability for computerizing the information needed for directing the activities of field and headquarters units including the status of the field units, their ammunition supply, enemy action, etc.

n. Air Fields: Soviets would naturally want to know the locations of these and would ^{be} particularly *interested* in GAF success in improving its non-nuclear posture in support of NATO through acquisition of the Rockeye II Cluster Bomb from the U.S.

o. Status troop battle training and preparedness: Soviets would want to know the river crossing plans and capabilities, reconnaissance

16. Assuming the Soviets would seek penetrations of the MOD to acquire the above type information, it perhaps behooves us to examine even further the rationale for our interest. We move here into a rather hybrid PI/CI area where one becomes virtually indistinguishable from the other. Once we have developed some concept of the fertility of the soil in the pertinent offices of the MOD for Soviet penetration efforts - a real enigma at this time - we can then attempt to make some determination as to whether the ASBW has the capability for any form of effective detection of these. One would wonder just how willing the ASBW would be to discuss honestly with us their concept of Soviet penetration efforts directed toward acquiring advanced weapons technology. They would obviously recognize that we should be reluctant to sell them highly sophisticated systems if we felt the weapons technology was going to fall into Soviet hands, the current question of whether the West Germans are going to receive Rockeye II being a case in point.

just how effective the Soviets are in obtaining the specifications on a sensitive U.S. equipment being sold to the Germans and added German modifications.

If we were able to project the existence of a sizeable and effective Soviet network within the confines of the MOD which had become and was becoming privy to a substantial portion of FRG defense secrets this could

(a) effect our calculations relevant to the possibility for future Soviet hostile actions against the FRG,

(b) effect our selection relevant to the sensitivity of U.S. weapons systems being sold to the FRG and (c)

permit us to urge action on the part of FRG internal security services to close the leaks. Of course,

there are an infinite number of factors to be taken into consideration here but precise Soviet knowledge

of West Germany's most sophisticated weapons -

assuming appropriate Soviet ECM development is

practicable - could serve as an inducement toward the

commencement of a conventional war by the Soviets,

assuming that U.S. Soviet disarmament talks

resulted in a substantial withdrawal of U.S. forces

of ~~U.S. forces~~ from Germany or that the Soviets because of these talks and/or other factors become convinced of our lack of determination to defend West Germany. German recognition of this same possibility would normally seem to induce the West Germans to guard, to the maximum extent possible, the security of the sensitive U.S. weapons systems acquired by them as well as the results from any unilateral weapons research in which they may be engaged. Perhaps we are even now in a more critical period in our relations with the Soviets as these apply to the problem of West Germany than we even realize. Following Czechoslovakia, U.S. NATO thinking relevant to German defense would seem to visualize (a) bringing FRG forces to full effectiveness (b) adequate offset provisions for U.S. and U.K. forces and (c) a more significant participation by the FRG in multi-lateral NATO activities as well as in bilateral military assistance. This would certainly result in a progression of West German military strength and presumably in their acquisition of continually

the Soviets would want. At least in terms of West Germany, Soviet planning is probably based on fairly comprehensive intelligence coverage. We can expect that Soviet diplomats as well as Soviet penetration agents in the FRG (as well as elsewhere) will be seeking to determine the existence of a firm political decision reflecting an increased FRG military role in a strengthened NATO. They will be currently attempting to use every clandestine resource possible to see how the above political decision would be translated into a more sophisticated FRG weapons arsenal. Thus, we should be particularly alert to Soviet overt diplomatic and other attempts to gain access to information regarding a political decision and pay close attention to their comments. Of equal importance would be the opportunity for us to use provocation agents relevant to their weapons acquisition efforts. This might provide the opportunity for future deception operations designed to help blunt their overall offensive.

17. We should perhaps take a brief look at one of the milieu in which we will be working, i.e., the

lack of purpose or lack of challenge has caused a fairly high casualty rate in the German armed forces in terms of morale. A commissar like system pertains in the Army where civilian commissars substantially reduce the role of the military commanders. There has been little respect for Defense Minister Schroeder who is constantly looking for bigger and better things. With the imminent loss of the leftovers from WWII, who have formed the backbone of the Germany Army, it is difficult to predict how the young men in the army will behave in a time of crisis. The middle level officer finds himself entrapped in a lethargic establishment but, not knowing what action to take, is bureaucratically biding his time pending retirement. With every effort being made to keep the army strictly under civilian control, there has been little incentive to form a really effective army in Germany. State Secretary von Hase, seems to be the most popular top-ranking civilian officer in the MOD. A service with consistently low morale is also

penetration are correspondingly enhanced. Perhaps the injection of new life into NATO will help but the problem appears to be a pretty large one. The morale of the German army is something WOFIRM per se can do little about. It would appear that within the MOD that the requirements group under Colonel Lindenthal would have the specifics for all sophisticated weapons systems in use by or under order from the FRG. This group would presumably be a major Soviet target. The end users are also logical targets for the Soviet efforts.

18. Scientific/W.German: As mentioned earlier, there are technical exchanges between U.S. and German companies in many fields including Aeronautics, Atmospheric Sciences, Behavioral and Social Sciences, Chemistry, Earth Science and Oceanography, Electronics and Electrical Engineering, Energy Conversion, Materials, Mathematical Sciences, Mechanical/Industrial/Civil/ Marine engineering, Methods and Equipment, Military Sciences, Missile Technology, Navigation Communications,

propulsion/fuels. When one takes into consideration the above plus the sophisticated military equipment the Germans get from us, plus German modifications, plus German pure research, we have a really rich field here for Soviet espionage efforts. If we can develop a mechanism which will assist us in monitoring Soviet efforts to gain access to vital information in at least some of the above fields, we may again be able to translate some of these efforts into a mechanism for obtaining Soviet S&T information of positive interest. An ability to get our hands on Soviet requirements through double agents plus an occasional capability for using contacts or provocation agents to elicit from visiting Soviet technical delegations should commence to provide us with the above capability. There is an obvious inter-relationship here between positive intelligence and counter-espionage in terms of our efforts to get at the Soviet target. It is of the utmost interest to us in our continual assessment of Soviet intentions and

are developing to highly sensitive FRG areas of S&T intelligence. To an extent the above information - depending inter alia on possible changes in our defense posture - is a useful indicator in determining the capacity of West German forces to serve as a deterrent against Soviet instigated conventional warfare.

19. In a larger dimension, since the FRG is rapidly increasing its capabilities in the scientific field and may well be able to purchase increasingly sophisticated weapons systems from us, it is extremely important for us to become as cognizant as possible relevant to what bearing Soviet access could have on our own calculations of weapons superiority over them. Essentially, our position is that we should be able to obtain weapons superiority by virtue of the fact that our GNP would permit us to expand considerably more than the Soviets on both original research and weapons production. We have recently calculated that the Soviets, in order to establish across the board equality with the U.S. on a priority basis would

of the presumed competence of Soviet espionage in the field of scientific intelligence, one wonders whether we might not be misleading ourselves in terms of our statistical capability for maintaining a weapons superiority, particularly as this applies to the development of a possible breakthrough in the weapons field. There is no doubt that we could maintain a production superiority. For example, for FY-1967, we estimate an expenditure of 14.7 billion for weapons research, development, test, evaluation and space programs. For the Soviets for calendar year 1966, we estimate an expenditure of 13.3 million. Assuming the Soviets are becoming increasingly privy to the results of our expensive research on various sophisticated weapons systems - from their espionage activities here and elsewhere including the U.S. - and know that they can expect a continuation of the flow of information, then they can divert their original research to entirely new weapons programs. Of these programs, we would probably have only a clue. The point here is that it is impossible to make even a reasonable prediction

certain fields of our sensitive research and the practical results of these savings in terms of permitting additional original weapons research on the part of the Soviets. We are thus unable to predict whether this would result in a weapons research imbalance favoring the Soviets. The only thing we can do here is to highlight the issue and use it as a basis for showing once again the extreme importance of developing effective programs in Germany for measuring the extent, depth and success of Soviet espionage efforts directed against S&T targets and for contributing to programs designed to emasculate the Soviet effort.

20. As West German scientific research rolls along like a juggernaut, so, correspondingly, will Soviet interest in this. Although our scientific attache's report of 23 August 1968 will provide insight into FRG activities across a wide spectrum, his evaluations of progress and emphasis should not necessarily be accepted as conclusive since they are presumably unsupported by information from clandestine sources.

of West German scientific research:

- a. Chemical - excellent
- b. Nuclear physics - particularly good
- c. Mathematics - not up to 19th century peaks, relatively speaking.
- d. Electronics research - extensive and of good quality.
- e. Astrophysical and geophysical sciences - in support of space programs and economic expansion.
- f. Military research - limited when compared with U.S.
- g. Nuclear energy - reactor research and development plus classified isotope-separation research near Juelich.

Pursuant to the above report West Germany stressed international cooperation in science and technology.

Its scientists actively participate in a number of international scientific organizations, including affiliate organizations of the United Nations, the International Council of Scientific Unions, the International Union of Pure and Applied Chemistry

Atomic Energy Agency, the European Council for Nuclear Research, The European Atomic Energy Community (EURATOM), the European Nuclear Energy Agency of OECD, the European Space Research Organization and the European Launcher Development Organization.

21. The U.S., according to the above report, is West Germany's most important partner in research. In addition to intensive scientist-scientist, learned society-learned society, and private industry-private industry cooperation, there are major inter-governmental programs. Those involving the U.S. Department of Defense and Atomic Energy Commission are of long-standing, those with NASA are increasing rapidly, and the "Udall" program on natural resources and environmental control initiated in 1966 is broad and expanding. West Germany also is increasing its efforts to cooperate with France and is using technology as a tool to aid Great Britain's attempt to enter the Common Market.

22. The organization of scientific research in

voluntary interaction among various segments of the system. Although there is little centralized direction and control over research, the federal government administers through its ministries an efficient system of research units and makes research grants to universities, institutes of technology, industrial laboratories and private associations. The desire to establish a national policy for science and technology and to expedite scientific progress resulted in the creation in December 1962 of the Federal Ministry for Scientific Research, formerly the Ministry of Atomic Energy. The Federal Ministry for Scientific Research is responsible for the general promotion of scientific research, for the utilization of nuclear energy with particular emphasis on the advancement of nuclear engineering and radiation protection measures, and for initiating and promoting the West German space research effort. The Ministry also was assigned responsibilities

previously under the purview of the Federal Ministry of Interior, the major federal coordinator of research. It assumed the function of coordination and provides liaison with nongovernmental organizations. All federal funds for research and development may eventually channel through the Federal Ministry for Scientific Research.

24. The Scientific Advisory Council cooperates with, but is not responsible to, the Federal Ministry for Scientific Research. The council is responsible for developing joint federal-state programs for the advancement of science; for indicating priority research items; and for recommending allocations of federal and state research funds.

25. Although the role of the federal government in scientific activities is increasing through the Science Ministry, the primary responsibility for organizing and guiding scientific research still rests with the states and with various independent and voluntary organizations. The Federal Constitution

requires that the States alone administer and finance the operation of universities and technical institutes, although under a new administrative agreement the Federal Government will contribute 50^{percent} to a planned expansion of the university system. Universities have a more extensive role in research in West Germany than in other countries. Generally speaking, between one-half and two-thirds of all research in progress in the Federal Republic is carried out at universities. The states also support and finance a large part of the independent West German research effort and administer directly a number of state research organizations. The complexity of the West German scientific establishment as evidenced by the above would theoretically permit the development of highly sensitive research projects with weapons applicability in a relatively concealed state, i.e., concealed from INWARP. The Soviets are unquestionably well aware of this and have probably spared no efforts to keep abreast of developments. For the reasons aforementioned, it behooves us to attempt

to develop a capability for monitoring sensitive FRG research projects as a means not only for detecting and denying Soviet efforts to get the benefits from these but of equal importance to play our assets against the Soviets as a possible means for gaining S&T information from them.

26. An estimated U.S. 2.8 billion was available from all sources for science in 1968. Of this amount, about 40/^{percent} was provided by industry and perhaps 60/^{percent} by the federal and state governments. Industrial research is concentrated in the larger concerns, particularly chemical, electrical and pharmaceutical industries where research expenditures may run as high as 5/^{percent} of sales, or even 10/^{percent} in the pharmaceutical industry. West German expenditures for military research and development by the Federal Ministry of Defense have been growing as was earlier indicated from \$228 million in 1967 to \$233 million in 1968.

Soviet espionage concentration in West Germany we cannot afford to overlook the apparent breakthrough by the West Germans, the British and the Dutch in the field of gas centrifuge technology. Of collateral interest, of course, is French and Japanese work in this same field. If perfected, this process could greatly reduce the cost for producing uranium 235 for use in nuclear power reactors. It is recognized that three power collaboration on the above could put nuclear weapons within reach of West Germany through providing a fertile source for enriched uranium 235. As evidenced by a 6 February Pravda article by B. Gurnor, the Soviets have obviously recognized the political, economic and presumably military benefits that would accrue to the FRG through the gas ultra-centrifuge project. The Soviets take the position that the project would contravene NPT. Although the FRG has been consulting with its EEC allies on verification procedures and believes this can be effectively worked out within the EEC; there are definite problems. Gas centrifuges upgrade

percent needed for nuclear power stations that use enriched fields or the 90^{percent} needed for nuclear weapons.

As contrasted with the gaseous diffusion plants found in the U.S., Great Britain and France, the gas centrifuges offer a hope for a cheaper, easier to build enrichment method. Although initial capital costs for the gaseous diffusion and ultra-centrifuge plants are approximately the same, the gas centrifuge plants have only one-sixth to one-tenth as much power consumption as the gaseous diffusion plants. According to the U.K. Atomic Energy Agency a diffusion plant costs around 60,000 pound sterling per ton of separative work capacity. By 1975 it is estimated that European needs for enriched fuel will amount to some 5,000 tons of separative work annually and by 1980 to 13,500 tons of separative work. By 1980 40^{percent} of fixed installation energy produced in Germany will be nuclear. Although the efficiency of the individual gas centrifuge remains a secret, it is estimated that between 500,000 and 5 million centrifuges would be required to meet Western Europe's power needs by

sufficient enriched uranium for a small bomb a year.

It bears noting that although a plutonium bomb can trigger a hydrogen explosion, the normal method is to use an enriched uranium atom bomb to trigger the H-bomb. Although the military aspects of the above are noteworthy, civilian proponents also have a good case since it is generally accepted that there will be a fuel shortage in Western Europe by the 1970s unless new power stations are constructed. The NPT in essence provides that nuclear explosives should not be transferred to or from any signatory and that signatories should submit their peaceful nuclear facilities to inspection.

Even if West Germany signs the NPT it would be relatively easy for a signatory such as West Germany to accumulate large stocks of enriched uranium, which although subject to inspection could later convert them into military purposes in secret. Governments such as those of Germany and Japan could abrogate treaties and commence intense military work in secret if they commenced to doubt the effectiveness of the American nuclear umbrella and our willingness to use it. The

Soviets are obviously hyper sensitive to this and one doubts whether any verification guarantee will satisfy them. Whatever verification guarantees might be given in the future, the Soviets must obviously perform their own checks through clandestine coverage both to monitor any FRG attempts to siphon off enriched uranium for military purposes and to derive full benefits of expanded technical know-how in this critical field.

28. During an early February discussion between French Foreign Office's Deputy Director of Atomic Energy and a British embassy officer, the French Deputy Director gave the British officer a lecture about the dangers of allowing Germans to have access to cheap source of nuclear weapons material. Martin said that Germany was becoming so aggressive and so strong the Europe cannot afford this risk. In addition to fear of military potential, the French are obviously interested in becoming the supplier for Western Europe of enriched uranium and clearly see that if the gas centrifuge process is superior to the gaseous diffusion process, in terms of cost. that France must get in on the gas centrifuge

process. They at the moment are stymied on any plans to go ahead with a new gaseous diffusion plant since, if the gas centrifuge process does appear commercially feasible, they would be wasting money. Moreover, they need German financial support for a new gaseous diffusion plant which they want constructed on French soil. Thus, again, the Soviets are given an interesting opportunity for attempts to divide the allies on a matter of enormous significance. Again, by way of positive S&T intelligence the questions of Soviet case officers may throw some light on the state of Soviet planning and technology in the gas centrifuge field.

29. The West Germans through signing NPT do not want to have their nuclear industry subjected to both IAEA and EURATOM controls while the British will be subject to purely voluntary controls and the French only to EURATOM controls. The West Germans feel this would put their nuclear industry at a disadvantageous position in the future. The FRG is concerned not only about its gas centrifuge project which is being carried out

about its fast breeder reactor cooperation being carried out with the Netherlands and Belgium.

30. In terms of West Germany, we, relevant to Soviet intentions and capabilities are thus entering an extremely critical period with respect to our long range interests. As the images appearing on our screen are necessarily opaque, we must thread our way through a twilight zone in an effort to sort out aims and counteraims, impending actions and counteractions both with respect to the Soviets and the FRG. Perhaps through such means we can develop a little better picture of our vital target areas. The interplay of FRG and Soviet actions vis-a-vis one another will naturally be conditioned by their understanding of each others capabilities and intentions. We are attempting to project here how hard headed German pragmetists in the CDU might attempt to view the future of their relations vis-a-vis allies and the USSR with respect to actions the FRG should take to ensure survival:

a. United States: It is an accepted fact that the West Germans on the surface generally show every

indication of being dependent and wanting to remain dependent on the U.S. and the NATO structure for security against the Soviets. Continuing attempts are thus made to assure the U.S. that West Germany recognizes the benefits to be derived from close alliance with the U.S. and that the U.S. can depend on West Germany not to take any actions vis-a-vis the Soviets which would in anywise jeopardize its close ties with the U.S. It is perfectly natural that West Germany should do this. Whereas West Germany has a healthy fear of Soviet intentions to exercise hegemony over her, she certainly has no reason to fear U.S. domination. Thus, she has everything to gain by taking the above position and there is probably little doubt that West Germany would prefer the U.S. nuclear umbrella continuing for eternity if such could be assured. However, the West Germans are a cagey and suspicious people. They know their fellowman and they are not blind to the ways of the world. Having victimized others including the Soviets through abrogating existing non-aggression or

mutual defense agreements, they know how easily they themselves could become the victims of the same thing.

As any other major nation they don't want to be shorn of their protective shield and left in an exposed position.

They must play for time in the hope that they can retain the U.S. nuclear umbrella intact, i.e., at least until they have something in the way of a deterrent to replace it. They see the problems of a U.S. that has been torn by racial strife, by the internal conflicts over a Vietnam war causing a vital drain on human and material resources, by serious balance of payments problems, by a desire to achieve some detente with the Soviets which they feel could come at their expense and by other factors, the sum total of which could lead to growing sentiment for isolationism. They naturally hope President Nixon and his administration will bring stability on the domestic scene in the U.S., will eschew any form of isolationism, and will place heavy concentration on Western Europe in its defense

stake for themselves and visualize the imponderables. What then are they to do. While continuing to stress the indissoluble nature of their ties with the U.S. and their strict adherence to treaty agreements prohibiting West German possession of nuclear weapons, the West Germans, by the very nature of their confidence in their technical competence, their dynamism, their restlessness as a people and their fear that a future significant withdrawal of U.S. troop presence would reduce the credibility - in Soviet eyes - of the U.S. nuclear deterrent, are perhaps moving circumspectly yet rapidly to lay the infrastructure for the development of an independent military deterrent, i.e., one independent of the U.S. Naturally, it would be in the best interests of the West Germans to prevent the U.S. becoming privy to such intentions or activity for any number of reasons. In the first place, it is simply in the best interests of a major sovereign nation - particularly one in the awkward position of West Germany - to exercise maximum security over

applicability. Moreover, actual evidence that the West Germans might be approaching the stage of friction in the development of an independent nuclear deterrent could result in a joint allied/Soviet move to demilitarize the FRG, which is precisely what the Soviets want.

We should definitely not wish to be caught by surprise.

If the above postulated desire for the creation of a non-U.S. controlled nuclear deterrent against the Soviets in which the Germans have a major hand is correct, the security measures attendant to injecting an infusion of life into such a deterrent coupled with the tightening of German lips as a result of a renaissance of German nationalism, would deal a heavy blow to the semi-open door policy we have enjoyed over a number of years in our information gathering efforts. Such an endeavor would require the Germans to engage themselves in a cosmic balancing attempt designed to retain U.S. military protection for as long as possible on the one hand while concurrently attempting to develop future independent capability for going it alone or in conjunction with other West European allies, the

West German political and economic maneuvering would also be expected to fall within the framework of maintaining the status quo, i.e., avoid being sandwiched between the U.S./Soviet duopoly through security slips or demilitarization stemming from U.S. Soviet detente while the above is under development. If such a thing is coming to pass we should probably find ourselves receiving essentially the same information as we do today, i.e., barring additional efforts on our part to develop priority sources in critical areas in an increasingly closely guarded environment, which information, generally speaking, would support the concept of relationship between two allies facing a common menace and the commensurate need to maintain sizeable commitments of U.S. forces in West Germany. It is doubtful if current sources would throw much illumination on the above, i.e., assuming the validity of the hypothesis.

b. Soviet Union: The West Germans are well aware that while reassuring the U.S. of their loyalty that they should simultaneously attempt to achieve some balance of interests with the Soviet Union. At the moment commercial ties with the Soviet Union and the bloc would appear to be one of the best means of paliating Soviet hostility toward West Germany. Again, the Germans are no fools. They recognize that the Soviets have Germany as a long range objective in their planning and that no economic ties, however valuable to the Soviets, will change this, i.e., as long as we have the current type of Soviet leadership is in power. However, as reflected above, the West Germans fully recognize they could be caught in the massive crunch of a U.S./Soviet detente or suffer the consequences of U.S. isolationism. The Germans are not unmindful that the Soviets - as Soviet propaganda often states - would expect the West Germans to proceed to develop an independent deterrent. The Germans are also not

certain calculated risks in a military sense if they believed that the Germans were on the verge of a weapons breakthrough which could later serve as a deterrent to Soviet intentions to incorporate West Germany within the bloc. Of course, this whole equation would obviously depend inter alia on Soviet assessment of U.S. intentions at the time, the relative strength of U.S. forces in Germany, etc. In any event the Federal Ministry for Scientific Research, the MOD and the industrial/university complex which is engaged in sensitive scientific research programs, would seem to demand our attention as targets of substantial interest to the Soviets and correspondingly to ourselves. If it appears to the FRG that the creditability of the current firm U.S. commitment to defend Western Europe is being emasculated through troop withdrawal, we should perhaps possibly see the West Germans making what would appear as a genuine effort to achieve a detente with the Soviets which would necessitate some FRG concessions. While

individuals who truly believe that through careful work a relaxation of tensions with the Soviets can be brought about, it is believed that the more perspicacious of West Germany's most powerful men may go along with this concept not out of conviction but, from a political standpoint, based on their hope that the establishment of such an image might prove a bit disarming to the Soviets and thus allow them a bit more time for continuation of their own preparations for a national deterrent. Of course, much of what is said here is based on the presumption that the internal political structure in the FRG will remain essentially as it is today. FRG businessmen dealing with the Soviet Union may on the one hand levy heavy criticism against their government for "provoking" a new Berlin crisis on the basis that "the Soviets have suffered so much under Nazi occupation that they have a traditional fear of the Germans which should not be exacerbated through foolish moves." They also may take the position

that such provocation could lead to the fall of moderates such as Kosygin, thus opening the door for a rapid return to Stalinism. On the other hand they in private may fully support their government's action since it favored the U.S. to take a new stand in West Berlin. Again, it is difficult to know the games the West Germans are playing. In any event, it is doubtful if these games will have too much impact on Soviet strategic thinking. As above noted, while the Germans are not fools, neither are the Soviets. Both sides well comprehend each other's long range intentions.

c. British/FRG: Britain is still doing everything within her power to gain full FRG support for her accession to EEC. Wilson favors meeting of the Defense Ministers of the European NATO countries in order to develop a joint strategic concept and thinking. Although the British denied the existence of a link between the German signature to NPD and the

British-German project of building a gas centrifuge, the British obviously take the position that the FRG should sign the NPT. The British are logically using their participation in the centrifuge project and their support of the FRG therein as a lever to gain German support for Britain's entry into EEC. The British see that France is desperately anxious to get in on the new centrifuge process and concurrently receive some assurance that the British will restrain the FRG from too much access to U-235. This gives the British a trump card which they didn't have before. It is ipso facto true that the Soviets will watch closely for any indications that the British and Germans are edging closer together and will be most interested in any significant political/defense developments within the framework of European NATO, both in the context of a strengthened NATO and in the context of the FRG getting its finger closer to the nuclear trigger. The situation in Western Europe is susceptible, quite obviously, to rapid change in

as was exemplified by the ramifications of the British leaking of the 4 February DeGaulle/Soames discussions. Any move by Britain to discredit DeGaulle will not go unnoticed by West Germany which will keep well abreast of both French and British movements designed to ensure that Germany stays in her place. In terms of their political/psychological warfare offensive aimed at Western Europe, the Soviets, particularly following Czechoslovakia, would want to govern their own actions to ensure that any precipitous move on their part would not bring about a political integration of a divided western world.

d. FRG/Asia: Developments in Asia are moving with lightning like rapidity - by Asian standards - and the FRG obviously has a major stake, commercially and politically, in these. For the time being it would appear that the FRG's closest Asian ally is Japan which is coincidentally a tough trade competitor. Geographically speaking, West Germany and Japan are sufficiently far removed from one another to render reasonably unlikely -

at least for the foreseeable future - the rise of serious conflict of political interests. Moreover, both West Germany and Japan have dynamic economies and, although ethnically different, do have their traditional cooperation during WWII as a good precedent for their currently expanding cooperation in what would appear to be political fields. The variables in their respective systems of government are not so great as to preclude close cooperation on a long term basis and the productive mentalities of the peoples of these two great industrial nations are closely attuned in many respects. Both Japan and Germany have in common their traditional fear of Soviet domination, a major factor in bringing the two together. Although Japan was earlier approached by India to make a compact with Australia for the containment of Communist China, while maintaining good relations with India, the Japanese obviously recognize the potentially ephemeral base of India's ruling party and would most probably - now that U.S.

and British influence in Asia are on the wane

be unlikely to tie herself very closely politically to a weak India. Recognizing that the Soviets have a militarized India high on their list as a means of containing China would give the Japanese further reason for standing apart from the situation and letting the Soviets exhaust themselves in carrying such a burden. Moreover, the Japanese are sensibly going to do nothing that would appear as a deliberate provocation to the Chinese, i.e., barring unforeseen changes in the situation. This brings us back to the question of FRG/Japan intentions relevant to the Far East. From the European standpoint, the FRG obviously sees herself caught between her allies such as France and Britain who do not want to see her assuming the dominant political and economic role in Europe either independently or via the medium of some sort of integrated Western European governmental entity, and the Soviet Union which shares the above fear. Since no one is sure of the future course of any other country's protective shield, West Germany, as reflected above, must by necessity

understanding with Japan, on the surface predicated on economic bonds and fostered by close ties between FRG and Japanese leading business concerns, could well lead to future FRG political equities in the Far East. Relatively speaking, neither West Germany nor Japan is believed to consider China as the major threat to themselves or to their vital interests. Japan obviously wants to keep Taiwan outside Communist China's grasp in order to better ensure the safety of her sea-lanes to SEA. West Germany would have no reason to oppose this. On balance, both West Germany and Japan tend to look upon the USSR as the greatest threat to their security which is quite logical. They, of course, see a stronger China as a possible counterpoise to the Soviet Union and the question naturally arises as to whether there is some joint decision to move toward a balanced industrialization of China. From the standpoint of West Germany, any pinning down of the Soviet Union on its eastern front would tend to reduce to some extent the danger posed by the Soviet Union in Western Europe. In this unbelievably

complicated situation, the Soviets also may be thinking of the future possibility, albeit long range, of their being ultimately pushed by China West of the Urals. With this in mind they may be at least thinking along the line of giving the Japanese some increasing commercial equity in Siberia in the hope that if the Soviets should ultimately be pushed out of this area that Japanese equities would be sizeable enough to motivate them toward the containment of Chinese territorial expansion within a Far Eastern framework. Possibly both the FRG and Japan see North Vietnam as a roadblock to future Chinese expansionist efforts into SEA and would hope to assist in the industrialization of North Vietnam not only for commercial purposes but also for the purpose of affording North Vietnam additional political leverage in its dealings with China. Whatever may happen, it is believed that most of the countries of the Asian continent are already commencing to recognize the fact that they in one way or another will become buffer states to a powerful

as to render meaningless any attempts at making decisive future projections. However, it is believed that for commercial as well as political reasons that the West Germans and the Japanese will make a maximum but carefully planned effort to utilize their unquestioned industrial know-how to fill the vacuum in the countries of Asia which they believe will be left through an Anglo/American withdrawal of their influence from the area and perhaps by a corresponding diminution of what is currently a continuing Soviet effort to lay the infra-structure for containing China through attempting to establish close ties with SEA and sub-continent countries. The above is brought out because of its significance as a factor in future FRG/Soviet relations. If the Soviets commence to feel the pincers being applied to them from various directions they, depending on how they see the development of the situation, may feel compelled to make serious concessions on the one hand while lashing out on the other. Adverse developments in the Far Eastern situation could seriously blunt their political offensive against

could also then be moving more positively to achieve their Western European objectives.

31. We should be remiss if we didn't take the current and potential position of the German Trade Union Federation (DGB) into our calculations relevant to the future security of West Germany and with respect to the question of whether this should become a target for WOFIRM coverage. There are approximately some 6,500,000 members of trade unions in Germany - members of the above federations, broken down essentially as follows:

| | |
|--|-----------|
| Government Administration, public utilities, railways and posts | 1,200,000 |
| Metal Working | 3,000,000 |
| Printing | 170,000 |
| Local Employees of Allied Forces | 120,000 |
| Rubber | 50,000 |
| Brick and Concrete | 60,000 |
| Woodworking | 70,000 |
| Wholesale and retail trade | 180,000 |
| Dock Workers | 40,000 |
| Construction | 1,300,000 |

extend co-determination (labor and management) throughout the private sector of the economy in connection with the decision making process. At the moment co-determination exists in the coal and steel community. The DGB is attempting to establish the criteria for the remainder of industry is asking for co-determination in industries with 2,000 or more employees and a total balance sheet of DM75 million on annual sales volume of DM150 million or more. The Unions also want an 8% pay raise during 1969 but the SPD hopes to keep demands to a maximum of 4 or 5%. In considering labor's capacity for making trouble and bringing on inflationary trends - which the government is doing whatever it can to resist - we must take account of the fact that as of 27 February 1968, the total value of union owned assets in the FRG including economic undertakings, real estate, liquid holdings and capital investment in industry was estimated at DM1.3 billion. These holdings are rapidly growing largely because the unions have not had to pay out strike benefits. They thus create a reservoir for future strike benefits on a fairly protracted scale should a

and support these by wide scale strikes.

33. There are a number of factors to be considered here, viz:

a. During periods of relative prosperity such as we have now the older workers, who still dominate the thinking in the trade unions, are reluctant to go off on strike. They are the type of people who like the security of their jobs, who want to avoid involvement in undertakings which could have serious repercussions on them, who enjoy taking their sick leave, etc.

b. However, it was noted that in spite of the absence of major strikes during 1967, there were signs of growing militancy among the rank and file. This discontent spread among major groups of working people in the big industrial centers of the Ruhr, Hesse, Baden-Wurttemberg and Bavaria. The sudden interruption in the continued improvement of living standards, the psychological shock of mass dismissals and wage cuts, a harsher management attitude and more severe discipline in the plants

tended to revive "anti-capitalist" feelings among

the older workers and initiated a wave of indignation against the industrial establishment, thus causing a certain dissatisfaction with conditions as a whole, e.g., government, parliament, political parties, etc.

c. Presumably the union leaders must also be aware of the tools available to management in the event of a strike. Management, generally speaking, is in a position to shift its orders to subsidiaries in foreign countries, which would presumably not be affected by sympathy strikes, and thus avoid being brought to its knees by united labor action, unless, of course, such action should get completely out of hand.

34. Communist activity in the labor unions bears a close look. As of the early fall of 1967, the exchange of an official DGB delegation with a delegation from the Central Council of Soviet Trade Unions set in motion an almost frantic competition

between the DGF affiliates to establish contacts with their counterpart "unions" in Communist countries in Eastern Europe. The DGB unions involved at time were the Public Service and Transport workers, the Metal Workers, the Postal Workers, the Railroad Workers, the Woodworkers, the Printers and the Food and Beverage Workers. By late fall, the DGB had recognized that its haste to send delegations to the East had rather impaired labor's domestic image and an attempt was made to dampen down the enthusiasm for delegation contacts with the East. The DGB executive board then set up a commission to evaluate union experiences with visits to East bloc countries. It was decided to send no official DGB delegation to the late 1967 Congress of the Soviet Trade Union Federation. With respect to the DDR, the FDGB (Federation of Free German Trade Unions - Soviet Zone) continued to press for contacts with the DGB despite the DGB's uncompromising rejection of contacts with zonal workers or other organizations. At year's

and the FD in a press release, announced an increase of 4000 labor visitors - a total of 31,050 - from the FRG during 1967. Although the DDR attempted to imply a substantial increase in DDR infiltration of the trade unions in the West, the visitors appeared to be mainly there on personal visits. There is, according to the Department of Interior's report for the year 1967, some evidence of an organized effort designed to propagate Communist objectives among the more than one million foreign workers in Germany including 287,500 Italians, 159,400 Turks, 136,200 Greeks, 111,900 Spaniards, 99,800 Jugoslavs and 18,700 Portuguese. About one-third are employed in the metal industry and more than 75,000 foreign workers are members of the Metal Workers Union, some of whose leaders appear to be closer to various Communist causes than those of most other German unions. It has been said that the Communists may be primarily interested in using these people when they return to their countries of origin - there is no reason however to believe that the Communists are

to muster anywhere as long as this use is compatible with priority objectives.

35. On balance, however, the trade union leadership at the moment does not seem to contain the charismatic and revolutionary type leadership that would be capable of creating a labor movement that is really troublesome or dangerous to the government. It remains to be seen whether Kurt Gscheidle, designate to fill the shoes of DGB President Ludwig Rosenberg, will be formally elected to this position and, if so, how he will behave. It would seem that a combination of leaders and older workers satisfied with their lot may negate the more dynamic energies of the younger workers and that the "no strike" policies will continue to prevail. There are recent cases of sabotage of shipments from West German companies to Greece, apparently by Greek foreign workers employed in the metal workers union. Although this bears watching, there is no indication it is getting out of hand. While there are obviously Communist penetrations of the trade union movement

which would even hint at the possibility of a Communist takeover. Relatively speaking, things remain calm, and while we should generally monitor trade union developments, there seems to be no need for a special emphasis on this.

36. Our primary liaison in the field of internal security is with the BFE an organization currently suffering from low morale and a current shortage of case officers targeted against the Soviets. At present there are some three full time BFE case officers operating against a Soviet target which - all categories considered - must consist of several thousand Soviets travelling to the FRG on an annual basis. The BFE is more of a coordinating and evaluating than an operational organization, its reports, emanating largely from the LFV, fortunately being of fairly good quality. Since the BFE itself is without any particularly high status in the government or with the body politic, such attempts as it does make to enlist the cooperation of government officials and industrialists

They simply won't divulge anything of consequence to the BFE representatives. Though efforts are continually being made to establish closer liaison with the BFE relevant to improving the focus of activities against Soviet and GDR targets, the built-in limitations in the BFE are such as to preclude our being overly sanguine as to the quality of the results. Moreover, officers in the BFE during this election year may be expected to consider carefully anything they give us which might conceivably redound against the best interests of their respective parties.

37. An active liaison is also maintained with the LFVs in Koeln, Munich and Hamburg, although again, those LFVs in the various Laender which run Soviet operations are working with an acute shortage of full time case officers. Much of the LFV emphasis is on operations against the left and right radical fields. Regular liaison is also conducted with the Security Group which conducts investigations at BFE behest. Monthly liaison is also maintained with the ASBW which

military.

38. Because of the patent significance of the Bundeswehr as a target for Soviet and MFS activities in the espionage, sabotage and related fields, a brief look at their apparent competence and problems is merited. ASBW capabilities for denying the enemy access take on greater meaning when one considers that they are helping to protect the security of sophisticated weapons systems sold by us to the Bundeswehr. It was rather interesting to note that apparent "sabotage" of German military equipment - loosening of nuts on motor vehicles and unidentified damage to Air Force equipment - increased 86 percent during the month of December 1968 over the average for the preceding ten months. Although the ASBW reports for the period 1 July 1968 through 31 December 1968 give no accurate picture of the amount of damage caused inter alia by apparent acts of sabotage, they indicate that the area of emphasis during December was in the Hamburg and Schleswig-Holstein areas. Apparently before this there were no trends reflecting a possible concentration of sabotage in a given

July-September 1968 found negligence as the primary cause of equipment damage, the ASBW report for the period October-December 1968, although lacking supporting evidence, attributes the substantial increase in damage at least in part to probable externally directed acts of sabotage. As reflected above, these acts effect both ground and Air Force equipment. The problem of isolating any external direction of acts of sabotage is complicated even more because of the known desire on the part of the APO, SDS, VK (Union of Draft Dodgers) and the SDAJ, a left wing organization, to undermine morale and competence in the Bundeswehr and the enormous difficulty in determining factions in the above susceptible to bloc control. An examination of ASBW reporting for the above period would lead to the conclusion that the ASBW has not been successful in mounting provocation operations designed to obtain clear cut information of externally directed espionage and sabotage.

39. An optimistic note on the liaison front is the State Security Committee for Security and Intelligence purposes which meets once a month to coordinate and table

and intelligence fields, the fact that its members include ranking officials from the chancellery, the foreign office, defense and interior and that its meetings are attended by the top officials in the internal security and positive intelligence fields at least provides a good embryo for an effective unit.

40. Everyone recognizes that a major problem in the national security field is the decentralization of authority over units involved in the work that was effected by the allies on Germany's defeat. This decentralization inter alia results in no one man having the authority and prestige to command the attention of top ranking FRG officialdom. This is merely an attempt to identify the problem and is not intended to suggest that an integration of the services under one head would be advisable from LNIARP's standpoint.

41. In terms of the new left, it is extremely difficult for us to speculate with any degree of accuracy on the extent of Soviet bloc infiltration of the multifarious organizations which by definition might fall

For the most part, within the new left field of endeavor. the new left

establishment is that of the USSR, the U.S., France or West Germany. There is certainly no indication that any significant segment of the new left in West Germany consciously adheres to the Soviet line. Although there are known pro-Soviet factions within the SDS in West Germany, for example, they would seem to form only a small part of this amorphous movement. There are two fundamental questions relevant to the West German scene which are naturally of the utmost interest to us, viz (a) the intentions and capabilities of new left organizations for creating the type of severe chaos which could be exploited to serve high priority Soviet tactical and strategic aims in Western Europe and (b) the inter-related issue of Soviet capabilities for precipitating and/or keeping up the momentum of a situation where disorder rules.

42. In concluding the rationale, further comments on the Chinese Communist target as a high priority one []

[] are in order. West Germany, after Japan, is a leading trading partner of Communist China. Up until early 1967, Communist China was regularly signing new contracts

the machinery to equip new plants, some 57 such contracts having been signed in the period between 1963-1967, ten of which were with West German concerns. This meant that West German sales and technical personnel were visiting China on a continuing basis in an attempt to negotiate new contracts, to advise on the erection of new plants in areas of great military sensitivity to the Chinese such as Lanchow and Taiyuan, and to sell industrial items.

Some of the technicians involved in the installation of machinery in new plants could be expected to remain in China for a year or more and then be sent back again following home leave. Although the above German technicians and sales personnel became increasingly proscribed in their activities by alert Chinese Communist security police, nevertheless, they did provide occasional rare insight into Chinese Communist technical and scientific activities.

As the above technical personnel were from the Western world with good educational backgrounds and with no known political bias, we were pretty well able to accept their reporting as a valid account of the matters with which they were conversant. Although the hiatus in the signing

technical and other personnel going to the mainland for approximately a two-year period and hence the number of prospective recruits, in early 1969 indications were that China was once again interested in negotiating with West German firms for the sale of electrical power and other plants. Although the difficulties attendant to recruitment of the above technical personnel have increased corresponding to the pressures placed on them by their companies to avoid intelligence ties and by virtue of their personal fear of CCIS detection and imprisonment, an anticipated upswing in the curve of Sino/FRG trade should bring about some amplification in the dimensions of our pool of possible recruits. Of course, a problem which cannot be readily discounted is that emanating from the combination of a renaissance of German nationalism and a strong economy which ensures that there is little in the way of financial benefits that we can give by way of inducement to our target prospects who are generally well paid professional men. As various Western European nations relations with China

relaxation of Cocom controls - Japan is already pushing for this - and the consequent opening up of additional opportunities for FRG/Sino trade.

43. Of the 100 or so embassies accredited to Bonn, some 26 have recognized Peking, the opportunity thus being present that officers from one or more of the above embassies will be assigned to Peking. The possibility also exists that certain diplomats posted here may have close friends in other countries who will receive Peking assignments and can be used as bridges to them. Pakistan is generally considered as having relations with Peking exceeding - in point of closeness - those which Peking has with virtually any other nation outside the Communist bloc. Pakistan's Bonn mission appears to be its most important one in Western Europe. Bonn is the site for the Pakistan technical mission which does quality control testing throughout Western and Eastern Europe. As Bonn has growing economic relations with Pakistan, the FRG brings many visiting Pakistani government officials to the FRG for visits, often under the auspices of Internationales.

Although this should not be over-emphasized, the possibility for gaining access in Bonn to Pakistanis who have visited Communist China, may visit Communist China or have been in close contact with fellow officials or military officers who have spent time in China. For that matter all the subcontinent countries with their obvious intense interest in Chinese developments have important diplomatic missions in Bonn. In this diplomatic ambience it is relatively easy to establish social contacts with diplomats from such countries as Pakistan, India, Ceylon, Nepal, etcetera, for cultivation, assessment and development.

44! The relative position of China as a priority target [] is quite naturally enhanced by the presence of an STITEM mission here. Although comparatively small - four people including the cook - documentary information exists for the presumption that the Chief of the STITEM installation has a mission extending beyond that of a mere propaganda organ into the delicate area of pro-Chinese Communist political

to reporting the results of this. There is increasing interest on the part of STITEM personnel in cultivating West Germans considered sympathetic to Peking. The possibility exists of using the STITEM mechanism as a means of providing credentials for one or more WOFIRM agents to visit the mainland. Information available from various sources would reflect the likelihood of a Chinese Communist trade mission being established here within the next year or so followed by an eventual exchange of diplomatic relations. Presumably the timing will depend to a large extent on the progress of Vietnam peace talks and on U.S. policy moves toward China.

There are many overseas Chinese in school in Germany and others employed with German industry, in the mercantile, restaurant business, etc. Although a few of these appear to return to the mainland, they do provide possible bridges to Chinese Communist technical delegations sent here for training and equipment inspection and also provide possible access agents to personnel affiliated with the new pro-Chinese Communist DKP/ML plus similar organizations. It is of interest inter alia to us to monitor the growth of

since penetrations of these could provide credentials to WOFIRM penetration agents selected for mainland training.

45. Finally, the inclusion of North Vietnam and North Korea as priority targets [] is perhaps appropriate more from the long range than the short range viewpoint, particularly relevant to North Vietnam. From the long range point of view, major German concerns obviously hope to participate in the reconstruction of North Vietnam, hence, the anticipated future dispatching of German engineers and other technicians to North Vietnam to advise on the erection of new plants. From the short range point of view negotiations are believed underway in only a few cases between FRG firms and the DRV, an example being Siemens attempts to sell generators. While recognizing that current information relevant to North Vietnamese reconstruction intentions would be valuable as an indication of their thinking on peace negotiations, it is somewhat doubtful that German firms will get too deeply involved in contractual negotiations without some sort of an unexpected green light from the U.S. Of course, Vietnam has been a

there are unquestionably students here who have maintained contact with DRV/NLF personnel in East Berlin. They are quite obviously, targets, although obviously difficult ones, for cultivation efforts. Since there are some 15 diplomatic missions in Bonn which also have diplomatic personnel accredited to Hanoi, there is always a chance of some operational possibility materializing in this field. In terms of North Korea, as FRG/North Korean trade expands new opportunities will open up for cultivation and recruitment efforts. Of course, in attempting to recruit German technicians for work against DRV and North Korean targets we face essentially the same problems as earlier delineated with respect to the Chinese target. Of course, technicians from West Germany have been employed in working on industrial installations in North Korea for the past several years while negotiations with the DRV are still in an embryonic stage.

opportunity for plying their trade. Since a Priority A-1 requirement is to obtain information on Soviet intelligence activity, we must continue to find ways and means of using third country diplomats as provocation agents against the Soviets. Our contacts among diplomats in the under-developed area may be such as to permit the development of such operations. Our first order of business in this respect is perhaps to study the [] listing of Soviet RIS officers and their known contacts within the diplomatic world. We should then attempt to put together some estimate indicating:

a. The possibility of Soviet direct control (recruited) or some form of implied control emanating from the individual's known loyalty for his country and a current close Soviet government relationship with his country which he would not ordinarily wish to jeopardize. (The latter situation complicates, for example, our problem in dealing with the Indians and the Pakistanis.)

b. The nature of our relationships with the Subjects.

c. The chance of using one or more of them as provocation agents directly against RIS officers or as provocation

suspicion in Soviet eyes. This is a complicated field but one in which we may be able to make some headway both in terms of obtaining political information of interest and in improving our picture of RIS operations here.

23. It is believed best to conclude the paper on this note. There are hundreds of possible situations which will have to be taken up as we go along. The main thrust of this paper is toward the charting of possible new fields of endeavor to supplement and complement what we are doing. Additional papers can be written if these should be warranted. The emphasis here was on the inter-relationship between the FRG and Soviet targets. In the rationale the China and DRV targets were touched upon as was their relationship to the above. Without going into any detail, the across the board effort we are suggesting here will not only contribute to our coverage of the Soviet and FRG targets with highest emphasis on the Soviet but to the China and DRV as well. It is not believed that this paper is the place in which to attempt to spell out any new specifics on the China/DRV operational programs despite their

INTERNAL [

] MEMORANDUM

TO: []

FROM: []

SUBJECT: Operational - Analysis and Suggested Courses

of Action for Future [] Program

1. Pursuant to your request of January 1969, transmitted herewith in two parts is the following:

- a. Rationale for Future Operational Action.
- b. Possible Additional Courses of Operational Action (pursuant to the above).

2. A [] "Operating Directive" forwarded via EGNS-4402, was received too late for a total correlation with the above paper. However, except for consideration of the question of the DDR as a priority target, the other priority objectives are covered in the attached paper. If you felt it desirable, a separate paper could be written on the DDR target.

3. The preparation of this paper was conducted with the thought in mind that you would not wish it to

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to take a look at what might be done particularly relevant to ⁵ highest priority, the Soviet field. Thus, no serious attempt has been made here to cover the oft-trodden ground of Soviet intentions vis-a-vis the major FRG parties and, conversely, their independent or collective intentions vis-a-vis the Soviets. This gap is a deliberate rather than an inadvertent one. As the Berlin crisis escalated during the preparation of this paper, there was a natural tendency to use this as an example of Soviet/DDR political, psychological and military pressure on the FRG and its primary allies, such tendency being resisted since the end product would have been a poor duplication of what has been and is being reported.

4. The primary concentration in this paper is on the S&T field which embraces those areas of the FRG Ministry of Defense, Ministry of Science and Research and the Industrial/University complex engaged in sensitive research work on projects with possible weapons applicability. In their clandestine efforts, the Soviets will likely concentrate on the field which offers them

to diminish the significance of both overt and covert political machinations on the part of the Soviets, The Soviets, being realists, may well put their best operators in the S&T field in West Germany where the current dividends could be enormous. The situation in terms of Soviet emphasis could presumably change if a recession or other pressures weakened the essentially pro-Western structure of the FRG and opened up new avenues for Soviet exploitation.

5. While paying homage to the premise that an outright defection of a top KGB or GRU officer "in place" is an ultimate objective, this paper is concerned mainly with building a network, essentially with West German assets, for identifying, monitoring and hopefully playing back Soviet activities directed at S&T targets with the intention of acquiring PI and CE information pursuant to the priority objectives delineated in [] operational directive. In other words, we have attempted

to visualize the type of S&T target study the Soviets would have made for West Germany and suggest that a parallel WOFIRM effort might provide the entree to Soviet operations necessary to advancing our objectives.

6. This study, unfortunately, did not result in any guaranteed panacea for solving the dilemma of getting good Soviet operations underway. Out of it, however, grew a conviction that we are going to have to do some more experimenting if we are to have much hope for success. Because of the complicated nature of the target as well as the long standing nature [] operational efforts currently underway, the position taken in this paper is that such experiments as we may conduct, at least for the time being, be complementary and supplementary to going efforts.

7. The rationale is somewhat longer than the suggested courses of action, the latter being limited mainly to the S&T field. This paper could serve as a launching point for other specific target studies in related fields.

8. No attempt was made here to suggest who might

be assigned to what target or what other covers might

be useful to achieve any [] operational program.

If the decision is made to explore the ideas contained herein,

one would think that virtually every operational

officer [] could make a sizeable contribution.

MAAG cover and that provided by one or more top U.S.

industrial firms represented in West Germany could

serve us well in this type of operational program.

[]

1. These proposals are not intended to supercede the existing [] modus operandi for attacking the Soviet and other targets listed in [] Operational Directive dated 4 February 1969. The proposals contained here are considered as largely supplementary to going efforts. Within the concept of the Part I rationale of target inter-relationships, it is possible that we, while essentially pursuing current [] operational programs, can concurrently experiment in using our case officers on an "across the board basis" in an effort to carry out new operational endeavors. Such endeavors would naturally be slanted toward satisfaction of our top priority Soviet objectives, although, as reflected in the rationale, other objectives could be satisfied as we move along. If we should discover the experiment to be a profitable one we could adjust case officer time and efforts accordingly. If we see that it is leading us nowhere, we, while still keeping current [] programs going, could once again commence experimenting along new lines until we hit on what would appear to be a successful formula.

2. As reflected in the rationale it is believed that with the strong pro-Western complex of the FRG and its people that the highest priority given by the RIS to German targets is in the S&T field, a field toward which we should largely address ourselves in our experimental effort. Such an effort, if in anywise successful, will contribute to the satisfaction of parts of objectives 1 and 2 under priority A.

Existing [] programs will also contribute to this.

3. In attempting to identify Soviet activity in the S&T field we have tried to project the sort of target study which would hopefully parallel that made by the Soviets. This target study at first blush embraces a rather large area, a refinement of individual target groups occurring as we move along. The area embraced includes the Ministry of Science and Research, the Ministry of Defense and those facets of the West German industrial complex which are involved in sensitive research with direct or potential weapons applicability. Despite the unbelievable complexity and range of the various

interests involved in this field it is not unnatural that there would be a direct inter-connection which must be of considerable interest to the Soviets. In examining the target area, we should first take a look at some of the organizations primarily involved in the field of research. At least at this stage it is difficult to discern the lines of control, e.g., do they emanate from the Federal Ministry of Scientific Research, from the MOD, from industrial management or from a combination of the above or other sources.

4. In any event a list of the most important non-profit corporations or associations which sponsor and finance research, i.e., those operating within the legal framework of private organizations but which have governmental representatives on their boards of directors or trustees and receive a major portion of their financial support from both the federal and state governments, follows:

a. German Research Association (Deutsche Forschungsgemeinschaft - DFG), Bad Godesberg. Program involves scientific organizations rather than individuals

and institutes. It largely promotes research groups

and advises the government on scientific matters.

b. The Max Planck Society for the Promotion of Science (Max-Planck-Gesellschaft zur Foerderung der Wissenschaft, Goettingen. Unlike the DFG, the Max Planck has 52 subordinate research institutes and facilities. It is the most significant institute conducting research in West Germany.

c. The Fraunhofer Society for the Promotion of Applied Research (Fraunhofer Gesellschaft zur Foerderung der angewandten Forschung), Munich. Specializes in applied research, sometimes of a military nature.

d. The Arbeitsgemeinschaft Industrieller Forschungsvereinigungen (AIF) is an organization comprising over 60 industrial research associations or institutes.

e. Donors Organization for Promoting the Arts and Sciences in Germany (Stifterverband fuer die Deutsche Wissenschaft, Essen. It is concerned primarily

industrial research undertakings. It is the most important intermediary between industry and the scientific community. Its contributors comprise every major industrial and commercial enterprise in West Germany.

5. The essential responsibility in the MOD for research and development has been given to Abteilung Wehrtechnik (T) (Department of Scientific Defense) under the Min Dir Wahl, a basically civilian group. Industrial firms carry out much of the military research under contract with the government. Some industrial firms allegedly perform industrial research themselves in order to get full benefits of later production sales. Some firms involved in military research plus a reflection of types of weapons research follows:

a. Dynamit Nobel - private research on explosives and ammunition funded out of their own budget.

b. Rheimetall, Eltro (subsidiary of AEG - Telefunken) out of own budget.

excellent quality underway on support facilities.

h. West German naval research emphasizes development of underwater weapons.

6. In terms of the biological and chemical warfare fields, the emphasis of research and development is on the defensive aspects. The London and Paris agreements of September-October, 1954 prohibit the manufacture of any atomic, chemical or biological weapon in West Germany. There is a fine line here between what is defensive and what could be an offensive weapon. West Germany has one of the best defensive BW capabilities in Western Europe.

Insofar as is known, there is no offensive BW program, but research is underway which could be related to this.

The West German Chemical Warfare (CW) research and development potential is at least equal to that of the United Kingdom and France. Considerable research has been performed on therapeutic chemicals for CW defense.

The Institute for Aerobiology at Grafenschaft has shed its former operation under civilian auspices and now comes directly under the direction and control of the above

7. In the atomic energy field the West Germans have a strong nuclear program which is directed toward peaceful applications of nuclear energy with special emphasis on reactor research and development. . Although much of the effort is on the development of research and training reactors, the major portion of the work is either directly or indirectly associated with the development of nuclear power reactors. The Nuclear Research Institutes at Karlsruhe and Juelich provide the necessary facilities for training in experimental techniques, as well as for conducting their own programs of nuclear research. At least 27 research reactors are in operation or under construction in West Germany. There is one critical research assembly in Karlsruhe. Research on isotope (U-235) separation is being conducted in the gas-centrifuge process near the Juelich institute. An experimental isotope separation facility using the jet-diffusion process was set up at Karlsruhe in 1967, but it is still in the developmental state. Limited amounts of plutonium can be processed in


facilities now existing in West Germany. However, all such plutonium produced is considered to be under adequate safeguards to prevent its diversion to military use.

8. Regarding space research, the new organization for centralizing all space research is the German Experimental and Research Establishment for Air and Space Flight. Among the most important companies concerned with West German missile and space research are the aforementioned Messerschmidt-Boelkow Development Company, Stuttgart and Dornier, Munich plus Entwicklungering Nord, Bremen. Excellent research is done on the physical, chemical and electrical properties of the upper atmosphere. West Germany is an active member of EUROSPACE, of the European Space Research Organization (ESRO) and the European Launcher Development Organization (ELDO).

9. Electronics research and development in West Germany are extensive and of good quality. West German technical capability in component development equals that of any other country in the world and the country

electronics research than any country in Western Europe. The major emphasis in electronics research and development is in communications and related components. ECM research is not original but is being studied. Particular attention is devoted to propagation problems both from the utilization (scatter communication links) and the denial (chaff dispensing and jamming approaches). Germany has more computers in use per capita than any other Western nation except the U.S. and most installed equipment is of German manufacture. The domestic computer industry includes U.S. subsidiaries (IBM) and German firms who manufacture under foreign license (mostly U.S.).

10. Aside from the industrial university complex which will be examined in greater detail later, there would appear to be four main target areas in West Germany which are repositories for the bulk of S&T information and presumably are of the utmost interest to the Soviets, viz.:



Scientific Defense known as Department T) MOD, mentioned above as being the group primarily responsible for research and development for the military.

b. Führungsstab der Luftwaffe (Directing General Staff of the Air Force), Planning Group, which handles some highly classified research and development for the Air Force.

c. Bundesamt fuer Wehrtechnik and Beschaffung (BWB) (Federal Agency for Military Technology and Procurement) located at Koblenz: Responsible for carrying out of all technical development of weapons systems for the military, technical testing, preparatory processing and central procurement as well as all related contracts and technical training of personnel.

d. Federal Ministry for Scientific Research located at Luisenstrasse 46, Bad Godesberg.

11. Organizational breakdowns of the above target areas are available. To economize on space they will not be included in this paper.

12. Of course, the fact that the above areas may represent primary targets for the Soviets obviously does

into West Germany under the auspices of various West

German industrial concerns and who may remain in West

During the past year and a half we know of Germany from a few weeks to two years or more, /some

80 Soviet acceptance engineers who have arrived here for stays of six months or more. Although in the past the Ministry of Interior made no particular effort to keep track of these individuals, who for all purposes could lose themselves in West Germany for months without West German authorities being aware of their whereabouts, an attempt is now being made to rectify this. We obtain travel data from the BFV covering Soviets who visit West Germany including Soviet officials, acceptance engineers, members of cultural and scientific groups, individuals who attend conferences here, academic types, etc. The names of the West German companies to be visited by the acceptance engineers who will be checking equipment on order, etc., are also provided. The magnitude of the problem facing us in our attempts to run useful and extremely necessary PI and CE operations, against the Soviets in the general S&T field is highlighted by the following:

Good!
★

(b) There are nuclear research organizations in universities in the following cities where research is conducted: Aachen, Berlin, Bonn, Braunschweig, Cologne, Darmstadt, Erlangen, Frankfurt, Freiburg, Goesthacht-Tesperhude, Giessen, Goettingen, Hamburg, Hannover, Heidelberg, Juelich, Karlsruhe, Kiel, Mainz, Marburg, Munich-Garching, Stuttgart, and Wuerzburg.

(c) As reflected earlier there are many companies which have fairly extensive technical exchange agreements with U.S. companies and governmental institutions containing materials classified through SECRET. Examples follow:

(1) Boelkow, GMBH has technical exchange agreements with U.S. concerns in the following fields:

- a. Image receivers for long wave infrared
- b. Defense against low flying aircraft.
- c. Anti-tank guided missiles.
- d. Ballistic research and development
- e. Rocket weapon systems for area fire -

single and multiple launched.

- f. Propulsion test facilities

- g. High pressure regeneratively cooled thrust chamber

not mean that the Soviets would be successful in achieving and maintaining suitable penetrations of these for any number of reasons. Thus, one could anticipate that the Soviets both to establish bridges for getting into their ultimate target areas, and inter alia as a means for getting the most current S&T information will be seeking to obtain this through elicitation efforts and penetration operations directed inter alia against industrial and university centers involved in sensitive scientific research. Of course, they would also run operations designed to obtain information on sophisticated weaponry through concentrating on the end users of this in the field. Thus, it behooves us to take a closer look at this potential array of Soviet S&T targets in an effort to assess our own field of concentration in developing future PI and CE operations targeted against the Soviets. Prior to doing this, however, perhaps we should take a very general inventory of our knowledge of current Soviet activities applicable to the scientific research field and of their estimated capabilities for achieving their aims.

AECOLLAPSE, already known] to support
this thesis, it is obvious that AECOLLAPSE/1 is well
connected in German industrial circles. Many of the
other Soviets in the embassy and the trade mission
presumably have similar connections. One would imagine that
the bulk of the RIS officers in the embassy and trade
mission do essentially the same thing we would do given
the same set of circumstances. With the high priority
the Soviets would obviously give to satisfying S&T
requirements, they would certainly want to give
maximum attention to this in West Germany where they have
sizeable latitude (in the absence of effecting internal
security network) for carrying out the following normal
clandestine functions, i.e., spot, assess, cultivate, serve
as bridges to recruitment prospects, handle recruited agents,
occasionally make recruitments, service troops, perhaps
make an infrequent direct contact with a Soviet illegal,
etc..With some 80 people in the Soviet embassy and
another 80 in the Soviet trade mission (60 percent RIS),
they are in a position to see a lot of existing and
generate a plethora of new contacts. How many of the

is unknown. One would not even attempt to guess how many illegals the Soviets have here doing S&T work.

14. In terms of security, we all recognize that RIS officers, except under the most unusual circumstances, would neither be inclined to telephone a sensitive contact from the embassy or trade mission nor receive a telephone call at the above installation from a sensitive contact. The same would be true regarding the use of the phone at the RIS officer's home if such use could conceivably compromise the identity of a sensitive contact. Despite this CALLIKAK coverage is still an extremely valuable tool for identifying currently non-sensitive (in Soviet eyes) individuals with whom certain Soviets are in contact. Thus, the strategic BND coverage plus BFV CALLIKAK coverage on individuals is most useful relevant to S&T as well as all other fields of Soviet interest.

15. Of the several categories of Soviet travelers to West Germany on an annual basis, of especial interest from the S&T standpoint - as well as from the standpoint of "the Soviet economic offensive against West Germany" -

mission or Soviet visiting technical and scientific personnel to discuss the nature of these contacts either with an LNHRP representative or "allegedly" with representatives of their own internal security services.

b. The fact that some 500 or so German scientific and technical personnel, who were Soviet POWs during periods ranging up to 10 years, have long since been resettled in West Germany, many of them in sensitive positions in West German industry. (In view of the long exposure to Soviet indoctrination, it goes without saying that some of the above have formed the nucleus for a Soviet espionage network in the S&T field.

c. The vast number of refugees from the DDR and expellees from bloc areas previously containing German minority groups - some of whom are scientific and technical people - naturally complicate the problem.

d. The tradecraft skill, sophistication and apparent scientific knowledge of RIS officers such as AECOLLAPSE/1 and their strong sense of purpose in going after materials of priority interest to the Soviet Union.

personnel for clandestine undertakings targeted against West German S&T personnel.

f. The presumably highly capable RIS illegal network which would presumably have been established in areas where police and other personnel records were destroyed as a result of the war and which could be effectively used to handle personal contact with ultra-sensitive S&T agents.

g. A natural reluctance on the part of West German scientists, assuming they are carrying on unilateral research of a highly classified nature, to make any allusion whatsoever of this to an LNHPARP representative

16. Prior to proceeding with the task of attempting to isolate a few S&T target areas among German industrial firms and/or universities through which we may achieve vicarious contact with the Soviets through cooperative West German assets; it was thought advisable to furnish some more of a detailed picture of German firms and, to a lesser extent, universities concerned in one way or another with the extremely broad and

a. Some of the most important groups involved in the FRG atomic energy program are:

(1) A.E.G. (Allgemeine Elektrizitäts Gesellschaft AG) - company produces electrical, electronic, mechanical, nuclear and other types of equipment with about 30 plants in West Germany and numerous subsidiaries. AEG also has a large research organization with facilities at Frankfurt and Berlin. Owned 10 percent by GE.

a. Location:

- (1) AEG Hochhaus, Frankfurt/Main-Sued
(Administrative Hqs Plant, Research Center)
- (2) Kahl (near Frankfurt) (Nuclear Research Laboratory and Kahl Nuclear Power Station)

b. Officers:

- (1) Berthold Gamer, Chairman, Management Board
- (2) E. H. Karl Steinel, Director Research Institute
- (3) Dr. Alfred Lerbs, Director, Cyclotron Division
- (4) Alfred Schuller, Executive Director, Nuclear Energy Division

NUKEM (Nuclear Chemie und Metallurgie, Wolfgang) (70 percent) and Dow Chemical International, Midland, Michigan (30 percent) formed ALKEM for the purpose of manufacturing plutonium fuel elements for atomic power plants including the Karlsruhe SNEAK experiment on fast breeder reactors; ALKEM is housed in space at Karlsruhe.)

- a. Location: Leopoldshafen (near Linkenheim)
- b. Officers - Dr. Wolfgang Stroll

(3) Deutsche Babcock & Wilcox-Dampfkessel. -

Werke AG: The firm produces all types of mechanical equipment including boilers, pressure vessels and related machinery and has several works and a number of subsidiaries. The Atomic Energy Division, centered at Oberhausen with a branch at Friedrichsfeld, is concerned with design and production of atomic reactors.

- a. Location - Duisburger Strasse 375, Oberhausen (Headquarters, Plant, Research Center)
Friedrichsfeld (Nuclear Research Branch)
- b. Officers: Robert Jantscha, Chairman Board
Hans Lorenz Ewaldsen, Board of Directors

(4) Demag AG - one of the most important

West German manufacturers of machinery including rolling

and materials handling equipment - services: participation in Interatom in design and production of nuclear reactors - the FDR reactor for the nuclear ship "Otto Hahn".

- a. Location - Wolfgang-Reuter-Platz - Duisburg
- b. Officers - Dipl Ing Hans Reuter, Chairman of the Board.

(5) Frieseke & Hopfner - West Germany's principal supplier of nuclear instruments.

- a. Location - Tennenloher Strasse 41, Erlangen-Bruck
- b. Officers - Fritz Eigen, Manager

(6) Henschel Werke - one of the leading FRG heavy machinery manufacturers producing diesel engines, trucks, locomotives, chemical equipment, road machinery, machine tools, boilers and in nuclear field performs inter alia service of design and construction of high capacity containers.

- a. Location - Henschelstrasse 2, Kassel
- b. Officers - ?

(7) W.C. Heraeus - producer of laboratory apparatus, equipment for chemical industry, high vacuum melting, high vacuum measuring instruments.

a. LOCATION - Mannheim/Main

b. Officers - Dr. Helmut Gruber, General
Manager

(8) Farbwerke Hoechst - former part of

I.G. FARBEN and now an important chemical company

producing inter alia helium, heavy water and performing
services such as activation analyzers.

a. Location - Brueningstrasse, Frankfurt/Main
Hoescht

b. Officer - Karl Winnacker, Chairman,
Ex-Committee

(9) IBM Deutschland Internationale Buero-

Maschinen - computers and data processing systems.

a. Location - Tuebinger Allee 49,
Sindelfingen (near Stuttgart)

b. Officers:

Walther A. Boesenberg, Manager

Oskar E. Hoerrmann, Manager

Dr. M. P. Wahl, Deputy Chairman

(10) INTERATOM - To develop peaceful uses

of atomic energy including design and manufacture of nuclear

reactors and related products. INTERATOM owned by Deutsche

Babcock & Wilcox, Oberhausen; The Atomics International

Division of North American Aviation Co., Los Angeles and

Demag, Duisburg, each with one-third interest.

a. Location - Cologne-Bonsberg

b. Officers: Claus Berke, Manager
Frank E. Faris, Manager

(11) Kernreaktorteile - formed by AEG

(55 percent) and GE (45 percent) to make components for reactors mfg by AEG and GE. It has technical exchange agreement and licensing program for GE's boiling water atomic power reactor and GE's nuclear superheat technology for boosting the efficiency of atomic power plants.

(12) Kloeckner-Humboldt-Deutz AG - equipment

such as diesel emergency power supply units for reactors, water treatment plants, etc.

a. Location - Muelheimer Strasse 149-155,
Cologne-Deutz

b. Officers: Heinrich Jakopp, Chairman of
the Executive Committee

(13) Fried, Krupp Apparatebau - complete

industrial plants. Mfg nuclear products and produced the mechanical construction for the 100 mw gas cooled reactor at Juelich.

a. Location: Altendorfer Strasse 103, Essen

b. Officers: Dr. Payl Heufers, Manager
Alfred Schmidt - Manager

(14) Ingenieurgemeinschaft Leybold-Lurgi-Uhde -

Formed by the merger of the nuclear research divisions of Friedrich Uhde, Dortmund; Lurgi für Chemotechnik, Frankfurt and Leybold Hochvakuum-Anlagen, Cologne. This company constructed the laboratory for radioactive solids at the Juelich Nuclear Research Center, Juelich and will design and construct the GWK nuclear fuel reprocessing plant at Karlsruhe.

(15) Maschinenfabrik Augsburg-Nuernberg AG

(M.A.N.) one of West Germany's most important manufacturers of machines, vehicles, engines, turbines and technical equipment. General Electric, Ltd., U.K., has granted licenses to MAN for use of their nuclear patents.

(16) Siemens - Research and production On

extensive basis on all phases of peaceful uses of atomic energy.

(17) EURATOM Installations - Institute

established by EURATOM, the FRG, the State of Baden-Wuerttemberg and the Gesellschaft fuer Kernforschung, Karlsruhe. Research facilities designed for handling and study and fabrication of plutonium fuel elements and are presently under construction.

(2) DNAG (Dynamit-Nobel AG) - Six technical exchange agreements in the ordnance field.

(3) Erprobungstelle 71, Eckernfoerde - ten exchange agreements covering ordnance, physics, missile technology, etc.

(4) Rheinmetall - 9 exchange agreements in ordnance, propulsion fuels, etc.

(5) AEG and AEG Telefunken - 14 exchange agreements in physics, navigation, missile technology, electronics, etc.

(6) ^(,1) Batelle Memorial Institute, Frankfurt - 8 exchange agreements in physics, ordnance, etc.

(7) Siemens - 8 exchange agreements covering navigation, electronics, physics, etc.

Note: We have a complete listing of West German and U.S. concerns involved in the above technical exchange agreements and fields covered.

17. Before proceeding to refine our targeting it is interesting to note that the presence of DRAGONS in important positions in companies such as A.E.G., Siemens and Boelkow, to name but a few, and in institutes such

universities and other organizations conducting basic and applied research.

18. It is suggested that our targeting effort against W. German targets of S&T interest for the purpose of getting at the Soviets remain fairly elastic for the time being, perhaps along the following lines:

a. Department of Scientific Defense (MOD)-

Colonel Robert Grovert as well as various MAAG officers including Colonel Raymond S. Isenson are acquainted with Ministerial Director Wahl and presumably other officers in the Department of Scientific Defense. Colonel Grovert also stated privately that the U.S. Defense Department has a top level German scientist (Dr. Dunquist (Sic.)), who went to the U.S. at the end of WWII, on its payroll.

He works closely with the German scientific establishment.

Although the personal relationship is a sensitive one,

Col. Grovert would attempt to elicit the answers to

any priority questions which we might later develop.

Although Colonel Grovert has been particularly careful

in his relations to avoid any contamination with

intelligence, he is willing to assist in a circumspect

be a mistake to give him a clear view of our ultimate objective. Out of the above, we, in time, may be able to develop a basis for personal friendship with individuals in Division T who will talk to us about possible Soviet actions against this target and what can be done to turn these to our advantage. Considerable exploratory work can probably be accomplished through our above embassy contacts which exploratory work could be started soonest.

b. Directing General Staff of the Luftwaffe - Planning - The same general procedure above mentioned can be followed here.

c. BWB (Weapons Procurement) - The same general procedure above mentioned can be followed here.

d. Ministry of Science and Research - a complete target study is in order here - perhaps with the help of Dr. Williams but without revealing our precise intentions - with the intention of obtaining data on current contacts, if any, between personnel in the above ministry and the Soviets and attempting to establish some frame of reference for the development of personal

positions are such that they would be likely targets for Soviet cultivation/elicitation attempts. Further exploration among our various contacts may reveal means of entree of which we are currently unaware. Third national science attaches could prove to be useful access agents. Moreover, introductions could be arranged through U.S. scientists who have contact with scientists from the above ministry at international gatherings. We should also want to know whether any DRAGONS are currently employed in the Science Ministry and, for that matter, in any of the MOD scientific divisions.

e. A.E.G., Frankfurt - Since A.E.G. is one of the largest companies in West Germany with its hand in every type of research in the fields of electronics, nuclear equipment, etc., it would logically be a target for a fairly comprehensive Soviet espionage effort and, one would presume, an effort to lay the infrastructure for a sabotage capability. In terms of access to personnel in the company who might be useful in our program, this would have to be explored. There is little doubt however that through existing assets useful contacts can be turned up. This is

get a helping hand from G.E. in assisting us to identify sensitive areas of research in the A.E.G. complex which might appeal to the Soviets and perhaps in serving as a bridge to one or more AEG business contacts. We should definitely want to do several things as a starter, i.e.,

(a) get an up-to-date listing from BFV and any recent BI reflecting where the various DRAGONS are employed, (b) obtain a listing of any Soviet acceptance engineers visiting A.E.G. within the past year, (c) obtain any background information in our files on Soviet trade mission or Soviet embassy personnel visiting A.E.G. plants and for what ostensible purposes and (d) obtain any information on A.E.G./Soviet or A.E.G.bloc commercial deals. In terms of the "Soviet Economic Offensive" companies such as A.E.G. Telefunken might be more vulnerable to Soviet deals than in the past if the rumor is true that Phillips has had some recent technical breakthroughs which render obsolete some of Telefunken's equipment. On the economic side, this is the sort of thing that bears watching.

(a) ? CCE problems galore!
(b) ? normally not viable targets
(c) ? PCS target
(d) ? not of primary S/T interest in attempt to recruit a Soviet S/T type

regularly visit Siemens. Also, AECOLLAPSE/1 visits Siemens and contact is maintained between Siemens representatives and Tsarapkin. Moreover, since we already have a relationship with Siemens top officials which we may be able to exploit for our purposes, we should be remiss not to include it as a target for our experimental effort. In terms of target studies, etc., the same thinking applicable to A.E.G. also fits Siemens.

g. Boelkow, Munich: Although Boelkow is in Munich, its importance in the weapons research and production field is such that it must certainly be a prime target for the Soviets. The general thinking applicable to capabilities for getting to A.E.G. is also applicable to Boelkow. In this context we should examine the various technical exchange arguments to see which U.S. companies might be sending representatives to Boelkow and vice versa.

h. In addition to A.E.G., Siemens and Boelkow we should consider Henschel and Uhde as possible targets. Our listing of Soviet acceptance engineers shows that Henschel

Uhde both have had acceptance engineers visiting for

more than six months. We have a long time contact in Uhde and hope to shortly be placed in touch with the export manager of Henschel.

i. Universities/Research: We should make a target study of the principal universities and other institutions engaged in highly sensitive research programs in the context of Soviet interest and possible WOFIRM capabilities.

j. We should assemble data on the nuclear research centers at Karlsruhe and Juelich in the context of Soviet interest in terms of security, etc., plus our own capabilities for action.

Note: In checking the listing of acceptance engineers here for over six months compiled from BFV reports, we could not help noticing that, with one or two exceptions, the listing did not contain the names of major West German industrial firms as areas to be visited. This is simply included as an observation.

19. In accomplishing the above we should be prepared to call on existing support assets such as the CAPRAIRIE surveillance team, liaison for technical and other operational support (as long as our independent goals are substantially

introductions. Even [we, while using
our case officers on an across the board basis in terms
of the above targets, may find that some general
compartmentation in terms of overall goals and progress
is advisable from the security standpoint. If we
commence orienting our thinking in the above vein, we may
find occasional valuable targets of opportunity manifesting
themselves on our operational screen which will render
the above tentative targeting obsolete relevant to the
S&T field. Of course, if we go ahead on the S&T program, we
must take a close look at the range of U.S. technical
representatives posted here and see how they may be able
to help us.

20. The Soviet S&T efforts would logically dovetail
with their economic offensive. On a theoretical basis one
would assume that the Soviets would be looking at various
small companies in West Germany which might be in desperate
financial straits and willing to enter into deals with the
Soviets designed to circumvent COCOM controls. On the
economic side the activities of such companies could inter

the status of COCOM controls and lead to

modification of those controls which were obviously serving no purpose. The Soviets could also logically exploit their relations with company officials in these small companies to perform acts of "industrial espionage" against the larger firms as a means of gathering S&T information. With this in mind we should attempt to check out the background and current activities of small firms which seem to be frequented by Soviet acceptance engineers, the knowledge of such visits being at least a possible guideline for us. For example, the firm A. Hering, A.G., a machinery firm in Nuernberg, currently has five Soviet acceptance engineers PCS on its premises. A check into the background of this firm may prompt us to put it on our target list.

21. As we commence to get our feet on the ground in the S&T field, i.e., if we pursue this line of attack - we should keep in mind the possibility that the infrequent use of carefully prepared S&T deception information could provide a means for obtaining PI as well as CE information. The subsequent actions on the

know about a given process and perhaps shed some light on the basis for their interest. Moreover, high level deception information in the S&T field might flush out other S&T officers seeking the same thing giving us an idea of the relative priorities involved, etc.

On balance, one fears that the German S&T scene may currently be a ripe apple for Soviet plucking. If the plucking is made more difficult we may see some interesting developments flushed out.

22. The German Political Field. []

has long been reporting official contacts between West German and Soviet officials, their frequency and substance usually depending on the nature of the issues at hand.

The above reporting plus that received through the political section - with some gaps (for example: FDP/Soviet talks) - would give us a pretty good picture of what is taking place at this level. At lower levels where there are social contacts, for example, between officers of the Foreign Office and Soviet diplomats, we are admittedly at a loss to project whether the Soviets are "making any money".

In any event, it is questionable whether any new ideas to an already

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concentration might still be made on identifying those third country diplomats believed to be in close touch with the Soviets, i.e., insofar as we are able to do this. The Soviets will unquestionably consider Bonn as a ripe field for spotting, assessing and cultivating third national diplomats both for use here and as future infiltrations of their foreign offices. There are certainly many diplomats from the underdeveloped areas who are expected to render some sort of reporting on the West German scene but who are simply incapable of doing this because of language difficulties, absence of background information, absence of access to German officialdom except on a stereotyped basis, etc. Many of these people like to put up a good front for home consumption. It is believed that the Soviets have long ago developed the technique for feeding a prospect and ultimately a recruit the type of political information that will not only serve his personal career interests but in Soviet eyes help advance his career in the eyes of the home office. Certainly, West Germany with its undercurrent