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SUBJECT: Background Information - BND (C)

3. Stage III: 1960's; Big, bureaucratic organization. no clear lines of authority; the same personnel only now older, sicker, all of the same grade and years service, thinking only of retirement; no replacements - except relatives of older employees (and they aren't the cream of the crop); initiative of the few hard workers blunted by unfortunate flaps in the past; the organization still run as a one-man show; all personnel marking time waiting to see what happens when the "Doctor's" mandatory retirement age is reached within the next couple of years. (I personally think that when Gehlen retires, a large number of his "Alte KAMERADEN" will pack their knapsacks and leave too - which may be to the BND's benefit).

In the meantime - at least I have gotten the impression while I have been here - with operations grinding slower and slower, the BND has in desperation been flailing about to find a means to remain in the "Big Leagues". I have the impression that more and more of their collection effort is being diverted into the Foreign Liaison Field. Why? Simple; faster, cheaper and probably better information. Why spin your wheels when you can have your intelligence given to you for the asking?

This is bad for us in two ways. First: the more they receive the more they ask for and less they do for themselves. Second: if a war starts or if the U.S. ever pulls out of Europe, we are going to look to the BND for more information - unfortunately, this big, fat balloon known as the BND may burst and we may be hurting.

4. Stage IV: Post-Gehlen: Perhaps the BND will come out of this slump without any major difficulties; it appears to depend a lot on Gehlen's successor. The successor had better be a good organizer, and start an immediate recruiting drive for new blood or the organization will remain a "Bush League" team playing in the majors.

D. Areas where USAREUR is profiting in the exchange of info (listed in order of the importance of the info received):

1. Transportation (water, air, rail), Supply (routes, instals., methods) and Communications (routes, methods, means; not the sets); Known as VIV within the BND. The branch is run by the most knowledgeable and efficient person that I have met in the organization - Herr Carlsen. He is an old Prussian Horse Artillery Officer, who runs his branch like he rides a horse - a tight rein and plenty of spur. There isn't much that he doesn't know about his

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subject, especially where Europe is concerned. Fortunately, USAREUR has excellent partners for him in the combination of Jerry Coates and "Tiny" Tannenberg. My estimate is that this is our best producer.

2. CBR Info: An exchange was started by CCIL0-E about two years ago with Dr. Freeger, CBR Anal Chief of the S&T Anal Div., BND. Thru very cautious and deliberate handling, this exchange has progressed nicely into a profitable exchange. Although Maj Mullins' detachment doesn't belong to USAREUR, I would dissuade anyone else from getting involved in this exchange since it is a sensitive and highly skilled field. As you know, Mullins doesn't make a move that isn't OKed first in the States, a necessity in this field.

3. Conventional Weapons and Equipment: Another excellent exchange which has been going on for years between Doc Vols and Herr Denk of the Ground Forces Anal Branch. A couple of old Pros at the game, they see eye to eye and you could hardly improve the exchange. Unfortunately, when you delve into weapons and equipment in the development stage, then you must switch to the S&T Division of BND, and I'll cover this later under Problems.

4. Surface to Air Missiles: Although we don't give the BND very much on this subject, the SAM Section of the Air Force Anal Branch (Herr Schleswig) has always gone out of its way to provide info that they produce (including some marked "for internal use only"). In return, I have given them a gazetteer or an installation list once in a while to keep them happy. The AF Anal Branch Chief (Herr Piper) doesn't like anyone visiting his sections; so - one has to watch ones feet.

5. Ground Forces Info: Here is where we should be cleaning up, but this is the area where we are being skinned. Since I arrived on this job, the BND has gone steadily down hill in the Ground Forces OB field. They don't seem to be collecting the info as they did. They have lost practically half their analysts and are not replacing them. They don't even pretend to work with the European fringe areas anymore (Rumania, Bulgaria, Yugoslavia, Albania). Their coverage of Hungary, Poland and the USSR are poor. The only forces that they attempt to keep up with are EG, GSPG and the CSR, with some coverage of NCF and SQF. You can confirm this with our own Anal people, but my opinion is that OB conferences are getting to be one-way streets - straight to the BND. The info that they do present at conferences is often dated 1961 - 62.

The Ground Forces Anal Chief, Herr Volk, is putting the hits on me more and more for USAREUR info. If our DISO isn't in the BND Ground Forces Anal Section by noon, I receive anguished phone calls asking where it is. It may only be a coincidence, but the cut-off time for the BND's daily military cable is 1400. ???

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What I have said above pertains to collateral info. I have heard from our CIIC people that the BMD COMINT info is pretty good. You can get more on this subject from the people that handle the info.

6. Factory Markings: We get some occasionally from Dr. Jonas of the Tech Anal Section, BND. We are not providing Jonas much in return.

7. VRN's: The BND has been collecting vehicle registration numbers for a number of years; luckily under the direction of the same fellow - Herr Dorp. They are pretty good at analyzing this stuff but are limited in their collection capability. Dorp relies greatly on USAREUR's vehicle registration reports for his info (also on the British).

8. BETRAS: Little personal contact with the program, so I won't comment upon it.

E. Problem Areas:

1. Our main problem is the exchange of S&T info. The stumbling block is apparently the S&T Division Chief - Herr Kiensle; the S&T section chiefs (Praeger and Lohe) are eager to get together with us. Kiensle, from what I was told by Herr ^{W.}Wortmann (the Armed Forces Analysis Chief) has his eye on Washington (national level) for his exchange program. Anything concerned with USAREUR he considers Army! Therefore, he thinks it should be handled by the BND Ground Forces Anal Chief, Herr Volk. (I think Herr Volk convinced him of this). What Kiensle apparently doesn't consider is that Volk has three men, under Herr Denk, working on conventional weapons and equipment that are already in the hands of the troops. How Denk with two assistants is supposed to match the capability of UTIC with a hundred specialists, no one has been able to answer for me.

What Herr Kiensle doesn't want to happen is for USAREUR to stop supplying the BND with S&T info. As you know, I discussed this problem with them on 3 November and we agreed that the USAREUR IAO would deal with the BND Ground Forces Anal Chief (Volk) on S&T matters. Volk, in turn, will contact those members of the S&T Division that he needs to for answers, conference participants, reports, etc. This arrangement should work if Volk does not give the problem to his weapons specialist (Denk) to handle. Denk is a pack rat and will cubbyhole anything that comes his way. We will give this arrangement a try - perhaps it is the solution that we have been searching for. If it doesn't work, then I suggest that we let [] take up the problem with someone higher in the BND.

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2. Agendas: Please get it across to USAREUR Analysts that when they are going to hold a conference with the BND they must prepare an agenda well in advance of the meeting. In addition, all questions that USAREUR has should be put in written form and passed to BND beforehand. The BND's idea of preparing for a conference is to wait until 10 minutes before the appointed time and then start arguing about who should attend. In other words - they don't prepare. If you don't want your conference to hit bottom with a thud, you have to lead them into the meeting by the nose.

Who ever started the rumor that the Germans are disciplined and orderly didn't have any contact with the BND.

F. Caution Areas:

1. BND Liaison: Liaison in general is excellent. I receive outstanding cooperation from most of the BND's liaison staff. I will comment upon some of their liaison people since they have occasion to visit USAREUR or at least to work with our problems.

(a) Herr Moeller and Herr Rose: Efficient types, with whom I have little contact since they do not get involved in routine liaison.

(b) Herr Laiber: One of the three (TECHNICAL) military liaison officers that I deal with. The least effective of the three - careless, indifferent and confused. I present Laiber only routine problems and avoid him if possible when I need an answer to an important question. He has a tendency to babble classified info over the phone. Probably will leave for a new assignment in the near future.

(c) Herr Koller: A hell of a nice guy, but - has a memory that can leave you hurting if you trust it and don't follow through on your own initiative. Koller keeps voluminous folders of notes, diagrams, schedules, etc., all marked with large arrows, circles and cryptic notes to remind him what is going on. Trouble is, he can't ever find the right folder when he needs it. But, like I said previously - a hell of a nice guy!

(d) Herr Duerer: This is the live wire of BND's liaison. He should have been named Quickdraw or Hipshot. This guy is ready to arrange a conference or a visit at the drop of a hat. There may be no logical reason to hold a conference or make a visit, but this apparently has no bearing on the problem as far as Duerer is concerned. Conferences and visits produce info; therefore, the more conferences and visits that you arrange, the more info that is produced. Correct?

Duerer apparently has freedom of action within the BND for he manipulates people from the top to bottom without burning

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himself. I imagine that his long tenure of office can be attributed to:

- (1) A certain amount of success.
- (2) Indifference on the part of the BND Staffers.
- (3) Dynamic personality.

Duerer is not above using the telephone to talk about any classified subject (all for the sake of speed, of course).

Duerer is helpful, however, when a speedy reply is needed on a problem. He can get an answer without delay - and he never forgets!

Watch him closely if he visits WASHINGTON headquarters; otherwise, he will be all over the place, like a ferret.

Despite all I have said about Duerer, he is the most efficient of the lot and is probably headed for bigger things in the BND.

A failing of BND liaison is the duplication of work. Often, all three of the BND liaison officers are working on the same problem simultaneously, giving the appearance of a Chinese fire drill.

2. Data Processing Info: I suggest that we back off from this subject until the BND makes up its mind about what it wants to do. They apparently haven't thoroughly staffed the problem yet, so they don't know what they really want. In the meantime, Duerer has been arranging for visits to the IDHS shop and attempting to acquire all of our punch cards. The last I saw of the OB cards that we gave them in September, a bunch of people were sitting on an office floor, throwing the cards into the air and screaming, "52 pick-up". In plain words - they aren't ready!

I keep thinking what Col Livingston has said about machine processing - You can give away a year's work in about two minutes run of the machine or a life's work in a five minute run. And believe me, BND would love to have our machines run every day for them, if they could arrange it.

3. Security: The BND's internal physical security is still a mess. Visitors can often wander around without escort; offices are often unlocked without anyone present, although material is left out on the desks. No attempt is made to cover material when strangers walk into an office. Nothing is sacred on the telephone, either within the BND compound or calling out of the compound. The BND has been working on their internal security since I arrived; perhaps in time they will correct the problems.

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4. Probing Actions: Three fields of interest have remained active since my arrival; they are:

(a) Personalia: BND actively collects info on any of our personnel they come in contact with. I warn all visitors that come to Munich to visit the BND; about this you should warn anyone in USAREUR when BND staffers visit there. Also, those analysts that meet BND analysts at NATO meetings, BADEN OOS, etc., should be briefed.

(b) USI/British relations: This seems to be a continuing question of the BND. I have received several veiled questions during my tour about the extent of U.S./G.B. intelligence cooperation. Don't know the reasons for their interest; but, be aware of it.

(c) Aerial Photos (operation HAINDROP?): The BND can't see why we don't have aerial photos of East Germany, or at least of the corridors. Herr Duerer has often asked for a visit to the Air Section, LCS1. I told him finally, that the section is EOPCRH; however, rest assured that he will try again after I depart.

(d) COMINT: I will only remark that the BND is still trying to get our stuff. You know the background on this subject.

G. Summary:

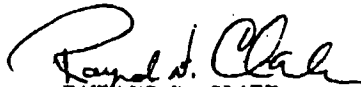
1. There has been an overall decrease in volume of BND Ground Forces reporting since I arrived in 1962. Exchange of info has remained constant in some fields (weapons, markings, tele-communications, VLN's) and has increased in other fields (transport, supply, medical, CBR, SAM). BND information that I have seen has been second in quality, mainly because of a lack of details (who, what, where, when, etc.).

2. Internal physical security is improving within the BND, but is a problem that USI should remain aware of.

3. BND has personnel problems at present; to continue the intake of intelligence it is "smuggling" up to USI through the liaison effort.

4. I will discuss these remarks with [redacted] before I leave, since he is the man responsible for US/BND liaison.

5. My successor will probably get the "big rush" from Duerer and friends; warn him!!!


RAYMOND N. CLARK
MAJOR AIS
USAREUR LNO to BND

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