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EGQA 85255

Chief, EE

26 December 1956

Chief of Station, Germany

Info: BOB

Operational/CADOPX

LCASSOCK/Draft Project Outline

References: A. EGDA 37114
B. EGDA 37538
C. EGQA 82155

1. While in basic agreement with the direction of reorientation outlined for the LCASSOCK project in Reference A and Attachment thereto, and while appreciative of the explanatory notes contained in Reference B, we nevertheless find ourselves at variance with References A and B on the desired points of future emphasis in the project. In addition -- as predicted by [] in Reference B -- we find ourselves forced to "take strong issue with some of the specific statements" made in the "Situation" section and elsewhere in the draft outline. Indeed, we consider some statements therein quite controversial and question whether others are really necessary. However, we wish to confine our comments to what we consider to be major aspects of the project's reorientation, leaving modifications of language, terminology, and even some controversial generalizations to be incorporated at Headquarters into the final version of the FPO. We feel that without the frills contained in BOB's draft outline proposals, the following factors should appear as integral parts of the final PO: (I) Objectives; (II) Targets; (III) Proposal/Tasks; (IV) Organizational Mechanisms; (V) Media; (VI) Methods; (VII) Security; (VIII) Personnel Structure; (IX) Budget; (X) Funding. The essential elements which we feel should be cited under these factors are contained in S/C Attachment A¹_B which was prepared here for presentation and approval by COS.

2. Objectives: In our opinion, the project's objective should be delineated in specific and concise terms, and with less emphasis on LCASSOCK as an analytical brain trust for the academic study of "cold warfare". Instead of referring merely to the implementation of "activities and operations of which the LCASSOCK organization is capable" (an extremely broad statement of the normal and self-evident area of activity of any individual or group), this section should definitely specify the nature of those activities in language not susceptible of varying interpretation.

Attachments:

- A.- Draft Project Outline (Odd numbered pages)
- B.- Draft Project Outline (Even numbered pages)
- C.- Identities to Draft Project Outline
- D.- Identities for CRYPTS of Draft Project Outline

Distributions:

- 3 - EE w/attachs A,B,C & D UNSEPCOV
- 2 - BOB w/attachs A,B,C, & D UNSEPCOV

DECLASSIFIED AND RELEASED BY
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SOURCE METHOD EXEMPTION 25X2
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SECRET

EEQA85155

Page two

3. Situation:

The underlying thesis of this section of the outline is a significant and, in our opinion, essentially valid concept: "concentration on the enemy's techniques has tended to result in the overlooking of potent psychological weapons which originate in, and are peculiar to, the free world." However, here too the analysis provided strikes us as too sweeping; it ascribes to all KUCAGE activities and instrumentalities a past narrowness of approach which, we feel, has not been characteristic of a good many of our station projects. (Note: In this connection, we do not presume to be in a position to analyze and judge -- as BOB seems to have done -- all KUCAGE activities carried out by KUEARK throughout the world, nor do we consider it appropriate to offer our somewhat parochial experience as a basis for far-reaching dicta.) Methods are tailored to the times. Those of the past, once valid, are not necessarily advisable now. Acceptance of this truism does not, however, necessitate indulgence in what seem to be questionable generalizations. Nevertheless, we agree with BOB that the fundamental thesis of this section is peculiarly germane to the LCCASSOCK project and should therefore be considered an integral part of the FPO. However, we suggest that it can be stated more succinctly and accurately. We further suggest that the situation section should include a brief description of the LCCASSOCK organization's development -- from a four-man "illegal" show operating from the Principal Agent's home, to a "firm" submitting tax returns and gaining a semblance of legality, to a fairly large, seasoned group of efficient propagandists with several "offices" and a publishing firm about to be established as a limited liability company. Such a brief history could also sketch the concrete accomplishment of LCCASSOCK in such fields as test controls for hand distribution and targetted mailing operations.

4. Proposal:

We feel that the statement of the proposal should clearly reflect the aim of reducing LCCASSOCK's total dependence on KUEARK. We recommend that the wording be modified to indicate that subsidization of LCCASSOCK will continue until such time as the organization has attained financial/economic viability (through commercial activity and/or the solicitation of indigenous funds) or until, for other reasons, it is deemed advisable to discontinue support.

5. Operational Outline:

(a) This section strikes us as the clearest and most satisfactory section of the draft FPO. We recommend, however, that activities to be directed toward the "Soviet Bloc" be specifically delineated as to operational purpose. For instance, in paragraph 5a (8) a sub-proposal or task is described as the "systematic analysis of the Soviet Bloc press with a view toward evaluating the Western KUCAGE effort, toward analyzing policy in terms of propaganda output, and toward determining specific KUCAGE vulnerabilities." This broad language is open to considerable misinterpretation. If it is really intended to make a "systematic

SECRET

SECRET

HQQA 85155
Page three

analysis of the Soviet Bloc press with a view toward evaluating the Western KUCAGE effort", the sub-proposal becomes -- if it is to be executed properly -- a major task and probably a duplication of efforts by KUEARK elements at home. On the other hand, if it is intended to analyze the Soviet Bloc press for specific operational purposes, as a part of target analysis and the collection of operational data (in our view, a much more proper LCCASSOCK activity), then this should be simply and clearly stated. It is recommended that this section be closely examined with a view toward eliminating all such ambiguous and sweeping formulations.

(b) It is also recommended that, in such paragraphs as 5a (11), our aim of converting CARDINALE and CARLABON to relatively independent, viable enterprises be explicitly stated, including a statement of at least a tentative timetable for accomplishing this step.

6. Covers: It might be mentioned in para 6a (1) that a growing commercial viability on the part of the LCCASSOCK mechanisms would improve financial cover. //

7. Coordination: The last sentence of para 7a defines "current policy" as encouraging cooperation among KUCAGE organizations. Since a policy procedure is cited, it would seem advisable to quote the authority for such policy.

8. Budget Data: We recommend reconsideration of the project FY 1958 budget request in the light of our desire to encourage growing self-sufficiency on LCCASSOCK's part.

9. General Considerations: We strongly recommend that para 11j (1) be revised. "Diversion ... of LCCASSOCK energies into purely commercial pursuits ..." should not be linked in timing to the FedRep elections, or indeed, to anything except our desire, on practical operational grounds, to direct LCCASSOCK toward independent viability. //

10. In view of the fact that the new draft NPO has now been submitted to Headquarters and, it is hoped, can be expeditiously processed with due consideration to COS suggestions, we should like to endorse the BQB proposal contained in paragraph 5 of Reference A, viz., that the funding arrangement and the incorporation of CARDINALE be initiated as soon as possible. The Station Legal Advisor, who has worked out details in conjunction with Berlin, and is prepared to offer legal assistance in obtaining the EdL license and the services of a cleared CARTMAN to assign the equity in the new corporation to the PSPRIME sponsors.

Approved:

SECRET

63

SECRET

26 December 1956

MEMORANDUM FOR: ^AAD/W, D/O, COS
FROM : CAD
SUBJECT : ^{IDEN A} - Draft Project Outline

INTRODUCTION: BOB has submitted a revised draft project outline to be used as a basic reference for redocumenting Project ^{IDEN A} in keeping with its current status and in consonance with its current operations/activities.

PURPOSE: ^{IDEN A} is a BOB project conducting KUCAGE-type operations/activities (principally the production, publication, and distribution of magazines, newspapers, and brochures) in furtherance of ODYOKE foreign policy objectives.

I. OBJECTIVES:

A. To implement KUCAGE-type operations/activities, consonant with ODYOKE foreign policy objectives, which are directed against and designed to weaken and/or destroy Communist manifestations in the GDR and the Federal Republic, and to the extent deemed feasible policy and operations-wise by KULARK, against the Satellite nations of the Communist Bloc.

B. To study, analyze and assess current events with a view toward conceiving/recommending operations/activities of the type cited above, particularly those espousing/exemplifying the ideals of Western democracy.

C. To train and develop personnel assets within the project, and in West German/West Berlin political, press, and academic circles who are capable and willing to participate, directly or indirectly, in combatting the manifestations of Communism or other forms of totalitarianism.

II. TARGETS:

A. The principal target area is the GDR. Secondary target areas are the Federal Republic of Germany, and the Satellite countries contiguous to the GDR on the East.

SECRET

SECRET

ATTACHMENT B
EGQA 85155

- 2 -

B. Principal target groups are the following:

1. ^{IDEN B} publications - directed at women, the intelligentsia, the small business man (and others similarly interested in general economic developments), and persons to whom boulevard-type newspapers appeal.
2. Targeted Letter Series items - directed at party functionaries, the GDR National Peoples' Army, barbers/hairdressers, justices of the peace, and the music minded youth.
3. Persons of significance in political, public media, and academic circles in W. European countries.

III. PROPOSALS/TASKS:

- A. KUBARK will continue to subsidize ^{IDEN A} financially until such time as the organization has attained financial/economic viability (through commercial activity and/or solicitation of indigenous funds), or until it is deemed advisable by KUBARK to discontinue such support for other reasons. Our subsidy will support appropriate overt ^{IDEN A} organizations, established and operated in accordance with pertinent Federal Republic laws and regulations. At present, two ^{IDEN A} components are involved: (a) ^{IDEN B} - the publishing house to which the four major ^{IDEN A} publications are attributed, and which overtly receives financial donations from notional PBPRIME (anonymous) donors (who are the ostensible sources of KUBARK's subsidy); (b) ^{IDEN C} - an advertising agency (registered as a sole proprietorship in the Principal Agent's name) which conducts overt ^{IDEN A} activities not attributed to ^{IDEN B}.
- B. ^{IDEN A} tasks emanating from ^{IDEN B} and ^{IDEN C} are the following:

1. Quarterly production/distribution of each of four publications ^{IDEN B} (two magazines and two newspapers) attributed to

SECRET

2. Production (usually in 1 to 10 thousand copies) and distribution of newsletter-type media called "Targeted Letter Series". Eight publications of this type are currently produced and distributed. Each manifests a specific approach (persuasion technique) directed at a specific audience (target group). The media are continued as long as their respective effectiveness is perceptible and measurable.

3. Mailing operations (of ^{IDEN A} publications) from the Federal Republic and from within the GDR.

^{IDEN A} 4. Systematic cultivation of mail correspondence with readers of publications in the Satellite countries.

5. Political action efforts in support of ODYOKE policy objectives among ^{IDEN A} contacts in political, public media, and academic circles.

6. Target-of-opportunity operations to exploit current developments/events.

7. Conduct tests of GDR and Satellite mail censorship procedures/techniques.

8. Development and experimentation with new KUCAGE approaches and techniques.

IV. ORGANIZATIONAL MECHANISMS:

A. Main Office - location of the Principal Agent's office and of the ^{IDEN B} editorial staff. It is the overt address of ^{IDEN B} and ^{IDEN C} (for description of these two components see III A above), and is also used for representational purposes.

SECRET

- 4 -

B. Mail Controls Office - develops, implements, and evaluates various techniques used by ^{IDEN A} to test the effectiveness of the mail distribution channels/facilities.

C. "Customers Office" - maintains files and conducts correspondence with readers of ^{IDEN A} media in the Satellite countries. The ^{IDEN A} employees responsible for maintaining contact with hand distributors and for the conduct of public sales are also located in this office.

D. Printing Shop - contains an automatic "Original Heidelberg" 26 x 38 cm. book printing press, plus appropriate type and typesetting equipment, a mimeograph and other smaller machines. (NOTE: With the exception of ^{IDEN B} publications, nearly all ^{IDEN A} media are printed in this shop). In an adjoining room, publications are prepared for mailing and appropriate addressograph equipment is maintained.

V. MEDIA:

A. The major publications (the so-called big four), for each of which quarterly production/distribution is recommended (current production is one publication each month) are Identities 1, 2, 3, 4. They are attributed to ^{IDEN B}.

B. The "Targeted Letter Series" - newsletter-type media, usually produced and distributed in one to ten thousand copies. Eight publications (Identities 5, 6, 7, 8, 9, 10, 11, 12) are currently in production. Attribution is either notional, or completely black.

C. Fictional editor/reader correspondence of various kinds for the purpose of establishing regular correspondence with GDR and Satellite residents.

D. Archive-type material, generally copies of older ^{IDEN A} publications, which are mailed to GDR editors for their information and example.

SECRET

SECRET

- 5 -

VI. METHODS:

A. Production - publications Identities 1 thru 4 are produced by commercial printer; publications Identities 5 thru 12 are produced in facilities. ^{1060A}

B. Distribution:

1. By Hand in the GDR - ^{1060A} is currently utilizing (on fairly flexible basis as directed by ^{1060D} and ^{1060E}) eight hand distribution groups for clandestine distribution in the GDR of up to 10,000 publications per month. These groups operate on an autonomous basis for a standard fee. Effectiveness of their distribution is regularly tested by ^{1060A} thru control procedures and by recruitment of reader correspondents.

2. By Hand in W. Berlin, primarily along the W/E Berlin sector border - Groups such as the Falken are utilized. Copies of publications are also placed within well known West Berlin media such as the Illustrated.

3. By Mail - ^{1060A} publications are mailed from various locations in West Germany by 22 persons. For the most part, they are personal friends of ^{1060D}, ^{1060E}, and other ^{1060A} employees who have offered their services for this effort; they are compensated for expenses only, which average about 25 DMW per month. All of these mailers have been name traced.

4. By Sale along W/E Berlin sector border - At present ^{1060A} does not have a license permitting such sales, but so far the West Berlin police have not interfered with this procedure. It is expected that the impending legalization of ^{1060B} will remedy this situation. Only Identities 1 thru 4 are sold; sales price varies from 30 to 50 Pfg. E.

SECRET

VII. SECURITY:

A. Cover - ^{1050A} has not been compromised in terms of its financial and operational relationship with KUBARK. The basic principle of plausible denial with respect to ODYOKE (ie KUBARK) funding has been maintained.

B. Case Officer/Principal Agent contact - standard security precautions are observed to avoid compromise and/or surveillance of this contact.

C. Knowledgeability - ^{1050D} and ^{1050E} are reasonably certain that an ODYOKE entity is financing ^{1050A}; they may surmise that it is KUBARK.

Other ^{1050A} employees probably surmise that PEPRINERS and/or HBGROPING support the organization. West German/West Berlin government officials and ODACID know of ODYOKE interest in ^{1050A}.

D. Personnel - All employees have been name traced, and with the exception of part-time employees in overt capacities, have received or have applications pending for OA.

VIII. PERSONNEL STRUCTURE:

A. The ^{1050A} personnel complement consists of 28 salaried employees, 12 men and 16 women. Other contributors to ^{1050A} publications, such as the printer, advisors on graphic art, journalists, and other professional writers, are employed either on a contract, free-lance, or part-time basis.

B. The key persons of the project are the following:

1. ^{1050D} - the Principal Agent; 39 years old; a former German Naval Officer during WW II (U-Boat commander - last rank/Lt. Commander); while interned as POW (1945 to 1948) underwent the psychological development which determined his post-war motivation and ambitions, sic, to devote his efforts to the cause of preventing the ascendancy of another Nazi-like or other dictatorial movements; developed a small editorial organization par-

SECRET

- 7 -

ticularly capable of producing falsifications of Communist publications; KUBARK began exploiting his organization in mid-1952, from which was documented Project ^{1020 A} in March 1954.

2. ^{1020 E} - 60 years old; former German Criminal Police official (last rank - Oberregierungsrat); was employed by ODYOKE components from 1948 to mid-1950 when KUBARK took him on in KUFIRE and RUDCAP capacities; turned over to ^{1020 A} in 1953 to supervise and tighten its security practices; at present serving primarily as ^{1020 A}'s public relations officer, handling a considerable portion of the project's contacts/dealings with German officials;

3. ^{1020 F} - 31 years old; attended Berlin's School of Formative Arts; studied in PBPRIME for two years; in 1950 joined the Political Staff of the U.S. supported newspaper in Berlin, Neue Zeitung; joined ^{1020 A} in March 1955 after the U. S. terminated the Neue Zeitung; is a member of QKELUSION, and a friend and confidant of Willy BRADT; has demonstrated skill and imagination in his editorial, political analysis, and liaison activities; handles editorial functions for ^{1020 B} publications.

4. ^{1020 G} - 37 years old; was employed by ODYOKE component as interrogator after WW II; worked as reporter and editor on the weekly newspaper Sie; was a member of the staff of Northwest German Radio (NWDR); in 1951 became active in projects sponsored by QKFLOWAGE and KUBARK (at which time he met ^{1020 D}); he was a CADROIT employee from 1952 to 1953; since then has been working for ^{1020 A} on a free-lance basis; at present he is serving as chief editor of ^{1020 B}'s publications.

5. ^{1020 H} - 40 years old; returned to Germany in October 1955

SECRET

SECRET

- 8 -

after 10 years imprisonment in the Soviet Union as a POW; was born in Latvia but later naturalized as a German citizen; served in German Army during WW II as a driver and in intelligence; has fluent command of Russian, Latvian, German, and speaks Ukrainian and Georgian fairly well; was initially hired by ^{IDEN A} to analyze the USSR press; is currently serving as ^{IDEN D} 's male secretary and as political analyst and publicist.

6. ^{IDEN I} - 32 years old; ^{IDEN D} 's ex-wife; is Berlin correspondent for two West German newspapers (total circulation - ca. 500,000); is regular contributor to ^{IDEN A} publications; also serves as press advisor, political action contact, and point of contact to press circles for ^{IDEN A}.

IX. BUDGET:

A. The approved FY '57 budget is \$^{LC} ⁷. BOB has requested that it be increased at least \$^{LC} ⁷ and would prefer that the FY '57 budget approval be revised to total \$^{LC} ⁷. This request for increased funds is based on the following considerations; (a) increased expenses deriving from the gradual expansion of the "Targeted Letter Series" and from stepped-up mail distribution; (b) to enable the project to place each of the ^{IDEN B} publications on a quarterly basis; heretofore the normal monthly subsidy which KUPARK advanced ^{IDEN D} permitted production of only one issue of either Identities 1, 2, or 3 per month; (c) to provide the project with funds for development of new ideas and techniques; (d) to provide a contingency fund for ad hoc operations.

B. While not endorsing developmental and contingency funds per se within an individual project (^{IDEN A} can launch experimental operations as one-time actions based on specific COS and Headquarters approval), we do concur in the BOB

SECRET

SECRET

- 9 -

recommendation to increase the FY '57 budget for the "Targeted Letter Series" and the quarterly ^{1260 B} publications. We are not able to comment upon the FY '58 budget request without a specific breakdown of projected expenses as they would apply under the redocumented outline. We feel that the FY '58 request should be considered in the light of the recommended FY '57 increase and the general desire to transform ^{1260 A} eventually into a commercially going concern. On that basis, the decision re the level of funds required in FY 58 can be held in abeyance pending receipt of the above cited breakdown by BOB.

X. FUNDING:

BOB has proposed that ^{1260 A} be funded directly from PBPRIME by utilizing a cleared lawyer (purportedly representing a notional group of donors) to transmit the funds to ^{1260 B} through ^{1260 D}'s bank account. Concomitant with the activation of the funding arrangement, ^{1260 B} is to be incorporated as a legal entity. The Station Legal Advisor has worked out the incorporation details with BOB, and is prepared to offer legal assistance in obtaining the BdL license as well as the services of a cleared CARTMAN to assign the equity in the new corporation to the PBPRIME sponsors.

COMMENTS:

A. While wishing to avoid what may appear as comments purely for the sake of arguing about various controversial contentions contained in the BOB Draft Project Outline, and without intending to engage in hypercritical observations, we nevertheless feel compelled to comment upon a few representative statements made in the outline which, in our opinion, are either unsound or gratuitous. The following passages will serve to illustrate our general point:

1. Para I 3a (2): "A new complex of required skills and trade-craft has begun to evolve which overlaps only in a limited sense with com-

SECRET

SECRET

- 10 -

monly accepted principles of KUFIRE tradecraft."

We are willing to accept the above statement only with an all-important qualification. In the actual production of propaganda, i.e., its style, content, make-up, and format, the skills required may certainly be different from those usually associated with standard intelligence activity. To this extent the distinction drawn between KUCAGE and KUFIRE operations is sound. However, in the managing of a project, in basic tradecraft, agent-handling, cover techniques, and even in the infiltrating of KUCAGE material into denied areas, there is, in our opinion, a broad overlapping of skills and tradecraft, a very decided congruence of approach and technique.

2. Para I 3a (3): "The theoretical and operational relationships between KUCAGE and KUFIRE have gradually become regularized to the satisfaction of both." We are not quite sure of the meaning of the foregoing sentence. Perhaps it is cryptic and pregnant with significance. But it appears to be an outdated and extraneous reference to the old "merger" frictions and discussions. If so, it is irrelevant. In any event, here is one sentence about which we feel confident that we can say, even without having fathomed its meaning, that it is of doubtful value anywhere and not particularly meaningful with respect to the ^{IDEN A} redocumentation.

3. Para 7d: " ^{IDEN A} shows promise of being one of the most viable of the KUBARK assets in West Berlin. Clandestine activities -- which are frequently distasteful to the public -- have been reduced to the point of near insignificance" et seq.

We presume that "viable" here refers primarily to ^{IDEN A}'s chances, based on the legal status which its two principal mechanisms will soon achieve,

SECRET

SECRET

- 11 -

to remain on the West Berlin scene despite changes in the political climate. Admittedly such a status is apt to lend greater "viability" than that enjoyed by a purely tactical cold war instrument along the lines of DTLINEN. However, the aspect of viability in terms of commercial and financial soundness and stability or of independence from KUBARK remains to be proved, for even the Principal Agent of the project seems anything but sanguine concerning such prospects.

4. Paras 11d (1) and 11j (2) (a), (b), and (c) are, in our opinion, further examples of diffuse language and/or non-pertinent observations:

"Based on an increasing reservoir of experience, on constant study of methods and techniques of cold warfare, and on experimentation with new ideas and approaches, it is expected that ^{DEW A} will continue to provide new knowledge on methods of encouraging true democratization of Soviet Bloc areas."

"The combination of a staff of well-qualified personnel plus the growing store of valuable experience, plus the advantages of KUBARK guidance and support have contributed to an organization whose capabilities now transcend the mounting and conduct of operations in a relatively limited area and under close KUBARK supervision, viz:

(a) They have developed their understanding of the ideological conflict with Communism to a point at which they can make constructive contributions to academic work in the field.

(b) They are capable of competent analysis of the psychological implications in Germany of world political and other events.

(c) Combination of the above skills with systematically developed imagination and originality has resulted in an ability to rec-

SECRET

ognize trends at an early stage, to conceive ideas/operations for influencing them in a pro-Western sense, and to implement appropriate operations."

We will forego detailed comment here in the belief that the passages cited above will amply illustrate our introductory contention. Suffice it to say that the passages quoted above are open to question and misinterpretation.

B. Notwithstanding our comments in Paragraph A above, it can be stated that ^{IDEW A} has contributed materially to the accomplishment of the KUCAGE-type requirements levied upon the German Station. ^{IDEW A}'s operations/activities are and have been consonant with the pursuit of ODYORL foreign policy objectives directed against Communist manifestations in the GDR and the Federal Republic of Germany. The project has been effective in fulfilling its stated objectives. BOB has done considerable thinking with respect to the future course of the project, and has submitted its proposals for reorienting ^{IDEW A}'s efforts appropriately in EGBAs 37114 and 37538.

RECOMMENDATION: It is recommended that COS concur in the reorientation of ^{IDEW A} as proposed by BOB in EGBA 37114 (which has been synthesized and summarized in this Memorandum). It is further recommended that COS approve the BOB request for revising the ^{IDEW A} FY'57 budget upward at least by \$ ^{IDEW B} Finally, it is recommended that COS approve the legalization proposal re

Identities	UNSEPCOX	/	
Concurrence:	AD/W	✓	✓
Concurrence:	D/O	✓	✓
Approval:	COS	✓	✓

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Identities for Memorandum of 26 December 1956

1. Extra, Die Zeitung Fuer Alle
2. Die Kurve
3. Fernschreiber
4. Die Frau
5. Das Schlagzeug
6. Horizont
7. Die Sprechstunde
8. Von Herz Zu Herz
9. Klatsch
10. SED Lageberichte
11. Die Gruene Reihe
12. Nachrichten Aus Deutschland

SECRET

SECRET

Identities for CRYPTS for Draft Project Outline

- A. LCCASSOCK
- B. CARDINALE
- C. CARLABON
- D. CADRIER
- E. CAUTERY
- F. CALIBRO
- G. CALORIMETER
- H. CARCAMAN
- I. CASATA

SECRET