

- 19. Maj. Gen. W.A. Burress, G-2, to Lt. Gen. Hoyt S. Vandenberg, Director of Central Intelligence, "Operation RUSTY—Use of the Eastern Branch of the Former German Intelligence Service," with attachments, 1 October 1946

REVIEWED: 05 May 49
 DOWNGRADED TO: S

~~TOP SECRET~~ ~~SECRET/RELEASE~~
 HEADQUARTERS
 U.S. FORCES, EUROPEAN THEATER
 Office of the AC of S, G-2
~~TO GERMANY ONLY~~

1 October 1946

SUBJECT: Operation RUSTY - Use of the Eastern Branch of the former German Intelligence Service.

TO : Lt. Gen. HOYT S. VANDENBERG, CIG, Washington, D.C.

I. DISCUSSION

1. The key personnel of the Abteilung Fremde Heere Ost des Generalstabes des Heeres (Division Foreign Armies East of the General Staff of the German Army) and the organization under their control have been used since January 1946, under the direction of G-2, USFET, in an intelligence operation against Russia and Russian controlled areas. TAB A contains details on the background and activities of the subject personnel before and after the operation was initiated.

2. The organization, shown in TAB B, consists of two main groups - the Evaluation Group and the Information Group. The former, headed by REINHARD GEHLEN, consists of five men who direct the Information Group to get the information needed to complete the missions assigned by G-2, USFET. The Information Group, headed by HERMANN BAUN, prepares the missions for its information gathering agencies and when the information has been obtained it turns it over to the Evaluation Group. This group evaluates and collates it and G-2, USFET, then receives the information obtained in its original form, the evaluation, and the collation.

3. At present Operation RUSTY covers the Russian Zone of Germany as far as the Oder River as is shown in TAB C. With this area covered by approximately 500 to 600 agents, attention has been turned to the development of strategic intelligence covering Russia, the Balkans, Poland, and the Near East. The possibilities along this line are outlined in TAB D. Although this phase of the operation is in its infancy, already relations have been established with a member of ZHUKOV'S staff and with an associate of MIKOYAN, who is a member of the Politburo.

4. During the period 1 April 1946 - 1 October 1946, the operational costs have been approximately \$130,000 in Allied Marks, \$24,000 in U.S. Currency, and certain amounts of foodstuffs, soap, tobacco, etc. TAB E contains the method of handling the fund and supplies, the breakdown of the figures given in this paragraph, and a discussion of future costs.

5. G-2, USFET considers the organization one of its most prolific and dependable sources as is explained under TAB F. Also under TAB F are examples of information and evaluation produced b

~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~

~~TOP SECRET TO GERMANY ONLY~~

the organization and an estimate of the situation as of February 1946 which subsequent events have proved very accurate. This estimate was made at Camp 1142 for the War Department by the Evaluation Group. A current estimate by this group is found in TAB G.

6. The problems and difficulties encountered in this operation are covered in TAB H.

II. ACTION RECOMMENDED

It is recommended that SSU take over Operation RUSTY and conduct it from the United States. Detailed recommendations on the transfer of the operation from G-2, USFET to SSU are contained in TAB I.

[]

W.A. BURRESS
Maj. Gen., GSC
AC of S, G-2

~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

~~SECRET~~

19. (Continued)

~~TOP SECRET~~ ~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

TAB A

DETAILS ON THE BACKGROUND AND ACTIVITIES OF THE
SUBJECT PERSONNEL BEFORE AND AFTER THE OPERATION
WAS INITIATED

- A. The Organization within the framework of the former German Army.
 - 1. General remarks
 - 2. Chief
 - 3. G-2 Division
 - 4. Secret Intelligence Service
- B. Considerations, Decisions and Measures resulting in the Surrender of the Organization to the US Army.
 - 1. Basic Considerations
 - 2. Decisions and measures
- C. Activities of the Organization from the end of war until September 1946.
 - 1. Activities of the "Evaluation Group"
 - 2. Activities of the "Information Group"

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

A. The Organization as it was in the German Army

1. General

The personnel now employed in Operation ROSTY were the key personnel of the "Division Foreign Armies - East" of the General Staff of the German Army. During the war against Russia this Division acted as the G-2 Division and the Secret Intelligence Service of the Army High Command for the German Eastern Front.

The organization of the Division Foreign Armies-East was subject to several changes during the war. See annex # 1 for a chart of organization at the end of the war.

2. Division Chief

Since 1942 the O/C of the Division Foreign Armies-East was Brig. Gen. KREINHARD GÜNTHER. His main assignments were:

- 1933 - 1935 War College at Berlin. Preparation for General Staff Duties.
- 1940 Aide de Camps to Colfs, Gen. HALDER.
- 1940 - 1942 O/C of the "East" branch in the G-3 Division of the General Staff of the Army.
- 1942 - 1945 O/C of the Division "Foreign Armies-East" of the General Staff of the Army.

His duties as O/C of the Division Foreign Armies-East were to direct the military intelligence service in the East and to coordinate the work of the Secret Intelligence Service by issuing directives to it.

3. The G-2 Division

Names, assignments, and duties of the former members of the G-2 Division:

NAME	RANK	PRINCIPAL ASSIGNMENTS	DUTIES PERFORMED
HEINZ-DANKO HEFFTE	Col, CSC	G-2 of an Army Corps in the East. G-3 of an Army Corps in the East. Chief of Branch I of Division Foreign Armies East. Deputy Chief of the Division Foreign Armies East (1943). Chief of Staff of the General of the Volunteer Units (1944-1945)	Corps AC of S, G-2 Adviser to chief of staff for operations. Chief of the Enemy Capabilities Branch. Deputy of Gen Gehler. Principal adviser to Gen Roestring for the organization of the Vlasov units.

- 1 -

~~SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

NAME	LAST RANK	PRINCIPAL ASSIGNMENTS	DUTIES PERFORMED
BERNARD WESSELI	Lt Col, GSC	G-2 of an Army Corps in the East (1941) Section chief in Enemy Capabilities Branch of Division Foreign Armies East (1942) Chief of Branch I Division Foreign Armies East (1943) Deputy Chief of the Division Foreign Armies East (1944) G-2 of an Army Group in the East (beginning of 1945) Deputy Chief of the Division Foreign Armies East (April 1945 until the end of the war)	Corps AC of S, G-2 Estimation of the Capabilities of the enemy for the area of an Army Group. Chief of the Enemy Capabilities Branch. Deputy of Gen Wehlen. AC of S, G-2, and Chief of the Secret Int Sv for the area of an Army Group. Deputy of Gen Wehlen.
FRITZ SCHEIBE	Lt Col, GSC	Chief of Branch I Division Foreign Armies East (1944) Deputy Chief of Division Foreign Armies East (beginning of 1945)	Chief of the Enemy Capabilities Branch. Deputy of Gen Wehlen.
ALBERT SCHOLLER	Maj, GSC	Deputy Chief of Branch I of the Division Foreign Armies East Chief of Branch I of the Division Foreign Armies East (beginning of 1945)	Deputy of Lt Col Scheibe. Chief of the Enemy Capabilities Branch.

- 2 -

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~
~~TOP SECRET~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

NAME	LAST RANK	PRINCIPAL ASSIGNMENTS	DUTIES PERFORMED
HORST HIMMELZ	Maj, GSC	Chief of Branch II of Division Foreign Armies East (1943-1945)	Chief of the branch estimating the entire Russian War potential.
HANS HINRICHS	Maj, GSC	Chief of Branch III of Division Foreign Armies East (1944-1945)	Chief of the branch evaluating combat and tactical principles, organization, etc.
WOLDEMAR HIN- DERSIN	Capt	Section Chief in Division Foreign Armies East (1943 - 1945)	Chief of the section evaluating Russian Newspapers.

4. The Secret Intelligence Service

Names, ranks, and duties of the former members of the Secret Intelligence Service:

NAME	LAST RANK	PRINCIPAL ASSIGNMENTS	DUTIES PERFORMED
HEERMANN BAUN	Lt Col	Intelligence officer of an army in the Eastern Front (1917-1918) Chief of a German Secret Intelligence Organization in Russia (1919-1937) Section Chief of Eastern section in intelligence service the Intelligence Branch of the Intelligence Division of the High Command of the Armed Forces (1938 - 1939) Chief of the Secret Intelligence Service directed against Russia (1939 - 1945)	Chief of the Secret Intelligence Service in the area of an army. Chief of Secret. Intelligence Organization. In charge of the Eastern section in intelligence service toward the East. Chief of the entire Secret Intelligence Service on the Eastern Front.
HANS LUDWIG VON LOSSOW	Capt	Lt Col Baun's deputy with the Intelligence Division of the High Command of the Armed Forces	Representative of the Secret Intelligence Service with the High Command and Assistant to Lt Col Baun in relation to intelligence in depth.

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

NAME	LAST RANK	PRINCIPAL ASSIGNMENTS	DUTIES PERFORMED
ADOLF TIETZE	1st Lt	Section chief with Lt Col Baun (1939 - 1945)	Examination of incoming reports; Distribution of briefs.
FERDINAND BOEDIG-HEIMER	Capt	Chief of the Radio Service of the Secret Intelligence Service in the East (1939 - 1945)	Organization and Commitment of Radio Intelligence net and of agents radio net.
SIEGFRIED GRABER	Capt	Section Chief with Lt Col Baun (1944 - 1945)	Chief of administration and supply for the Secret Intelligence Service.
ERICH NOTZNY	Col	Intelligence officer of an Army Group on the Eastern Front; CI officer for the protection of the organizations of the Secret Intelligence Service on the Eastern Front	Directing the Intelligence Service in the area of an Army Group; Protection of the staff of the Secret Intelligence Service.
CARL KUMROW	Maj	Chief of a branch in the Intelligence Division of the High Command of the Armed Forces	Economic camouflage of the Secret Intelligence Service.

For details of the organization of the Secret Intelligence Service regarding combat intelligence and intelligence in depth see Annexes # 2 - 3. Examples of results obtained see Annex # 4.

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

B. Deliberations, Decisions, and Measures leading to the Surrender of the Organization to the US Army

1. Deliberations

While working together the staff members came to similar conclusions concerning the true character and real intentions of National Socialism and of Communism. Furthermore, the different officers in question came to the same conclusions concerning the effect that the total defeat of Germany would have on the situation of Germany itself, of Europe, and of the world. Thus toward the middle of 1944, Gen GEHELEN, Lt. Col BAUN, and Lt Col WESSEL became convinced that:

a. In the future, world politics will be determined exclusively by the US and the USSR.

b. The US will represent the democratic system, based on the individual rights of man, and will have the responsibility of protecting the Western Nations.

The USSR will represent the principle of dictatorship:
Collectivism against individualism;
Atheism against religion;
State economy against private enterprise.

c. A shattered Germany will be between the West and the East in a state of agony. For the next decades Germany will be in no position to become again an independent factor in European politics.

In addition to that, the historical period of national states seems to be over in Europe, and is to be replaced by a union of the European nations on an equal cultural and economic basis. This process of development, however, has not yet taken any visible form.

d. Germany with the loss of the war will also lose the greatest part of her national strength and most of her economic productivity. For these reasons she will not be in a position to fulfill her mission as barrier against the East.

e. Large parts of Central Europe - including Germany - will be overrun by communism.

f. The German people, deprived of their political independence, have to make a decision either for the East or for the West.

The decision for the East would mean a communist Germany combined with gradual loss of her national characteristics to a predominant slavie influence.

The decision for the West would mean the possibility of preserving the remaining basic intellect and strength of the German people and the possibility to become a member of the family of Western nations.

- 5 -

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

g. Therefore, for every far sighted German who also knows of the ultimate Soviet aims only one decision, namely the decision for the West, is possible - without any reservation. This basic decision must be so strong that it will not be influenced by certain minor shortcomings in occupation policy of the Western powers.

The inner decision for the West must necessarily bring the effort from the German side to assist the West in preserving the Western philosophical principles.

2. Decisions and Steps.

On account of the above deliberations Gen GEHLEN made the following decision in late 1944 and informed Lt Col BAUN and Lt Col WESSEL accordingly:

"In case of the surrender of the German army, all steps will be taken to hand over the entire personnel and material of the Division Foreign Armies East to the US Army. Necessary preparations will be made immediately within the limits of the situation and the necessity of secrecy."

During the period from the end of 1944 until the surrender the following measures were taken in view of the authority of the above order:

a. The decision itself was made known, completely or in part, to the officers necessary for its accomplishment: Lt Col SCHLIEB, Majors HIEMENZ, SCHOELLER and HINRICHS, Captains GRABER, BOEDICHTMER, VON LOSSOW, HINDERSIN and 1st Lt TIETZE. Col HERRE was also informed of the decision.

b. Orders were issued to transfer the main parts of the Division Foreign Armies East to the area of southern Swabia and southern Bavaria, since the evaluation of the situation and intelligence reports indicated an occupation of these areas by the US Army.

c. Orders were issued to preserve the material gained by the Division Foreign Armies East during the war by burying it in southern Swabia and southern Bavaria.

d. Orders were issued to organize separate distant, camouflaged billets for the key-personnel of the Division in southern Swabia and Bavaria with the intention to avoid the danger of being captured before the key-personnel had had opportunity to come in contact with an authoritative G-2 officer of the US Army.

Once this intended contact with the US Army had been frustrated by the rapidity of developments, Gen GEHLEN decided at the end of May 1945 to report together with the officers with him to the nearest American unit in the hope of being able to contact the appropriate US authorities. Communication with the group under the command of Lt Col BAUN in southern Swabia had been interrupted since the beginning of May 1945. Due to the unexpected occupation of this area by French troops, this group was not able to report to the US Army until 28 July 1945.

- 6 -

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~

~~TOP SECRET TO GERMANY ONLY~~

C. Activities of the Organization from the End of the War until September 1946

1. Activities of the Evaluation Group

a. Amount of Work done

The Evaluation Group produced:

1945 in Europe	12 projects	, totalling 393 pages.
1945/1946 in US	234 projects	, totalling 3742 pages.
1946 in Europe	108 projects	, evaluation reports, comments, and notes
		totalling 118 pages.

Grand Total 354 projects, evaluation reports, comments, and notes, totalling 4253 pages.

b. Kind of work; Titles of the more important subjects.

(1) Five studies dealt with the military and political situation in Europe.

The more important subjects were:

"Russia as a military and political factor in Europe" (12 Oct 45)

"The development of Russia's military and political situation since October 1945" (21 Feb 46)

"The General Lines of Russian Politics until 1943"

"Indications of war-political and economic preparations of the USSR" (Broadcast Evaluation of 1 Nov 45 to 10 Feb 46)

(2) 38 studies dealt with Russian OB.

The more important subjects were:

"The regrouping of the Russian Forces after the War" (10 Dec 45)

"The NKVD Units in the Caucasus"

"Disposition of Soviet Forces at VE Day"

"Disposition of NKVD Units at VE Day"

"OB of the Russian Forces in the Far East in Summer 1945"

(Radio Evaluation of September 1945)

12 Press evaluations based on the "Red Star" from May 1945 until March 1946

14 different studies dealing with OB Changes

- 7 -

~~TOP SECRET~~

~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

- (3) 23 studies dealt with the Intelligence Service directed against Russia.

The more important subjects were:
 "German Intelligence Methods in the East"
 "Intelligence Possibilities in the Caucasus"
 "Present opportunities to gather political and military intelligence in Eastern Europe" (2 Nov 45)
 "Urgent intelligence problems in the East" (18 Mar 46)
 "Red Army Intelligence"
 "Soviet Intelligence and Counter Intelligence"
 "Experiences in the Evaluation of Ais Intelligence directed against Russia"
 "Russian measures to camouflage and conceal movements of infantry and motorized units"

- (4) 3 studies dealt with the strategy and the organization of the High Command.

Subjects:
 "Russian Strategic Capabilities for Operations in Central Europe"
 "The proper Organization of the High Command of the Armed Forces, based on Russian and German War Experiences"
 "The Russian High Command (Army Group and up) and its strategic principles"

- (5) Some of the following studies were delivered as contributions to the "Handbook on the Red Army":

<u>Subject</u>	<u>Number of studies</u>
Estimate of the value of the Soviet Armed Forces	2
Organization of the State, Election Districts and Military Districts, and Manpower Potential	8
Organization of the High Command; Strategic Principles, General Staff, Staffs	10
Mobilization of the Soviet Armed Forces	2
Tactics, Training, Replacement System	8
Organization of the Soviet Armed Forces	13
Appreciation and data on 144 personalities	47
Personal Administration	5
Logistics	3
Weapons and Equipment	6
Propaganda	3
Military Geography	1
Chemical Warfare	1
Anti Soviet Tendencies in the Interior; Morale	2
Soviet Airforce	2
Other Subjects	25

- 8 -

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~

~~TOP SECRET TO GERMANY ONLY~~

More important subjects among the above:

- "Evaluation of the Efficiency of the Red Army"
- "Factor to which Russian successes are attributed in conditions of snow and winter warfare in general"
- "Desertion from the Soviet Armed Forces"
- "Anti Soviet Partisan Movement in the Interior of the USSR"
- "Best Propaganda Approach to promote Disloyalty in Georgia"
- "Best Propaganda Approach to promote Disloyalty in Siberia (East of Lake Baikal)"
- "Analysis of the Electoral Districts for the Manpower Potential of the Military Districts"
- "Map of the USSR with Oblasts"
- "Soviet Mobilization before the Soviet-German War and Future Trends"
- "The Development of the Organization of the Red Army"
- "Unit Histories" (Fronts and Armies)
- "Semi-military Organizations"
- "Tactics of the Red Army"
- "Tactics in the Finnish War"
- "Soviet Military Schools, Replacement Centers, Training Areas for combined and unit training"
- "Information about the Administration in the Red Army"
- "Effect of terrain and settlement factors in Military Operations on the Eastern Front"
- "Information about troop movement, evacuation system, personnel replacement, and services in the rear"
- "List of Soviet APO Numbers and their corresponding Unit"
- "Evaluation of 2,000 Soviet Identification Papers"
- "The Soviet - Finnish Campaign 1941 - 1944"
- "The drafting of the different age classes in Russia"
- "The German Method of Estimation of Losses"

2. Activities of the Information Group

a. Preparatory Work from September 1945 to March 1946

Communication with the group under the command of Lt Col BAUN, which had been interrupted since the end of the war, could not be established until September 1945. BAUN immediately was transferred from his PW camp to Oberursel and was put into a position to locate the former members of the Secret Intelligence Service and to renew in part the old contacts by personal visits. Thus it was learned that it would be possible to resume at any time the tactical intelligence and counterintelligence work starting from and within the American Zone and Austria. Equally favorable conditions for a resumption of work later were found in the British Zone.

Thereupon three studies were prepared concerning the resumption of the military, political and economic intelligence work. These studies were presented to the American authorities concerned. Furthermore an exhaustive historical survey of the development and work of the German Secret Intelligence Service was finished as well as numerous smaller studies concerning the intelligence service of the USSR.

- 9 -

~~TOP SECRET~~

~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

b. Work from April 1946 to September 1946

On the basis of these preparations, the actual intelligence activities started in April 1946, although within the most modest limits. The steady development of the information group has laid the foundations for carrying out tactical intelligence in the Central European area. Strategic intelligence, however, remains in an undeveloped stage due to the present great difficulties.

c. Amount of work done

From the middle of April until the middle of September 1946 a total of 513 reports were forwarded to USFET. Of course the total number of reports received by the information group was considerably higher. After sorting and evaluation the number mentioned above remained as suitable for forwarding to USFET.

The following chart lists some of the reports forwarded to USFET:

<u>Contents</u>	<u>Number of reports forwarded to USFET</u>
Strategic Intelligence	7
Identification of units	141
Movements	33
Armored units, movements, etc.	54
Air Force, air fields, etc.	42
Supply, Depots, etc.	22
Traffic, Roads, Bridges, Railways, etc.	42
Manoeuvres	4
German Units	7
Foreign Units (Bulgaria, Poland, etc.)	13
V-Weapons	4

Chart representing the more important reports during the period from 1 August to the middle of September 1946:
See Annex 5.

- 10 -

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~TOP SECRET~~

~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

TAB B

ORGANIZATION OF THE HEADQUARTERS

NOT COPIED

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

~~TOP SECRET~~

19. (Continued)

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

TAE C

COVERAGE OF THE RUSSIAN OCCUPATION ZONE

NOT COPIED

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

~~TOP SECRET~~

19. (Continued)

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

LAB L

STRATEGIC INTELLIGENCE AND COUNTER INTELLIGENCE POSSIBILITIES

NOT COPIED

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

~~TOP SECRET~~

19. (Continued)

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

TAB E

ANNUAL COST OF OPERATION RUSTY

A. Handling of Funds and Supplies.

B. Cost for Period 1 April 1946 - 1 October 1946:

1. Money
2. Foodstuffs
3. Luxury Items
4. Gasoline
5. Miscellaneous

C. Discussion of Future Costs.

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

~~TOP SECRET~~

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

ANNUAL COST OF OPERATION RUSTY

A. Handling of Funds and Supplies.

Each month the various branches of the organization submit requisitions for funds and supplies to be used in the following month's operations. These requisitions are carefully checked by the staff of the Information Group to ascertain whether or not they are justified. In some cases they are cut before a consolidated requisition is submitted to G-2, USFET.

The supplies and funds authorized by G-2 USFET are kept under U.S. control until they are delivered to the heads of the agencies in the field. They are drawn by the agencies as the need for them arises.

Spot checks on the use of funds and supplies are made periodically by U.S. personnel. Inspections to date have shown, as far as it is possible to determine, that the funds and supplies are being used economically and properly.

B. Cost for the Period 1 April 1946 - 1 October 1946.

1. Money.

Month	Allied Marks (Expressed in \$ value)	U.S. Currency
April	\$7,159.00	\$2,000
May	2,537.00	-----
June	16,317.70	1,000
July	15,060.70	-----
August	61,694.30	7,000
September	28,235.70	14,100
TOTAL	\$129,004.40	\$24,100

2. Foodstuffs.

Month	Coffee	Flour	Sugar	K-Rations
April	300 lbs	-----	150 lbs	108
May	108 "	200 lbs	150 "	96
June	516 "	1200 "	1440 "	120
July	-----	-----	-----	360
August	300 "	400 "	-----	360
September	600 "	1000 "	560 "	480
TOTAL	1824 lbs	2800 lbs	2300 lbs	1524

~~TOP SECRET~~
-1-
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~TOP SECRET~~ SECRET/RELEASE
TO GERMANY ONLY

3. Luxury Items.

Month	Cigarettes	GI Soap	Toilet Soap
April	127 cartons	-----	-----
May	150 "	-----	120 bars
June	450 "	100 bars	-----
July	-----	-----	-----
August	445 "	132 "	208 "
September	800 "	300 "	300 "
TOTAL	1972 cartons	532 bars	628 bars

4. Gasoline.

Month	Gallons
April	800
May	1700
June	2700
July	3160
August	3080
September	Reports from Supply Points not yet received
TOTAL	11440 gallons

5. Miscellaneous.

Small quantities of such items as candy, cocoa, cosmetics, lighter flints, matches, razor blades, shaving cream, etc. have been issued.

C. Future Costs of Operation RUSTY.

To estimate the cost to the U.S. Army for Operation RUSTY in the future, it is necessary to solve a problem containing so many variables and so many factors unknown to this headquarters that it approaches the impossible. It is estimated that it would have cost the German Army 150,000,000 Marks to conduct for one year during the war an operation of the projected magnitude of Operation RUSTY. This figure may be considerably changed by present day conditions.

The estimate of [] presented to G-2, USEET by the organization used in Operation RUSTY is the estimated annual cost for operations within the Russian Occupied Zone of Germany with occasional information coming from Poland, Russia, and the Balkans. The operations in the Russian Zone were to deal with Order of Battle information, air force installations, road conditions, economic and political conditions, and other more or less tactical questions. Naturally these operations cost less than those which extend into Russia and her satellites. The rate of expenditure to date has been considerably below the estimates because difficulties such as those mentioned in TAB H have retarded the growth of the organization more than was expected.

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~

~~TOP SECRET TO GERMANY ONLY~~

The important considerations in estimating future costs are the following.

1. What will the EEI's include? To obtain the tables of organization for a Russian infantry division is relatively simple and inexpensive. To obtain the Russian mobilization plan is extremely difficult and consequently tremendously expensive.

2. What are the conditions under which the organization will work? Will it receive open support and be able to travel and do other things in the normal manner? Or will everything have to be done surreptitiously? An example which illustrates this factor is this. Recently a member of this organization was sent to Switzerland as an interpreter for the officer who accompanied him. The cost of the trip, including transportation, accommodations, and food, was in the neighborhood of \$200. Had it been necessary to get him into Switzerland in a clandestine manner, ten times this cost would scarcely have enabled him to accomplish his mission. For travel across oceans and into the countries of Eastern Europe expenses increase enormously when it must be accomplished in any way other than that used by a normal U.S. civilian.

3. What type of missions will be assigned? To actually penetrate the higher circles of the Rumanian government, for instance, is very expensive. To have someone near the people in these circles is less expensive.

Costs in intelligence vary in proportion to the quantity and particularly to the quality of the information. Many groups which are valuable in the intelligence field work for more than one nation at a time. The nation which pays the highest prices in money, political support, or any other medium of exchange gets the information first and gets the cream, the most highly classified information. The other nations get their information on a sliding scale according to what they pay.

It is believed that the best way to make an accurate estimate of future costs is to have representatives of Lt. Gen. VANDENBERG confer with Mr. GEHLEN and Mr. BAUN. This should be done in the United States if possible. The representatives should be thoroughly familiar with costs in the present "world intelligence market" since Mr. GEHLEN and Mr. BAUN have been very much limited in the scope of their activities and travels during the past year and a half. Also these representatives should be able to answer the questions presented in the three numbered considerations above.

~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

~~TOP SECRET~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

TAB F

EXAMPLES OF INFORMATION AND EVALUATION

Letter from Intelligence Branch G-2 USFET

- A. Results of Intelligence Activities
- B. Results of Counter Intelligence Activities
- C. Estimate of Situation as of February 1946



~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~
~~TOP SECRET~~

19. (Continued)

~~SECRET/RELEASE~~ ~~TOP SECRET~~
~~TO GERMANY ONLY~~

HEADQUARTERS
UNITED STATES FORCES, EUROPEAN THEATER
Intelligence Branch, G-2 Division

~~TOP SECRET~~
By authority of
A.C. of S., G-2
Initials
Date 24 SEP. 1946

AGO 757, US Army
September 24, 1946

350.09 (GBI/IB/INFO)

SUBJECT: Operation RUSTY

TO : Chief, Intelligence Branch

1. General

a. Of the slightly more than four hundred reports received through this project since its inception in April 1946, approximately two thirds have concerned Red Army order of battle in GERMANY. The remainder has included a considerable section on industrial activity and scientific research in the occupied areas and a smaller percentage of order of battle reports from AUSTRIA and the Balkans. There have also been a few reports of varied nature from within the SOVIET UNION itself.

b. This report is intended as an outline evaluation of the importance and uniqueness of those reports. In order to implement this purpose the reports have been broken down into their main groupings and a study prepared of the general level of information received in each particular field, incorporating examples of any information of unique importance received through this source.

2. Red Army Order of Battle - GERMANY

a. Military information contained in RUSTY reports deals almost entirely with the Soviet Zone in GERMANY, with special emphasis on the Federal Territory of Saxony and Western Brandenburg and Mecklenburg. RUSTY gives concise reports on locations, movements, concentrations of troops and on military installations, which are usually very reliable. As identifications of units and personalities are rare, value of RUSTY to this office should be appraised mainly in relation to what is known about Soviet troop locations. Of a total of 187 Soviet troop locations carried in GERMANY, RUSTY has given information on 47 with a total of 63 important items of information since 1 June 1946. Of this total figure, 29 items were new information, 10 gave exact descriptions of type and size of units, and the remainder gave details on movements, concentrations, and installations of ammunition, fuel, and supply dumps.

b. During the same period, another important source, Civil Censorship Submissions, furnished about the same amount of information, 67 important items concerning 48 localities. But only 21 items were new information, and only one item gave an exact description of type and size of unit.

~~SECRET/RELEASE~~ ~~TOP SECRET~~
~~TO GERMANY ONLY~~

G-2 USFET TSC
Reg. No. *UJ-3011*
Copy No. *1*

19. (Continued)

~~TOP SECRET~~ ~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

c. RUSTY has been valuable in determining amount and direction of Russian troop movements into GERMANY from HUNGARY and AUSTRIA; in establishing location of Fifth Shock Army in SCHWERIN, Mecklenburg; and in clearing up Army, Corps and Division subordinations in the Magdeburg area. It is about equal to SSU in reliability and quality of information, though usually somewhat later. Its main defect is, like that of SSU in many cases, that it does not exhaust the intelligence opportunities which it touches.

d. One of the most complete reports received here on recruiting of former German Army officers for the Red Army (#343, 30 August, Source No. 372) came from Operation RUSTY. Although it is impossible to assess exactly the reliability of the information in this report, since there is no record of other reports from the same source number and the information itself is new, it confirms the persistent rumors of such recruiting and gives valuable details which should make it easier to evaluate future reports on this subject.

3. Industrial Activity in Occupied Areas

a. Most of the reports received on this subject have been brief and concerned a specific activity or location. In general they have served to confirm information received through other sources and have occasionally added new details. It should be emphasized however that frequently this information has been obtained more rapidly through RUSTY sources than through others and almost invariably it has been proven reliable by confirmations received from other sources.

b. There have however, been several exceptions to the general run of these reports which have furnished unique and valuable information. Notable among these is Report No. 931, 30 August, Source No. 229 on the V weapon factory in KLEIN BODUNGEN. Although the majority of information in this report was already known it contained two details which are considered of great importance and can be accepted as reliable in view of the fact that the remainder of the report was confirmed through other sources. These were the definite statement that production in the plant consisted almost exclusively of A-4 missiles and the information on construction of a special launching train. Identification of V weapons being produced by the Russians is one of our major difficulties as they are usually referred to loosely as V-2s; therefore the identification contained herein, by their actual German nomenclature, is very valuable. Information on construction of the special train is valuable of itself and also because it indicates that, unless the train is subsequently rebuilt, experiments which utilize it must be conducted in GERMANY or in those sections of the Baltic states which still use standard gauge lines. It is doubtful if a train of this type, carrying valuable built-in equipment, would have been constructed for standard gauge if it had been intended subsequently to rebuild it.

2 ~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~
~~TOP SECRET~~

~~TOP SECRET~~ ~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

c. Information contained in report No. 264, 10 August, Source No. 304, on the 'Stalin' gasoline plant at BRUX, CZECHOSLOVAKIA, which it is also possible to evaluate as probably true by virtue of partial confirmation from other sources, is uniquely valuable in that it contains many details which were not previously known.

4. Reports on Conditions Within the USSR

a. Although very few of these reports have been received, they constitute information of considerable importance, as sources of information from within the SOVIET UNION are very meager. It is recommended that, if at all possible, more emphasis should be placed on this phase of the operation as it could possibly achieve a unique importance in this field whereas in others our own sources are more nearly adequate.

b. Report No. 311, 22 August, Source No. 407, on the tank factory in NIZHNI-TAGIL is an example of the importance of this information. It was possible from the very brief information in the report itself to check it against information already available and gain the first definite report we have had of continuing maximum armaments production in the USSR. The reliability of the report itself could be gauged by the fact that production figures given corresponded with the known capacity of the plant in question.

c. Report No. 232, 5 August, Source No. 401, on the German Liberation Army in the USSR, was extraordinarily complete and detailed, and contained the only information other than persisting rumors which we have received on this subject. It is a matter of considerable importance both to ourselves and the War Department and should be exploited to the utmost. Although the reliability of source is unknown and the information itself was entirely new, it is possible to evaluate it as probably true in view of the identification of the DMITROV camp and the statement of its former use, which could be confirmed from information already on hand. The existence of the camp near KUIBISHEV was also subsequently confirmed by an SSU report.

5. Conclusions

a. Although the majority of the reports received have not contained information which it was impossible to obtain through other sources, they have been definitely valuable in the following ways:

- (1) They are sometimes obtained more rapidly than reports from other sources.
- (2) They have served as confirming evidence.
- (3) They have often contained details not included in other reports.
- (4) They are generally very reliable, especially since appropriate evaluating comments are often included with the facts reported.

3 ~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

~~TOP SECRET~~

19. (Continued)

~~TOP SECRET SECRET/RELEASE~~
~~TO GERMANY ONLY~~

b. The minority of reports which covers fields, such as that of the interior of the USSR, on which other information is not available, is naturally more difficult to evaluate. It is, however, exactly in these fields that the operation assumes a unique importance and it is felt that this should be emphasized and, if possible, expanded. From the few details available by which reports of this nature can be evaluated, it can also be stated that their reliability is high.

c. An early tendency in the reports from this operation to cover information in very general terms has latterly decreased greatly and reports are now considerably more precise and exact in nature. Occasionally the impression is given that full possibilities of the source have not been exploited when statements of a general nature appear. In such cases it would add to the value of the report if it could be stated that further specific details were not available, as this would clear the uncertainty in the mind of the recipient on whether a possible source of more detailed information was as yet untapped.

J. L. Collins
J. L. COLLINS
Lt. Col., GSC
Chief, Information Section

Telephone: FRANKFURT 24787
Captain PRICE

<u>DISTRIBUTION</u>	<u>COPY NO.</u>
Chief, Intelligence Branch.....	1 & 2
Intelligence Branch, G-2 Division....	3
TOP SECRET CONTROL.....	4

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~
~~TOP SECRET~~

~~TOP SECRET~~ ~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

A. Results of Intelligence Activities

1. General

Found in Annexes 1 - 4 are examples illustrating the answers to briefs received from G#2. The examples are taken from different fields; no example was taken from the OB field because this subject has been covered sufficiently in TAB A and TAB C.

2. 1st Example

The 1st example contains an evaluation report concerning the German Army of Liberation in Russia and the efforts of the Soviet Union to imbue German PW's with communism and to influence them to join the German Army of Liberation. The more important relevant reports are added to the evaluation report. For the preparation of the evaluation report only intelligence was used, gathered by this organization.

3. 2nd Example

The map represents the more important reports which came to hand after a brief was received concerning airfields used by the Red Air Force and construction of new air fields. The maps show the more important intelligence gathered from each respective air field. (Scale of map used 1:500,000)

4. 3rd Example

The reports added to this example concern a brief on the field of war economy. The brief requested investigation of the activities of certain former German air plane factories and of factories which formerly produced V-weapons. All in all 19 important reports were received on this subject; they give a rather clear impression of the production as well as of the efforts of the Russians to utilize the existing installations and specialists.

5. 4th Example

This example is the answer to an itemized brief concerning purely economic matters. In most cases where economic intelligence is required the agent must possess the knowledge and experience of an expert on that specific field. As the examples prove, the agents at the disposal of this organization possess these qualifications.

B. Results of Counter Intelligence Activities

The counter-intelligence network of the organization is at present observing about 500 persons in the US Zone of Germany who are suspected of working for the Soviet Intelligence. There is clear evidence that 147 of these work as agents for the Soviets. The location, importance, and the connections of the identified Soviet residents and agents are charted in Annex 5 on an overlay - 1:500,000.

In 28 counter-intelligence reports since July 1946, approximately 100 suspicious or clearly identified members of the Soviet Intelligence have been reported to CIO for elimination.

~~TOP SECRET~~

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

The thoroughness of Operation RUSTY's surveillance of Russian activities in the US Zone, despite the very small CI organization employed, is revealed by the fact that out of about 400 people arrested by CIC during the BINGO SWOOP Operation on 22 July 1946, about 60 (representing the main body of agents really working for Soviet Intelligence) were known by their activities, to the personnel of Operation RUSTY. The personnel of Operation RUSTY became connected with Operation BINGO when CIB, G-2, USFET asked for evidence to be used in the interrogation of persons arrested in Operation BINGO. Information in addition to what CIC had on 25 persons could be given. (See Annexes 6 - 8.) As a result of a further request, a report on the effect of Operation BINGO on Russian circles was made by personnel of Operation RUSTY (See Annex 9).

In an effort to determine who directs the Soviet Intelligence in the US Zone, agents of Operation RUSTY penetrated the Soviet organizations. Traces of the deployment of agents of the INU and the KRU of the MGB (which in the US Zone is partly directed by the Soviet repatriation missions) were found (see Annex 10). The INU (Inostrannoe upravlenie or Counter-Intelligence Division) are the most active Soviet intelligence agencies in the US Zone at present.

Counter-intelligence reports obtained by the Information Group have done much to help the Evaluation Group clarify the picture on the Soviet intelligence set-up. (See Annex 11). An exact knowledge of the Soviet Intelligence Service enables the Information Group to employ its forces effectively and the Evaluation Group to submit reports on the organization of the Soviet Intelligence Service. (See Annex 13.) The member of the Evaluation Group who is in charge of counter-intelligence has prepared a monograph for MID, War Department entitled "Soviet Intelligence and Counter-Intelligence". This monograph is based on study of Soviet methods during the war and on study of German documents while a US PW and will be published in a handbook by MID. The second part of it (without charts) is found in Annex 12.

- 2 -

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

~~SECRET~~
~~TOP SECRET TO GERMANY ONLY~~

c. Estimate of Situation as of February 1946

The Further Development of the Military Political Situation of Russia after October 1945.

Note: The development of the Russian question in the decades which have just gone by has been accompanied by so much making of propaganda that a really objective consideration of the underlying facts is not very easy for one not familiar with the material. For the better understanding of the train of thought in this work, therefore, in project B-132 is appended a statement made in 1943 by the former Red Russian Colonel I. about the "general lines" of Russian policy up to 1943. An evaluation of the reports from the newspapers and the radio between 1 November 1945 and 10 February 1946 is appended in project No. B-129 as basis for judging the Russian military political situation.

The following pages attempt to continue a discussion of the beginning of October 1945, and sketch briefly the further development of the military and political situation in Russia in the same manner as before, for the last few months. It must be borne in mind that within the scope of this work many questions can be no more than touched upon, and that many problems will remain unclarified.

The following statement was made about the basic line of Russian policy in the paper of October 1945 already referred to:

"Before arriving at a judgement about the role which Russia is playing as a military political factor in the Europe of today, one must attempt to fix the basic line of Russian policy. Difficulty risen in this regard to the extent that Russia is occupied even more intensively than other nations in concealing her cards, political, military, and economic, and in preventing a view through the well-known "iron curtain" around its area of sovereignty and influence.

The probable general line, therefore, can be traced only from the indications shown by the diplomatic behavior of Russia since the ending of the war. This behavior has been marked by a succession of demands through which Russia has signified its interest for the future even outside its present realm of influence. Its attitude toward the demands and the points of view of the Western Allies, moreover, shown the desire gradually to eliminate all outside influence over its newly-won area of political control.

Within the scope of the picture of the last few months it will not be assumed at this time i.e. Oct. 1946 that behind the scenes Russia is pursuing a war policy. Nevertheless one should by no means believe that Russia will avoid the danger of war under any circumstances in the striving for its goals. Since Russia is fully conscious that neither the United States nor Great Britain is at the moment able or willing to take upon itself a forcible breach with Russia, Russia will follow a strong, demanding policy which in its manner and in the extent of its claims will press to the boundary determined by the prestige of these negotiating with it.

In accordance with the entire mentality of the Russians the first goal of its politics will be the securing and consolidation of the newly-won political positions and at the same time the securing of

~~TOP SECRET~~
-2-
~~SECRET~~
~~TOP SECRET TO GERMANY ONLY~~

19. (Continued)

~~TOP SECRET~~ ~~SECRET/RELEASE~~
- 2 - ~~TO GERMANY ONLY~~

all against future attack from any quarter. As the Russians, think, that implies the necessity for having political footholds even outside the area which has been conquered, in western Europe, in the Mediterranean, and in the Near East. The Russians will proceed by stages in this policy of theirs, but will not be afraid to exploit quickly favorable opportunities and weaknesses of its diplomatic opponents in quick diplomatic negotiations."

The intervening development has confirmed the correctness of this judgement; but at the same time a further clarification of Russian behavior and intentions in a long view has become possible. It can already be seen that within the scope of the immediate goals formulated above the possibility of passing over to a political offensive has been prepared for. Before going into this idea further, a link should be made to the development of Russian policy in the preceding decades for better understanding.

The peculiarity of the Russian governmental system implies that all energies of the entire nation be aligned with the political desires of the moment of the supreme leaders of Russia. These, therefore, are able to change the goals, the ways, and the means of their policies easily and at a moment's notice. They show themselves quite unscrupulous in changing their policy completely from one day to another. Propaganda undertakes to conceal this policy from outside view so far as it is thought necessary, and to bring into line with the guiding ideas the people within Russia. This alignment finds its expression in the valid "general line" of Russian policy at a given moment. Russian policy since the October Revolution has been marked by the following general lines (for details see project No. B-132):

1. 1917 - March 1921: "Total and immediate revolution is to be carried out everywhere". The period of the attempt to effect a general revolution ("World Revolution") up to the revolt of Kronstadt.
2. March 1921 - 1927: "Natsionalno Revoliutsionnoe Dvijenie v Stranah vostoka" (National revolutionary movement in the Orient). The period of activity in the Near and Far East, the period within Russia of the NEP.
3. 1928 - 1933: "Pialtiletka" (Five Year Plan) - The period of internal Communist expansion and the intensified industrialization after the abandonment of the NEP.
4. 1933 - 1938: "Narodnye Fronty" (the popular front movements). The period of intensified foreign activity, attempts to intensify differences in Europe.
5. 1939 - 1945: "Sovjetskij Patriotism" (Soviet Patriotism). The period of the expansion of the Russian area of power during the Second World War (the occupation of eastern Poland, of the Baltic States, the encroachment upon Finland, the occupation of Bessarabia, the war between Russia and Germany).

-3-

~~TOP SECRET~~ ~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

Since the general line applicable at any given time received corresponding expression in propaganda, the attempt was made in project B-129, to gain basic insights into the leading ideas of Russian political military policy from statements in the newspapers and over the radio.

The evaluation was concluded before Stalin's speech. Stalin's speech, which speaks for itself, must be regarded as a confirmation of the insights which have been gained.

The following picture of the military and political situation of Russia at the present time is derived from the consideration of past Russian policy, of the development after the armistice, and of the material which has been evaluated hitherto.

1. The main weight of Russian policy at the moment is at home, within the scope of a broad program of industrial expansion which emphasizes war production and armaments. The goal of this program is to overcome the weariness setting in after the victory won, as soon as possible, and at the same time to strengthen Russian military strength so much that it will in the future be superior to any possible coalition of other powers.
2. Connected with this policy is the desire to consolidate the military and political gains which have been made, both by aligning toward Russia in military and political ways the peoples of the territories which have been occupied, and by gathering these peoples as closely as possible into Russian economy, culture, and thought, even in matters of religion.
3. An essential point in this program is the gaining and consolidation of the corresponding strategic- and political outposts, particularly in the near East and the Mediterranean, using force (probably concealed) if necessary.
4. On the whole, however, Russia will probably seek to avoid by all means the danger of a global war in the next few years. On the other hand it will not shun local armed disturbances with the neighboring states for reaching the goals outlined above. The world situation and the knowledge that the United States and England as well are not inclined to run the risk of a new world-wide scale war will induce Russia to press with its demands to the most extreme limit that the prestige of the states negotiating with it will allow.
5. Over and above all, this one must not fail to recognize that in the last few months the Russian policy has taken on a renewed offensive character, in reviving the conception of two worlds in opposition to each other, the "pseudo democratic capitalistic" world, and the "genuine democracy of Communism". If the colonial question is ranged alongside this one, and an official personage like Zhukov takes up the Indian question in a paper, of the two world opposed to each other, emphasized particularly by Stalin himself, can have only the
confrontation

-4-

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

purpose on the one hand of justifying the war economy expansion program to the Russian people by the fiction of the threat from without, and the purpose on the other hand of laying open all possibilities for a policy of expansion in the more distant future, which would of necessity first have to devote itself to the destruction of the British empire.

6. It seems that the idea of world revolution as a political means of struggle and propaganda has reappeared in a new and different form in the Russian political conception. This idea takes the stage again as the struggle of "true democracy" with a national and federal background, for the "liberation" of the oppressed peoples of "pseudo-democracy" and "capitalism". The appearance of the idea seems to indicate that Russia is striving to achieve its goals in foreign policy primarily by political means; on the other hand, the clever use of this thesis gives Russia an opportunity to solve immediate questions rising on its borders by concealed use of force.

7. The policy of Russia in UNO affords a measure for the future development of Russian policy in the long view. As soon as the clear line of exertion to break up the UNO or find a favorable pretext to resign from it shows itself without regard to the tortuous diplomatic moves of the moment, this will have to be regarded as a sign of uncertainty.

In sum, the general line which has been taken by Russian policy since the end of the war, from military and political points of view, may be described as follows:

It is the period of regrouping and military reinforcement of all temporal and spiritual forces of the Russian people with the consolidation of the territories which have been gained, now that the war has been won. It is the period of preparation for a coming show-down which the Russians believe to be possible between them and the surrounding capitalistic world, by softening up the possible opponents by political means, and by winning favorable and strategic jump-off positions.

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~
~~TOP SECRET~~

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

TAB G

MEMORANDUM ON THE MILITARY

AND POLITICAL SITUATION IN EUROPE

AND THE NEAR EAST.

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~
~~TOP SECRET~~

19. (Continued)

~~TOP SECRET~~
Evaluation Report No. 20

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

Memorandum on the Military and
Political Situation in Europe and
the Near East.

- I. Prefatory Remarks
 - II. Previous Evaluation of the Situation
 - III. New Factors influencing Judgment of Situation since Spring
 1. Russian Press Propaganda
 2. Russia's Diplomatic Attitude
 3. The Military Picture
 4. Indications for increasing Military Preparedness
 - IV. Conclusions drawn from Reports of Strategic Intelligence
 1. Internal situation in Russia and the Occupied Countries
 2. Ideas on Foreign Policies of the Russian Leaders
 3. Shukov's Role and Intentions in the Balkans and Near East
 4. Intentions in Central Europe
 - V. Final Conclusions
- Appendix 1... First Strategic Intelligence Reports concerning Ideas of the Russian Leaders
- Appendix 2... Reports concerning indications for increasing Military Preparedness on the Part of the Russian Army especially in the Central European Area.

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

Evaluation Report No.

15.9.46.

~~TOP SECRET~~

~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

Memorandum on the Military and
Political Situation in Europe
and the Near East.

I. Prefatory Remarks:

The first reports from reliable Near East sources concerning the ideas of the Russian leaders enable us to render a temporary judgment on the present military and political situation in Europe and the Near East, which up to now has been rather vague. The sources at our disposal do not include the north European area, so that for the time being the gap in observation and estimation necessarily remains at that point. Confirmation of the reports from the June/July period is necessary and we are trying to get it. In judging both the reports and the situation as a whole it must not be forgotten that at the present time the political constellations are rapidly changing and the political scene in its entirety is acquiring new nuances from the developments during and after the Paris Conference.

II. Previous Evaluation of the Situation.

The Evaluation report of 12.2.46. (Proj. B 133 for War Department) portrayed the present Russian policy as follows:

"It is the period of the regrouping and military reinforcement of all material and psychological forces of the Russian people with the consolidation of the territories which have been gained, now that the war has been won. It is the period of preparation for a coming show-down which the Russians believe to be possible between them and the surrounding capitalist world, by softening up the possible opponents by political means and by winning favorable political and strategic jumping-off positions".

In the question of Russia's attitude toward a solution by force of arms of current questions, the following judgment was offered:

"On the whole, however, Russia will probably seek to avoid

~~TOP SECRET~~

~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~

~~TOP SECRET TO GERMANY ONLY~~

by all means the danger of a global war in the next few years. On the other hand, it will not shun local armed disturbances with the neighbouring states for reaching the goal outlined above. The world situation and the knowledge that the USA and England as well are not inclined to run the risk of a new world scale war will induce Russia to press its demands to the extreme limits that the prestige of the states negotiating with her will allow".

It is the purpose of the following considerations and conclusions to determine to what extent an alteration or modification of this judgment will be necessary.

III. New Factors influencing Judgment of situation since Spring.

In recent months the following new factors have been recognized as characterizing the Russian attitude:

1. Russian Press Propaganda

Quite remarkable is the extraordinarily vigorous campaign of the Russian press designed to emphasize repeatedly for the benefit of the domestic public the possibility of a new war of aggression of the "capitalist" states against Russia.

2. Russia's Diplomatic Attitude

Russia's sharp language at the international conference table (for instance Paris) as well as its attitude toward all international problems raises the question whether Russia is really interested only in the solution of certain single problems or whether her attitude is not rather motivated by far-reaching political intentions.

3. The Military Picture

Since about June the military picture indicates that the main effort more and more was shifted to the Central European area (Germany, Poland).

This is shown by

- a) the fact that 5/6 of all operational armored forces

-2-

~~TOP SECRET~~

~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

of Russia are stationed in the central European area (all armored armies except the 6th, which is assumed to be in the Far East; 5th armored in East Prussian area--Minsk).

b) despite demobilization the total number of forces in Germany and Poland has not been decreased since the beginning of the year, but probably been increased in Poland. 2/3 of the Russian occupation troops employed in Europe are stationed in Germany and Poland. Their strength far exceeds the demands of ordinary occupation.

c) The relative strength of these forces compared to the American and British forces in numbers and armor is so superior that military operations of a surprising nature could be started without a prior concentration of force.

The military picture in the Balkans, insofar as we are informed at present, shows no extraordinary symptoms. It must not be forgotten, however, that the intelligence reports from these areas are fragmentary.

4. Indications for increasing Military Preparedness
on the Part of the Russian Army, especially in
the Central European Area.

a) To a very large extent the armaments industry is producing continuously (see reports No. 311, 358, 382, 517, 518, 519, 520, 522). If a development without considerable tension were expected, the production of weapons which will be obsolete in the near future would be discontinued in favor of more modern ones.

b) The armies of the satellite states are being organized and trained with greatest energy (reports No. 64, 260, 310, 413, 473, 496).

c) Fuel and ammunition is stored in great quantities in the Russian Zone of Germany (reports No. 72, 90, 182, 203, 248, 256, 317, 397, 409, 443, 448, 457, 462).

-5-

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

19. (Continued)

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

- d) Former German air-fields in the Russian Zone of Germany are repaired and enlarged (reports No. 257, 285, 323, 439, 458, 459, 494, 495, 513).
- e) Old bridges are reinforced and new bridges are built for loads of 60 tons (reports No. 156, 250, 411, 417, 441, 451, 452, 465).
- f) Measures are taken to make the "iron curtain" impenetrable (reports No. 446, 449, 467, 468, 469).
- g) Preparatory measures for organizing and exploiting German man-power potential and increased advertising for a "free Germany" in the Russian zone (reports No. 114, 128, 142, 398, 432 and 270, 243, 428, 430, 431, 480).
- h) Maintaining of air-raid precautionary measures for the German population (reports No. 287, 328, 329, 344).
- i) Efforts to increase the capacity of the railroads (reports No. 474, 499).
- j) Apparently an additional increase of forces in the Russian Zone of Occupation in Germany (reports No. 201, 212, 301, 320, 393, 394, 415).
- k) Supposed stopping of Russian demobilization by Stalin Order 022 of September 2nd. However, the general state of affairs leads to the assumption that this report has been played into the hands of the American and British Intelligence Services for a very definite purpose.

IV. Conclusions drawn from reports of Strategic Intelligence.

As yet we have at our disposal no really effective "reconnaissance in depth" and strategic intelligence. A first attempt to revive formerly reliable sources has brought the enclosed reports (Nos. 523, 524, 525, 526, 527, 528, 529). Without confirmation from other sources of reconnaissance in depth these reports constitute in themselves an inadequate foundation for final judgement. A careful evaluation of them together with the impressions gained from other sources leads to the following:

- 4 -

~~TOP SECRET~~
~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~

~~TOP SECRET TO GERMANY ONLY~~

1. Internal situation in Russia and the occupied countries.

See Jnt Rep
No 525
526

The war, its aftermath, and the intruding of European thoughts and civilization as a result of occupational duties have created certain tensions in the Russian interior. Apparently they have resulted in the present purges the extent of which cannot be determined at this time. Whether the number of victims mentioned in the report is accurate or not can only be established by further intelligence. However, these purges cannot in any way be considered as signs of a decisive domestic weakening which might in turn affect the political and military power of the USSR. On the contrary, they must be considered as constituting one of the familiar "prophylactic" measures of Stalin; their effect can be compared with the bothersome nature of a strong cold on the human organism.

Conditions in the satellite states appear to be different insofar as apparently a certain illegal and not yet fully suppressed opposition is to be found there. Whether in this respect the conditions in Poland may be considered as being as serious as they are described in the report must be determined by additional intelligence.

- 5 -

~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

~~TOP SECRET~~

19. (Continued)

~~SECRET/RELEASE~~

~~TOP SECRET TO GERMANY ONLY~~

2. Ideas on Foreign Policy of the Russian Leaders.

See Jnt Rep
No 523
525
528

There can be no doubt that the fundamental line of Russian thinking on foreign policy continues to be the conviction of a necessary show-down with the western "capitalistic" world for achieving the final goal of a Communist world-order. At present, however, Russian thinking along these lines seems to be determined by predominantly defensive factors. With due consideration of the Russian mentality the political line of thoughts of the Russian governmental leaders could be characterized as follows:

The political thought of Soviet government is dominated by the most extreme mistrust of the so-called "capitalist" states which are suspected of planning an attack against the Soviet Union or at least of establishing an overpowering political coalition. This suspicion is demonstrated by the exaggerated sensitivity with which the Soviet government reacts upon every single newspaper article which appears anywhere throughout the world or upon the speech of any foreign statesman as well as by the aggressive spirit of the Soviet efforts to influence politically and psychologically an increasing number of countries in order to prepare for the future incorporation of these countries into the Soviet Union. The actions of the Soviet government are apparently based on the political theory of the necessity of creating a "security zone" which would make the Soviet Union immune to attack from outside, and whose single parts would furthermore be favorable political and strategical starting-points for any struggle with the western Powers. The Soviet government thinks that this goal will only have been reached when in all neighbouring countries governments have been set up on which it can absolutely rely. Therefore it will not rest until the governmental set-ups in Iran, Poland, Rumania, Bulgaria and Hungary have undergone transformations which will guarantee their complete subjections to the desires of the Soviet Union. With regard to Germany, the Soviet government is trying to prepare the ground for a similar development with a special emphasis on the attempt to convince the German people that only a close association with the Soviet Union can bring the possibility of a restoration of German national and economic unity. The Soviet government views the domination of the entire central European area as a preliminary objective, which is considered the indispensable condition for the guaranteeing of Soviet security.

Soviet aspirations in the Near East (Dardanelles, Iran,

-6-

~~SECRET/RELEASE~~

~~TOP SECRET TO GERMANY ONLY~~

~~TOP SECRET~~

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

Greek question, Turkey) are also obviously influenced by this desire for security. That the Near East area in the hand of an enemy of Russia would have decisive strategic significance need not be emphasized in the era of aerial and atomic warfare.

If the foregoing thoughts are correct, then one must conclude that Russia probably could have no interest in prematurely instigating a conflict with the western world, since in many respects it can regard time as working for Russian interests. On the other hand it is quite clear, from Mikojan's statements that even in its present conditions Russia is not determined to avoid by all means the risk of a great war, should the development of political conditions make such a conflict unavoidable. The elasticity in decisions of policy made possible by the Russian system of supreme authority at the top constitutes a very variable and uncertain factor in judging Russian intentions. Views and decisions in foreign policy can change surprisingly.

3. Shukov's Role and Intentions in the Balkans and Near East.

See Jnt Rep
No 527
523

The material at hand offers an initial confirmation of the assumption that the transfer of Shukow was only camouflage for the special purpose of concentrating and unifying all military affairs, preparations and measures in the Balkans and Near East. The Russian interest in the preeminence of a solution to the questions in the Near East (above all the Dardanelles) thus seems to become again more and more prominent. It must not be forgotten in this connection, that possibly the Russians cherish the view that in this area, more than in any other, a combination of policy and military might for the purpose of achieving its aims would be more and sooner possible without leading to a major conflict. Since the measures taken to date in the Balkans and Near East area offer little material for the confirmation of this view, it is obviously necessary to emphasize and intensify our intelligence effort at those points.

4. Intentions in Central Europe.

It is remarkable that the reports offer nothing of great significance concerning the Russian intentions in Central

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

Europe. This can be due to one of the following reasons:

a) The main effort of Russia's actual political intentions lies in southeastern Europe and the military activity in Central Europe is intended to serve primarily as "smoke-screen", or

b) The Russian intentions in this area due to the high degree of secrecy among Russian leaders cannot be recognized by means of the few sources of strategic intelligence at present at our disposal.

The transfer of Shukow from his command in Eastern Germany and the entrusting to him of new tasks in southeastern Europe speaks against the assumption of any far-reaching political intentions in the central European area at the present time. On the other hand it must be emphasized that the strength and the degree of preparedness of the Russian forces in central Europe would enable the Russian leaders to take action without any considerable loss of time, should the decision to do so suddenly be taken.

V. Final Conclusions.

Up to now there has been no reason to change basically the evaluation of the main tendencies of Russian policy mentioned at the start of the report.

It does not seem probable that Russian policy is willing at this early stage to take upon itself the risk of a worldwide conflict with the Western Powers.

Russian policy has two areas from one to the other of which it shifts the main effort of its activity by exploiting the play of diplomatic forces; these are

- ✓ 1. the Balkans--Near East-area for the solution of the Dardanelles question with the objective of simultaneously controlling Turkey and Iran.
- ✓ 2. the central European area for the solution of the German question with the further objective of controlling all of central Europe.

In both areas military preparations are being made in order to create the possibility of being able to solve certain questions by force of arms, if need be. All these preparations probably serve the essential purpose of enabling the Soviets to influence negotiations with the proper military pressure. It must be pointed out, however, that by any change

-8-

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

in the fundamental foreign policy of the Russian government, in accordance with the peculiarity of the Russian governmental system, the preparedness for military action could be established with extreme rapidity.

The danger that Russia's leaders might make decisions of an adventurous nature would probably only become acute should they deduce from the future attitude and actions of the western Powers that there had been a falling-off in the strength and unity exhibited in Anglo-American policy to date.

Whether the assumption that the solution of the southeastern European questions has precedence and that the solution of the German question will not be attempted until the "second act" is correct, cannot be finally established until further material is available.

-9-

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

~~SECRET~~

19. (Continued)

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

~~TOP SECRET~~

TAB H

PROBLEMS AND DIFFICULTIES ENCOUNTERED IN
OPERATION RUSTY

A. General.

B. Problems in U.S. Zone of Germany

1. Procurement of Quarters
2. Gasoline Supply
3. Arrests
4. Identification Papers

C. Travel outside of Germany

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~
~~TOP SECRET~~

BLANK Page

19. (Continued)

~~SECRET/RELEASE~~

~~TOP SECRET TO GERMANY ONLY~~

PROBLEMS AND DIFFICULTIES ENCOUNTERED IN
OPERATION RUSTY

A. General.

It is felt that a discussion of the problems and difficulties encountered to date in Operation RUSTY plus those which can be foreseen may simplify the task of those persons who take over the direction of this operation. Some of the problems may have been encountered and solved by other intelligence organizations already. Others may be problems peculiar to Operation RUSTY.

B. Problems in the U.S. Zone of Germany.

1. Procurement of Quarters.

The critical housing shortage in Germany necessitates the crowding of many Germans, usually unknown to each other, into all available houses and apartments. Consequently, a man's personal affairs and details of how and where he spends his time become the common knowledge of his community. In the case of people in the higher levels of Operation RUSTY (permanent members of the organization, main residenturs, etc.) private houses for them and their staffs are required because they must handle American goods and money in the paying of agents, they must handle a certain amount of paper work, and they must interrogate and assign missions to agents and informants. The problem which arises is the securing of a house from the appropriate Town Major and at the same time maintaining the proper security, i.e. not presenting signed requisitions from G-2, USFET, not answering a lot of questions, keeping German officials (frequently Communists) out of the picture as much as possible, etc.

2. Gasoline Supply.

Until recently, couriers, agents, and other persons using automobiles were issued POL Coupons Books which enabled them to get gasoline and oil from any Quartermaster supply point. This system was ideal but was stopped and now POL supplies are issued for civilian vehicles only when these vehicles are painted OD, carry proper U.S. markings, and are driven by U.S. personnel.

A new system has been set up whereby members of the organization can obtain gasoline and oil upon presentation of a special identification card and password at certain specified CIC supply points. New arrangements may be necessary when Operation RUSTY is transferred to a new directing agency.

3. Arrests.

Agents and informants receive payment for services in the form of Allied Marks and American goods (coffee, sugar, flour,

~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

tobacco, etc.). The crowded housing conditions mentioned in Par. B 1 above make it impossible to hide these things. Suspicions of black market activities arise and frequently one of the many Germans, who think their stay in the purgatory of de-Nazification is shortened by "co-operating" with Military Government, denounces the agents. When an agent is arrested it is sometimes weeks before the Information Group knows it and his release can be effected by G-2, USFET. This not only undermines the agent's confidence in the organization but it causes delay in the completion of missions and sometimes threatens security.

To overcome this problem two things have been done. First, eleven key men of the organization have a password which identifies them to the CIC Regional Chiefs. When an agent is arrested, one of these eleven men goes to the nearest CIC Regional Chief and notifies him of the arrest. He in turn takes steps to prevent interrogation by the arresting agency, thus reducing the security threat. Second, a letter is given to agents authorizing them to have certain items in their possession. This letter is signed by a fictitious officer who supposedly is a member of a technical intelligence and who has a telephone listed under this agency. The telephone number, with a request to refer questions to that number, is given in the letter. In the event the arresting agency decides to check the authenticity of the letter and calls, it is told that the agent is making a survey of factories in the U.S. Zone and his release is requested.

The two measures mentioned above have produced the desired results in most instances, however, they do not prevent at least temporary detention in many cases.

Reasons for arrest other than the one described above are many and varied. Law enforcing agencies such as the Constabulary, Military Police, and German Military Government Police conduct frequent raids on areas selected at random or suspected of housing black marketeers. Road blocks are established at unexpected times and places and vehicles are searched at these blocks. Inspections are made on trains. These things lead to the discovery of items not usually available to Germans except through black market channels and usually the result is arrest.

4. Identification Papers.

At present there is no standard method of providing members of the organization with the many papers Germans are required to carry (Kennkarte, LG registration, labor registration, travel permits, etc.). These papers must be provided because it takes a German weeks or months to get them through ordinary channels. The appropriate stamps and a supply of signed blank forms should be obtained through Military Government for intelligence purposes. Means of securing forged and counterfeit documents for use outside of the U.S. Zone should be arranged. Some members of the organization can not appear before the de-Nazification Boards because, as former members of the German General Staff Corps and of intelligence agencies, they are liable to heavy fines and im-

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~

~~TOP SECRET OF GERMANY~~

prisonment. Their services would be lost and security jeopardized. Steps have been taken to keep them away from these boards, but other provisions must be made whereby they can have their identity cards (Kennkarte) stamped as though they had been before the boards and had been classified, tried, and punished.

C. Travel outside of Germany.

The building of the organization for strategic intelligence presents the greatest problem. It is necessary for various members of the Information Group to personally contact the heads of the various groups mentioned in TAB D. These groups will not supply information unless the initial contacts are made by persons known to them and trusted by them. These persons from the Information Group may be accompanied by U.S. personnel but they must be there personally themselves. Conflicts with State Department policies arise and are not easily settled favorably. In addition, it is difficult to obtain permission for Germans to enter such countries as [] etc. Such permission is essential to the success of the efforts to get strategic information from Russia and her satellites.

If it were possible to give a member of the organization a U.S. passport to be used to gain entrance to the foreign countries, matters would be greatly simplified. The passport would be returned to the proper authorities upon the completion of the trip and the bearer would revert from his role as a U.S. civilian employee of the War Department to his normal role in life.

This problem should be solved as soon as possible. The time factor is critical for the following reasons:

1. The controlling elements of the groups mentioned in TAB D, now awaiting instructions from Mr. GERLEN and Mr. BAUM, may tire of waiting and seek new supporters or may turn to other types of work.

2. It is known that the [] are doing everything in their power to persuade some of these groups to work for [].

3. The longer the groups lie dormant in the intelligence field, the less valuable they will become.

~~SECRET/RELEASE~~

~~TO GERMANY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

~~TOP SECRET~~

TAB I

ACTION RECOMMENDED

1. Operation RUSTY be continued,
2. Operation RUSTY be transferred to SSU,
3. Operations be directed from the United States,
4. Officers be attached to G-2, USFET,
5. Liaison.
6. Solution of problems mentioned in TAB H.
7. Representatives of Lt. Gen. VANDENBERG visit G-2, USFET.
8. Organization be used as a unit.
9. Selection of new directing personnel.
10. Decision.

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~

~~TOP SECRET~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~
ACTION RECOMMENDED

1. That Operation RUSTY be continued under the direction of G-2, USFET for a period of not more than ninety (90) days so that the transfer of the operation can be done gradually.

2. That Operation RUSTY be transferred to SSU at the end of the ninety (90) day period or sooner if it is feasible.

3. That Operation RUSTY be directed from the United States. Direction of the expanded organization from within Germany is not practicable.

4. That two officers, preferably with German language qualifications, be attached to G-2, USFET for the ninety (90) day period to take an active part in the direction of the operation so that they will be thoroughly familiar with it when it is transferred to SSU. These officers should be selected from among those who will actually direct the operation in the future. They should not be liaison officers who will have only the task of orienting the directing group at the end of the ninety (90) day period.

5. That during the ninety (90) day orientation period close liaison be maintained between G-2, USFET and SSU in Washington, D.C. so that SSU can utilize this period in preparing itself for the transfer. This will facilitate the transfer and insure the continued smooth functioning of Operation RUSTY.

6. That during the ninety (90) day period SSU study the problems presented in TAB H, and that these problems be solved during this period if possible.

7. That personal representatives of Lt. Gen. VANDENBERG be sent to G-2, USFET to discuss directly with Mr. GEHLEN and Mr. BAUN any questions arising out of this entire study. At a meeting between these men it is felt that all questions can be answered satisfactorily. At this meeting the details of TAB D can be discussed. It is felt that it is too dangerous to put these details on paper as was explained to Col. GALLOWAY who said that they could be explained verbally at a later date. As was mentioned in TAB E, the representatives should be familiar with costs in the "world intelligence market" at present and should be able to answer the questions in the three numbered considerations given in Par. C of TAB E.

8. That the organization be operated by SSU as a unit and that no attempt be made to merge it with another organization. The leading personalities of the organization have developed it over a period of nearly thirty (30) years. They know the capabilities and limitations of the people with whom they work and any effort to make them work with people they do not know will

~~SECRET/RELEASE~~

~~TO GERMANY ONLY~~

19. (Continued)

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~

greatly reduce their efficiency and perhaps break down their organization.

9. That care be exercised in the selection of the new directing personnel. The central figures, in this organization are carrying on their work for patriotic and ideological reasons. They are men of high moral standing, they can not be bought, and they should be treated accordingly. It is known from experience that personality clashes will result in a tremendous setback in this operation.

10. That a decision as to whether or not the U.S. Army will use this organization be rendered as soon as possible. As was pointed out in Par. C of TAB R, time is a critical factor in the future value of this organization to the United States.

~~SECRET/RELEASE~~
~~TOP SECRET TO GERMANY ONLY~~