

DECLASSIFIED

Authority NNJ003027 ~~secret~~
By MBNARA Date 06/05/02 ~~GER~~

97. [Critchfield] to Chief, FBM, "Dr. Schneider's Reply to Recent Policy Guidance Letters," with enclosures, 12 October 1949

Calvey
21/10

~~SECRET~~

Air

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

12 October 1949

Chief, Foreign Branch M - ~~SECRET ONLY~~
Chief of Station, Karlsruhe

-
Dr. Schneider's Reply to Recent
Policy Guidance Letters

Attached is Dr. Schneider's reply to my letters of 22 August 1949 reported in references.

Dist:
~~2 - FBM w/encl~~
1 - COS w/encl
2 - File

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

~~SECRET~~

97. (Continued)

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

10 October 1949

MEMORANDUM TO: 20 - [] []
SUBJECT : Basic Considerations in Reviewing the
Concept and Mission of this Project

I. Introduction

Before developing my position as to your memorandum of 20 September 1949, I want to express my satisfaction and my gratitude for the spirit and the sincere manner in which cooperation between your staff and my own staff has taken place. Furthermore, I want to express my gratitude for the understanding and help in connection with our activities shown by your Home Office in solving the principal problems for which we had asked for help. I consequently want to stress the point that the following explanations correspond principally to my desire to contribute in many years to come to the political cooperation between Germany and the United States of America, a cooperation which I consider imperative for the future German foreign policy as shown in my memorandum of 16 May 1949. It is just this firm belief, however, which puts me under the obligation of clearly assuming position wherever my opinion differs from yours. I consider our intimate personal contact as a guarantee for the fact that my explanations will be considered as a constructive contribution even there where they constitute criticism, and I would be grateful to you for similar critical contributions from your part in order to continuously improve our efficiency.

II. General Elements of Our Work

Before explaining my position toward the problems listed in your memorandum, I consider it useful to discuss again the basic elements of our work. The work of our organization has a political and an intelligence aspect.

1. Political Fundaments

Following the German point of view, the political fundaments of our work are anchored to the following two points:

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

DECLASSIFIED

Authority NNJ003024 secret
By MBNARA Date 06/05/02 2/GER

Reproduced at the National Archives

97. (Continued)

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

- a. The firm belief that a future German foreign policy has to be based for the coming period of history on a very close cooperation with the United States, even in the frame of a Western European unity (see memorandum of 16 May 1949). As far as I have been able to ascertain up to now, this conception seems to correspond in all points to the views of the new Federal Chancellor. In this connection it is to be said that a future German foreign policy will aim to secure to the German people a participation on equal rights with equal duties inside the family of all nations of Western ideas under the leadership of the United States. I suppose that in the long run the interests of the United States will be lying on the same lines. It will be of importance for the development of the organization what contribution in the field of politics is expected from and can be given by our organization in the future with respect to American-German cooperation. Here I must stress the point that it will never be up to this organization to execute an active political influence in domestic or foreign politics, as this would stand in complete contradiction to the non-partisan character of a German intelligence organization working against the East. However, a role which the leaders of our organization could be expected to play and could actually play is the role of a loyal intermediary also in the field of foreign politics and in conformity with our mutual ideas.
- b. The fact that our organization as a German organization and under German leadership cooperates with the Intelligence Service of the United States as well in a German as in an American and general Western interest. Our organization has practically no political and - as I shall explain later - no intelligence value for the United States, or an extremely reduced one, if this organization would work either de jure or de facto with the character of an incorporated part of American intelligence. Although there is so far no direct contact to ADENAUER, my inquiries to his point of view concerning a future incorporation of our organization showed that this problem can be discussed only if we are at least to the exterior not dependent on any foreign power. It is useless to emphasize that as Germans we are bound by our conscience to stop our activities in the present shape, should the competent German leaders fail to

2

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

DECLASSIFIED
Authority NNJ003024
By MS NARA Date 06/05/02

97. (Continued)

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

authorize our present work at least morally, i.e., unofficially. This applies regardless whether a future incorporation into the German governmental machinery comes into question or not.

2. Fundamentals of Our Intelligence Work

Our intelligence efficiency and our achievements are based on the fact that we operate with German methods applying to German mentality, which differs from the Anglo-American mentality. If I now propose to explain the principles of such work, this does in no way mean that I consider our methods as being better than those of other intelligence organizations. They simply take into consideration the German mentality of a German machinery and are, therefore, in a position to lead to the highest achievements. In our cooperation with your staff we consider ourselves at the same time as students of the matter and it may be that the American-German cooperation just on the lines of intelligence may lead to reciprocal fertilization.

For many reasons the difference between the American and European (e.g., French), and especially German views on the technique of intelligence can be illustrated as follows:

a. The American Conception

To the United States as a political power isolated on the Western Hemisphere until World War II, no political step presented itself so urgent as to require immediate decisions. To a certain extent this still applies today. As a result American intelligence authorities give far more importance to security and a meticulous care of detail work than to flexibility and rapidity of work. A machinery running under these principles can tolerate to be very centralized and the limit lies only there where a leadership isolated at a writing desk and not acquainted with practical problems begins.

b. The German Conception

European politicians, and on account of their geographical position especially the Germans, have always needed to take very quick decisions in the last century. Whereas in America most of the problems are not urgent and may, therefore, undergo careful, long-time planning.

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

DECLASSIFIED

Authority **NNJ003021** Secret
By **MBNARA** Date **06/05/02** 21 GER

97. (Continued)

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

there were and there are many so urgent problems in Europe that they require a machinery able to take quick action without loss of time through planning. The result is that European intelligence always insisted on greatest flexibility and quickest action. These fundamental principles are still more important today and in the future, as the enemy of Europe stands before the doors and on account of his autocratic system is in a position to act with the quickness of a lightning. But greatest flexibility and quickest action are available only if everything is decentralized as far as ever possible, if the persons in responsible key positions are trained to dispose personally of the highest possible initiative, and if centralization is substituted by the most careful selection and training of the executive personnel in all various ranks. No doubt there exists a number of things which must be centralized though this fact does not change the above principle in any way. The fundamental principle has always been that it is better to act wrongly instead of not acting at all, even if this would result in occasional damage. The greatest successes of the German Wehrmacht in both World Wars are due to the application of this principle in the military field, based on a very careful and uniform training of the leading personnel of all ranks who were in a position to act according to the intentions of the commandment in every position and even without orders. Only when Hitler, who characteristically rejected such methods as being "democratic", forced in and tried to lead all single divisions from the highest level, the way to failure was inevitable.

Only due to the fact that in the past I had full freedom to set up our organization in accordance with our war experiences, I was able - in spite of the known difficulties - to develop the organization to a very high level of efficiency, an efficiency which, incidentally, was considerably higher last summer before the big cut down. I am completely aware that our work must still be improved. However, it is quite clear to me that a mechanical application of American principles to our work would deprive the organization of its principal source of efficiency, the initiative of the single individuals in all fields. For this reason I always stressed the following point of view in my instructions

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

97. (Continued)

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

to the leaders of all sub-organizations: "Never a direct scheme, as little as possible SOP on fixed terms." By no means must the machinery be allowed to assume a bureaucratic character. Therefore, I am very satisfied when I learn that the Sub-Organization Leader I, for instance, organizes his work completely differently from the Sub-Organization Leader Y, since intelligence work is always based on the personality of the leader concerned. It is the task of the direct superior to watch that the objective requirements of the work are taken care of. An application of rigid forms for everything leads people to act according to schematical lines without using their brains any more. I am of the opinion that the satisfactory development of Operation "IKARUS" extemporized within a few days during the American maneuvers is due to the above sketched working principles and would have not been possible with another way of conduct.

c. Comparison Between the American and German Methods

The advantage of the American concept is a high degree of security, a larger range of survey for the highest command; its disadvantages are reduced flexibility, slower development of work, higher expenses and consequently diminished return of the money invested, lacking exploitation of persons of high ranking qualities in the field, and restraint of the personal initiative and sense of responsibility. The German method leads to a higher flexibility, quick work, extensive exploitation of personal capabilities, greater efficiency at lower expenses. The disadvantages are a lower degree of security in certain fields, a shorter range of survey, and occasional difficulties of coordination. Regarding security a German military slogan is applicable, not verbally but spiritually: "Wirkung geht vor Deckung" - if you don't take a risk, you will not have good results. Also in the intelligence field it is necessary to a certain degree to run a security risk in favor of the success. The important point here is to take suitable Counterintelligence measures in order to recognize in due time compromised parts and to eliminate and replace them.

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

DECLASSIFIED

Authority NNJ003024 secret
By MBNARA Date 05/05/02 e/GER

97. (Continued)

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

It is perfectly clear to me that the American method of closely directing even the least details by the central headquarters has certainly also other reasons peculiar to American conditions. If, due to my experience of many years in intelligence work, I may be allowed to express my opinion, this will prevent a quick development of an efficient and flexible machinery and especially the full exploitation of the high standard of its very able sub-leaders. Following the impression I obtained, the American IS (not the Army agencies) disposes of many highly educated and intelligence-experienced personalities of high-ranking capacity. The mentioned kind of unfavorable centralization is spotlighted by the fact that the representatives of US-IS in the field dispose of far less independent power than their colleagues in the individual European Intelligence Services. To be quite frank, I do not believe that Washington, even knowing as many details as possible, will be in a position to decide competently whether a project under examination will turn out successful, whether it can be carried out, and whether it is suitable. Only persons who are in the range of the field activities and, therefore, able to get an immediate picture from a close view can decide on such matters. Of course I am quite willing to admit that it is necessary to coordinate from top level the activities of different agencies operating in the same region.

It is a principle of a sound leadership not only to give orders but also to control their execution. On the other hand the full confidence from top to bottom and vice versa of the leading personalities is of decisive importance, especially in intelligence work. The greatest enemy of confidence, however, is an exaggerated interference and control. This consideration leads to the necessity of carefully adjusting the required measures of control to the need of maintaining confidence.

I want to emphasize again and as a matter of course that we carry out without restrictions in our operations all American requests, even if they do not seem to us fitting for the purpose as long as they are in accordance with our basic conception and with normal rules of security.

6

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

97. (Continued)

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

3. Summary

In summarizing I want to stress again the following points of view which should continue to be the principles of our work:

- a. The long range aim is to convey the organization at a later and suitable date into a German Intelligence Service.
- b. Independent from their Eastern intelligence activities, the leading personalities of such an Intelligence Service will also be in a position to act as intermediaries in the political field.
- c. It would be an error to impose on such an organization the principles of American working methods and it would essentially reduce its efficiency, the more as this organization has to work in the immediate range of the front line. Following our conception, we claim the right to operate freely inside the lines of a given mission according to German mentality. A lowering of our organization to the level of a subordinate agency which simply carries out instructions would be contradictory to our basic conception. It would be a definite and ultimate stop to the development of our efficiency and would render impossible our future incorporation as a German Intelligence Service. Under no circumstances the American pattern of leading operations and administration methods must be applied within the organization, because this would earmark the organization as a part of the US Intelligence Service. The conclusion drawn by the members of the organization from an application of the American pattern would have a very bad effect on the morale of the organization. The necessity to keep the German pattern concerning leading operations as well as administration methods may be one of the most decisive points.
- d. The above mentioned points make it imperative that the organization be maintained as a well rounded intelligence organization. Even those parts which work analytically - Evaluation Group - and, contrary to American views, represent not only an instrument for research but also an

7

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

DECLASSIFIED

Authority NNJ003024By MBNARA Date 06/05/02

Secret

Rel/GER

97. (Continued)

~~SECRET/RELEASE
TO GERMANY ONLY~~

operational instrument, cannot be eliminated without changing completely the whole working method which is a result of our war experiences.

- e. In order to prepare at long range the proposed transformation into a German entity, it is necessary to find organizational and working ways which - though separating the German from the American elements - prepare the grounds for a still closer and more trustful cooperation.

The decision about the methods to apply and the time to employ is for our American partner also a political decision besides its importance on the intelligence field. My own personal view in this matter is that we should continue our work under American patronage as long as general conditions permit such policy.

I should be extremely grateful for a prompt reaction to the discussed considerations in order to be able to coordinate my own ideas and measures with the policy of the American side.

III. Detailed Discussion of Your Memorandum

I may be permitted to state in the following my position with regard to the detailed questions contained in your memorandum. Almost all of these questions have been touched in the above basic considerations.

1. A financial agreement according to the plan proposed by you was only possible after the following measures had been taken:
 - a. The American side explicitly accepted a great reduction of our activities, especially in the field of tactical intelligence in the Sovzone Germany (about 40% of the turnover of 1 May 1949). The reduction of the output which has been suffered so far can be seen in Inclosure 1. A very serious consequence may already take place very shortly should the Soviets carry out their apparent intention to change their motor vehicle numbers. It is very doubtful whether it will be possible this year to gain control over the new numbering system within 6 weeks as it was done in 1948, because the number of reports received on motor vehicle numbers has decreased too considerably.

8

~~SECRET/RELEASE
TO GERMANY ONLY~~

97. (Continued)

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

b. The American side assured us that the promising projects of intelligence outside Germany, i.e., in the satellite states and the Western Military Districts of the SU, would be financed as from 1 November 1949.

So far it was possible, although with the greatest difficulties, to observe this financial plan. The difficulties consisted especially in the maintenance cost for the running projects. We are particularly grateful for the possibility of building up a comparatively small financial reserve by monthly savings of [] []. This will be of great value when further unforeseen difficulties may arise.

2. Seen from the German angle the intimate cooperation, especially with the gentlemen who have joined your staff in the last months, has developed on extremely satisfactory lines. This cooperation was especially favored by the technical efficiency and human comprehension shown by these gentlemen.
3. The favorable aspects described in par 1 and 2 are consolidated by the foundation of the Basic Agreement with regard to our basic conception and our mission. All the elements of this our mutual charta have been discussed several times between your goodself and myself and have been accepted by both parts without any essential discrepancy. This improved the morale of the organization with respect to the future in spite of all difficulties and hardness due to reorganization and reduction.
4. Your memorandum "Basic Considerations in Reviewing the Concept and Mission of this Project" now touches two fundamental problems, the solution of which is decisive for the future existence and development of the organization, as clearly and correctly stated also by you. The problem of coordination and centralization is discussed in par 4 - 7 of your above mentioned expose and furthermore in your expose "The Coordination and Control of Negotiations with German Political and Economical Circles and Representatives of Western European Intelligence", also of 20 September 1949. The other problem concerns the evaluation and has been dealt with in par 8 - 10 of your first mentioned expose.

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

DECLASSIFIED

Authority NNJ003027 Secret
By MBNARA Date 06/05/02 Re/GER

97. (Continued)

~~SECRET/RELEASE~~
~~TO GERMANY ONLY~~a. Coordination and Centralisation:

I have already given my opinion on the problem of coordination and centralisation in par II while discussing the basic principles. Of course this my opinion, which stands, in contrast to yours, will never be an obstacle to satisfy all your claims and requests up to the highest limit of what I believe I can answer for and what the organization is able to achieve. However, my fundamental opinion expressed in my memorandum of 22 August 1949 with regard to disclosing details and names behind the Iron Curtain has not changed in the meantime (see Inclosure 2). In this connection I want to draw your attention to the fact that in order to show my good will and in spite of my strongest objections I disclosed to you shortly after you took up your duties here the personal data on all key personnel of the organization to be forwarded to Washington. Cases like Alger HISS, Ruth COPLOH, and others show that this cannot be done without reservation. Therefore, I am not in a position to guarantee definitely to be able to furnish all details required by your Home Office. In the worst of cases we have to renounce to carry out the respective projects. The very understandable viewpoint of the sub-organizations has nothing to do with the success of the "indoctrination" mentioned by you.

In detail, the following can be said about coordination:

- (1) A coordination in the sense of your memorandum is absolutely necessary as far as the operation of main organizations and their basic missions are concerned.
- (2) A limited coordination is necessary as far as the geographical distribution of the target regions is concerned. But this should not assume such an extreme form that certain countries subject to operations and lying inside the operational range of different services should be practically banned for one or more of such services. Let us take the instance that we should no longer be permitted to operate in Yugoslavia, Hungary, and Bulgaria (except using such countries as jumping off basis for operations toward priority countries). This would lead to the assumption for our part that other US

10

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

97. (Continued)

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

or US tied agencies are operating there. A loss of nets or lines of these agencies must be taken into account. This ought to lead as a precautional measure to let another organization, for instance ours, overlap. Besides, a rigid geographical separation following the borders of a country is entirely wrong, as the threads never stop at borders.

- (3) A coordination in the above sense is furthermore necessary if connections with another friendly intelligence service are involved. Of course it should never happen that in such a case conditions develop which are contrary to the general interests of the Western Hemisphere (America and Western Europe). On the other hand, all interests of direct neighbors who breathe, so to say, the same air have to be taken into special consideration.
- (4) A limited coordination in the above sense is furthermore necessary concerning political connections of our organization to persons of the new German government. It is absolutely understood that in this concern the general ideas of US politics in Germany will be taken into consideration. Fortunately these ideas correspond to a very large extent to those of this organization. However, situations can arise when starting and operating such connections where I am bound to insist on the necessary independence for myself or my deputies, and this in harmony with the procedure so far observed. This would mean that no explicit American approval has to be requested for each detail. Further opinions in connection with this problem will be stated when discussing the evaluation.
- (5) A coordination in the above sense is furthermore essential in case of connections of commercial nature which serve chiefly as economic cover. In case of American firms it is natural that these ought to be checked in every detail as to their aptitude and that views of domestic US politics may play a decisive role. In case of German firms it ought to be sufficient if your Home Office checks the international business relations of such firms.

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

DECLASSIFIED
 Authority NNJ003021
 By MBNARA Date 06/05/02 Secret ~~Re GER~~

97. (Continued)

~~SECRET/RELEASE~~
 TO GERMANY ONLY

Should the result be satisfactory the organization ought to be granted a certain independence in the pursuit of further negotiations, the more as such negotiations cannot be pushed very far due to the financial situation.

- (6) A coordination in the above sense is looked upon as not profitable and even wrong and dangerous as soon as it is the expression of centralization of details in technical direction of intelligence activities, i.e., a coordination which essentially surpasses the limits of the points described in par (1) - (5). To centralize for instance the direction of intelligence operations by checking each source at the Home Office or by checking all border passages would decidedly go too far. Such a centralization would present many dangers. One inconvenience would be that the Home Office at a distance of more than 4,000 miles from the theater of operations would be compelled to continuously ask for further reference with a considerable loss of time, if it would insist on consequently applying such a policy. It would not have an intensive survey on all details which continuously increase in number. In its action it would have more an inhibitorial tendency instead of being of help to a subordinate agency which ordinarily would react quickly enough for the purpose and in an appropriate manner.

The greatest danger, however, lies in the limitation of initiative, spirit and responsibility of the leading persons, especially on the level of field agencies. Both points endanger the service severely by producing red tape. If such red tape spreads out, every creative impulse also from the lower ranks will definitely disappear. This would finally lead to the fact that the missions will no longer be carried out satisfactorily. Thus, operations will become expensive and service clumsy.

b. Evaluation

Discussing the problem whether or not incoming raw reports should be evaluated with us, I have to stress the point that the evaluation group represents for us

~~SECRET/RELEASE~~
 TO GERMANY ONLY

97. (Continued)

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

an essential tool for operational guidance according to our experience in World War II and in the period after the war. Just this peculiar interchange between the operational collection of information and the immediate evaluation supported by the evaluation of sources and the sifting procedure forms the special working method of our organization. Only this procedure enables us to lead our intelligence activities, to concentrate on the areas of main effort, to drop inefficient sources and, finally, to achieve the best results with the least possible financial means. The efficiency of the organization depends mostly on these factors.

In Detail:

- (1) It is beyond any question that the evaluation of the raw material of the Sovzone Germany ought to be carried out by the organization. This follows from the necessity to furnish the US Armed Forces in Europe currently and directly with finished reports.
- (2) It is to be doubted that the evaluation of the raw material from the satellite states and the SU can be carried out more suitably and in a more rational way in Washington. I admit that it would be possible to evaluate the raw reports in Washington, using the basic information on the submitted projects. But then the organization would be deprived of its most important means of operational guidance and would be compelled to run an unofficial evaluation group.
- (3) Besides, a sub-division of the evaluation in Sovzone Germany here, Satellite States and SU in Washington would endanger the careful leading of all operations crossing from one to another geographical region. We would then, so to say, be handicapped by blinkers.
- (4) The most serious damage though would be caused by the elimination of the evaluation group with regard to the future. A future German Intelligence Service without an evaluation group in its present form would not be able to carry out its mission and can simply not be thought of.

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

DECLASSIFIED
Authority **NNJ003021**
By **MBNARA** Date **06/05/02**

Secret
Ref GER

97. (Continued)

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

IV. Final Remarks

I am particularly thankful to you for your readiness to discuss all the pending problems at a period when your Home Office in Washington is still in a period of waiting and further examination. Also from our side it seems necessary to clear all basic points of our relationship to US intelligence in the future. All problems discussed by you and which I thought already cleared by the Basic Agreement are of such a fundamental importance that this exchange of ideas on the subject had to take place in order to avoid a false start in the future, thus jeopardizing the further existence of this organization.

Solomon

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

Secret

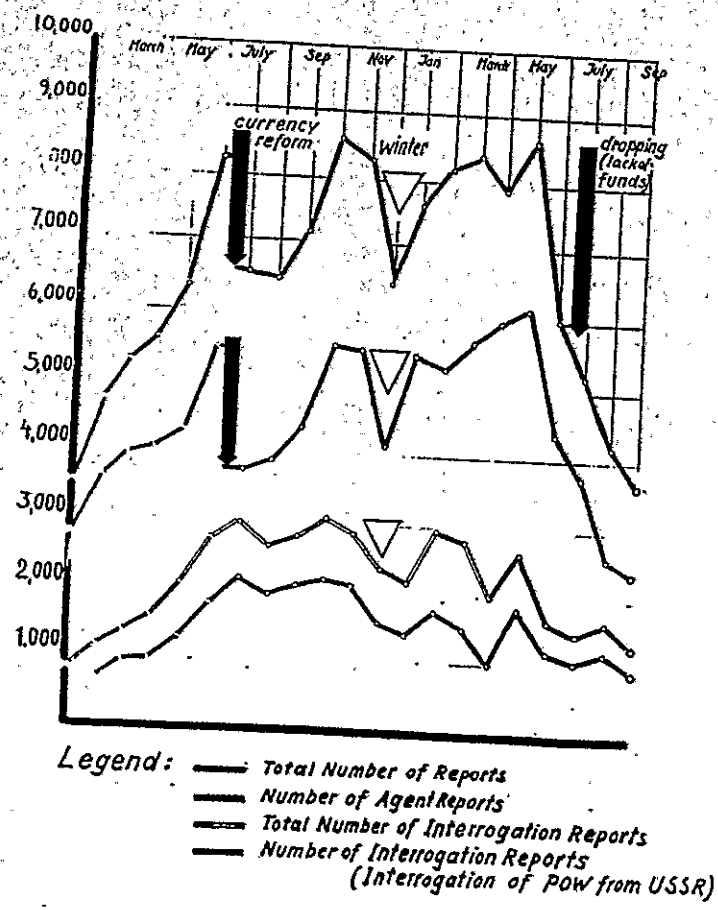
97. (Continued)

~~SECRET/RELEASE~~
~~TO GER ONLY~~

Incl. 1

Number of Reports received

* 1948 * 1949



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

DECLASSIFIED
 Authority NN1003021 Secret
 By MBNARA Date 06/05/02 ~~Ro GER~~

97. (Continued)

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

Inclosure 2

22 August 1949

TO : 20
 FROM : 34
 SUBJECT: Personal Data

Procurement of as extensive an information as may be obtainable to coordinate and subsequently control the activities of all who are, or may become, involved in intelligence work is a generally recognized principle in every intelligence service.

Under the present circumstances it is extremely difficult, however, to the German leaders to obtain these data or as far as they are available already place them at the disposal.

These are the fundamental reasons:

- (a) Bad experiences of the members of the former German IS during the collapse and directly afterwards.
- (b) Fear of a Soviet-Russian surprise attack which in the present moment would still take a very rapid course and bring even worse effects to the members of the Western Intelligence Services.

In view of these facts the leaders of this project had the greatest difficulties to obtain at least the greater part of the personal data of the members of the field organizations.

To the members of this project living on this side of the Iron Curtain the disadvantage of being listed in a central file was hardly balanced by the advantage of being given protection. This advantage failed completely where the members lived on the other side of the Iron Curtain. To them, such a registration only meant an aggravation of the dangerous position in which they and their families are involved, particularly in case of an armed conflict.

To obtain the available personal data was only possible to the German leaders by giving the field organizations,

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

97. (Continued)

~~SECRET/RELEASE~~
~~TO GERMAN ONLY~~

with the knowledge and consent of the CO, the following binding pledges of which the chief of IGO assumed personal responsibility:

- (1) Personal files will be locked safely and separately.
- (2) Only five associates of IGO who have charge of personnel, will be authorized to handle these files.
- (3) Passing on of the files without contacting the field organizations will be done only in case of incidents which entail measures required for the direct or indirect protection of the member concerned.
- (4) Precautionary measures will be taken which guarantee complete destruction of the files in case of emergency.

Much as this project must be interested in obtaining the approval and the funds for the submitted projects by forwarding the requested detailed personal data, this measure does not lie within the bounds of the mentioned pledges agreed upon. When the Chief of IGO delicately approached some of the leaders of the sub-organizations, he learned that in the present moment they are little inclined to hand over the personal data pertaining to the projects.

This was caused particularly by the fact that much confidence in the US officers responsible for this project until 1 July 1949 was lost for the following reasons:

- (a) Insufficient support to the work of the field organizations as resulting particularly from the fact that the low number of able American field officers did not meet all requirements.
- (b) Short-termed allocation of money which rendered impossible financial planning.
- (c) Reductions of the last months meaning for many members of the organization the deep disappointment to see destroyed the result of their work to which they had devoted all their energy for years, and which in addition put them into a precarious financial position.

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

DECLASSIFIED

Authority NNM003024
By MBNARA Date 06/05/02

~~Secret~~
~~REL GER~~

97. (Continued)

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

Though the German leaders of this project from the very first beginning have greatly trusted in the US representatives who have taken charge of this project since 1 July 1949, and though this confidence in the meantime has increased so as to be called unlimited, it is impossible that the same confidence should be expected already from the field organizations down to the lowest levels.

The German leaders of this project are firmly convinced, however, that the Chief of Staff 20 and his associates will by appropriate measures succeed in inspiring this complete confidence into all field organizations, even down to the lowest levels. This of course will take some time.

Only then it will be possible to find a way which may solve the problem in question: The forwarding of the personal data.

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