

VIA: _____
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DIS. CH NO. MGK-A- 23187

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TO : Chief, Foreign Division M

DATE: 9 October 1950

FROM : Chief of Station, Karlsruhe *clms*

SUBJECT: GENERAL— Operational *10-10-50*

and SPECIFIC— KIBITZ 15

REF: MGKA-21761

1. We have had two conversations with referenced Subject since our first report (MGKA-21761). The first of these subsequent meetings was in Stuttgart the night of 1 September as scheduled. At this meeting Subject anticipated an answer to his hopes of a US supported German military effort. Our September answer then was that we had written a report of our first discussion with him and that it had been sent forward for consideration at the proper levels, and that the answer might come back through us or just as likely through some other representative of our developments team.

2. Subject was further told that in the meantime we had been given another and more immediate developmental project: that of setting up a stay-behind organization and felt that he would be just the person to work along with us. Remembering his August comments that the German people were not clandestine resistance-minded, we did not dwell on these aspects but rather on the tactical needs for a stay-behind intelligence communications organization which could speed up the Western Powers' way back by communicating troop movement and precise target information, thus incidentally minimizing damage from saturation bombing, etc. As the logic approached his tactical thinking (he is definitely not strategically minded) he was asked to take on as an interim effort the task or test of the feasibility of such an organization. It must be said that his response was less than enthusiastic, that at best he wanted to refer us to men of more experience (who, for example, set up the stay-behind units in France after the German evacuation). In fact, he claimed that he knew of such activities now going on by the same men. We proclaimed our ignorance of any such effort, and that if such were really the case, it must be without US sponsorship and therefore doomed to ineffectiveness due to loose operational securities which would preclude any supporting response from us to unknown or previously unrecognized transmitters. And furthermore, we had been specifically instructed not to contact or try to build on personnel previously associated in such activities. Their previous activities are no doubt known, and thus made suspect, and the personnel have little chance of survival. Thus cautioned, he was told to think it over and write to our post office box for the next meeting.

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FORM NO. 51-28A
MAR. 1949

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- EXEMPTIONS Section 3(b)
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3. The next meeting, at his request, was in Augsburg, 29 September. At this meeting his report showed his level of thinking to be quite different from our experience to date. Whereas in such an unreconstructed Reichswehr staff officer, now forced into civilian pursuits, we had hoped to find someone able and happy at the opportunity to set up an organization, parallel to the one we are setting up, which when completed could be directed by him from a position within the retreating Western lines. On the contrary, his map talks and outlines indicate his "cadre" as a "lieutenant to be in charge of completing and controlling the net". He himself wants guarantees that he will always be free to take his place with the first contingent of the West European Armies. Nevertheless, his approach has been sound. He had made a tour of the Zone and, among his trusted old buddies, now responsible businessmen, pretended great anxiety at the present situation in Western Europe with the Western Powers, afraid that taking Germany into the military alliance will precipitate Russian aggression, etc. He reports a heartening response in the manner in which they (as he demonstrated) pounded the tables with "by God, we'll do what we can by ourselves".

4. It must be remembered that in our negative approach of security, we claim ignorance of the machinations of laying on a stay-behind unit. So we anticipate him having to do things the hard way. His problem of radio operators then seems almost insurmountable to him. He discounts former German Army communications men as being subject to neutralization by the occupying powers, or drafted by the Western Powers for active duty. However, he already has a lead to a railroad telegrapher who he feels has promise of stayability (they are in essential employment and "the jobs are too low paid and too undramatic to appeal to the fifth columnists in Western Germany who all hope to be no less than burgomasters or chiefs of police." We of course go along on this, but suggested he not overlook wartime radio operators who are handicapped from wartime wounds and also have stayability. (We fondly hope he has better luck with them than we have had).

5. Subject is presently on vacation and will report to us upon his return to his work of covering the trade in his business of selling farm tractors and excavating machines. This vacation period will purportedly give us time to send in our report of his activities and obtain guidance for his future work. For example, his tactical deployment of his planned agents is at variance to our concepts. However, the question is strictly academic at this early stage of no agents and does not require immediate disposition. Rather, we wish to permit him to work out many of the problems by himself. He is certainly extremely capable and should be able to produce a workable organization. We have not discussed specific terms of compensation or award for his efforts, though we know without his saying it that in addition to the personal reward of voluntary effort well done, he is hoping for a special consideration should Germany be included in the rearmament program. In the meantime, we realize that he is encountering unusual travel expenses as his extra gas consumption required an additional ration of 250 liters for one month. This represents a cost of DM 150.00 for travel alone. We will then work out an operational expense arrangement with him for this trial period of his operation.

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6. One other item, usually a problem in the development of new personnel, concerns security, or lack of it. In this, Subject presents the issue in contrast and we already see we will have to earn his confidence. Since he, with the German armies, advancing into France found complete files of agent networks, we have had to go to extremes in guarantees that all reports are directly channeled to Washington, and not one scrap of information regarding such sensitive operations as these are kept in Germany. We expect our next contact to be late in October.

for [unclear] [unclear]

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