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CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

5 January 1950

MEMORANDUM FOR: ADPC

SUBJECT: Establishment of Holding Area in Further Implementation
of BGFIEND.

1. The policy paper on BGFIEND recently approved by the Department of State includes authorization for the recruitment of a small reserve of Albanians for future operational use. The British Foreign Office, in communicating its reaction to the policy paper, endorsed this provision. During Brigadier Nicholson's recent visit to Washington the concept of establishment of a manpower reservoir was expanded in a jointly-prepared tentative plan for the infiltration of operational reconnaissance parties. The initial step proposed in this plan was the establishment in the U. S. Zone of Germany of an overt holding camp with a maximum personnel ceiling of 300.

2. Since a question has been raised subsequently regarding the necessity for, and, in fact, the advisability of establishing such a camp in such a location, it is desired to point out the underlying reasons which have given rise to this proposal.

3. The BGFIEND Plans and Operations Officers and their Division Chiefs are unanimous in the conviction that, regardless of the operational plan ultimately decided upon for the training of Albanian operatives and their infiltration into Albania, an interim overt holding area is required. This conviction stems from thorough consideration of the following factors:

a. The bulk of Albanian males from whom we would attempt to recruit operatives are presently located in IRO Camps, Italy. IRO is scheduled to close out its activities on 30 June 1950 and, consequently, is pressing arrangements for the resettlement of its charges, including Albanians, prior to that date; the Italian authorities are, of course, equally interested in the evacuation from Italy of Albanian refugees in order that they not be saddled with post-IRO problems. It was only our intervention in November which stopped the movement of some 200 Albanians to Australia. Unless prompt action is taken to find safe haven for that group of Albanians from which we would recruit operational agents, this reservoir is likely to be dissipated with resultant increased difficulties in future recruitment.

b. Any approach to the French Service with a view to bringing that Service in as an equal partner and enlisting its assistance by way of provision of a training area, will consume much time, and the success thereof cannot be pre-determined. In the first instance, it will require considerable preparation on the part of the British of the

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wisdom of this move in view of their marked antipathy to the idea of French participation. (It is noteworthy that the British Foreign Office, in giving partial approval to the joint BGFIEND paper, failed to include any endorsement of that portion thereof which refers to the possibility of seeking cooperation of other Services.) Additionally, despite [redacted] ardent desire to be cut in on BGFIEND, he inevitably would have to obtain a number of high-level clearances within the French Government to embark upon the operation and, in particular, to utilize French territory for training purposes. Finally, if selected Albanian operatives are to be removed from Italy directly to a clandestine training area, their removal must be effected clandestinely which, in turn, may require cutting in the Italian Service as a price for its cooperation and silence: It was precisely at this step that the first security leak of significance occurred in Operation VALUABLE. The question of Italian participation raises deep-seated problems vis-a-vis OSO as will be discussed hereinafter.

c. For so long as OPC continues to plan for the infiltration of agents into Albania as a combined US/UK operation, it will be impracticable to remove Albanians from Italian IRO Camps and train and infiltrate with the connivance of the Italian Service; this applies equally to any scheme which envisages the utilization of Greece and the Greek Service on a similar basis. The reason for this statement is OSO's natural desire to protect its unique position vis-a-vis the Italian and Greek Services against British attempts to effect penetration.

4. The precise location of a holding area for Albanians has been the subject of prolonged discussions during the past few months. At the moment it is only practical to consider establishment of a holding area in areas under the control of either the British or the American Governments. For a variety of reasons, which need not be repeated herein, the British have made clear that no British-controlled territory either in the Mediterranean or European Areas is available for this purpose. By quick process of elimination we have long since come to the conclusion that, on the American side, only the U. S. Zone of Germany would be suitable for the purpose envisaged.

5. It is concluded from the foregoing that, given the urgency of providing some safe haven for refugee Albanian manpower which will insure the latter's future accessibility, and given also the existence of certain imponderables which make it impracticable to depend on third services in connection with holding and/or training, it is essential that steps be taken immediately, vis-a-vis the American authorities in Germany, to arrange for an overt holding area in the U. S. Zone for those Albanians from whom we anticipate recruiting operatives. It is desired to emphasize this would be without prejudice to the mode of future infiltration of Albanians and, likewise, without prejudice to the participation of third services in the operation. Apropos of this latter point, the very fact that we have made our own arrangements for holding (and training and mounting)

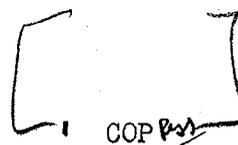
-2-
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strengthens our hand appreciably when discussing the question of participation with third services; this would obtain whether or not the contemplated holding area in Germany was ever populated.

6. It is accordingly recommended that the concept of establishment of a holding area in Germany be given your approval and that the previously designated OPC representatives be authorized to proceed to Frankfurt to discuss the matter in detail in accordance with the attached Annex "A" and addendum thereto of the joint policy paper.

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cc: ADPC
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-3-

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