

SECRET

FDM
18 April 1950

Chief, Pullach Operations Base

Chief of Station, Karlsruhe

Operational
Project 145 - F Net

Refs: MGL-A-371, MKG-A-11578, MGL-A-1593, MGL-A-1723

1. I have just waded through the answers to your questionnaire on the F Net Plan and re-read the original and revised versions of the Project.

2. This being budget time, my over-all impression is that we are talking about something which is too ambitious financially and which may very well be unworkable or unsound operationally.

3. In a nutshell, Odeum - as a result of the early Berlin Blockade panic and apparently at the behest of the Army - had rushed into the stay-behind field and began digging emergency trenches and throwing up last-minute earthworks wherever and with whatever opportunity afforded. At this time, Odeum claims 75 staybehind agents and 28 WT operators, actually emplaced thus:

12 agent-cum-operator teams (9 in northern West Germany, 0 in Rhineland, 3 in Southern Germany)	- 24
0 as yet uncoupled WT operators (0 in northern West Germany, 1 in Rhineland, 0 in Southern Germany)	- 0
22 as yet uncoupled agents (15 in northern West Germany, 3 in Rhineland, 6 in Southern Germany)	- 22
Total SB personnel:	<u>46</u>

In this phase (I) 12 of the 75 districts into which the Western Zones have been divided are therefore stated to be covered with staybehind teams.

In the second phase (II), Odeum proposes to couple emplaced agents with operators to be recruited and emplaced operators with agents to be recruited, so as to cover an additional 75 districts which are now covered with either agents or operators. Completion of Phase II would find 57 of the 75 districts covered with completed teams as follows: 15 teams in northern West Germany, 30 teams in the Rhineland, and 12 teams in northern West Germany.

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EXEMPTIONS Section 3(b)
(2)(A) Privacy
(2)(B) Methods/Sources
(2)(G) Foreign Relations

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The complete package, Phase III, if we bought it, would provide for 75 teams distributed throughout the Western Zones as follows: 22 in northern West Germany, 25 in the northern and southern Rhineland, and 25 in Southern Germany.

These phases - covered under past planning for military and economic intelligence collection alone - would be rounded out, if desired, by 6 more teams whose agents would be high-grade penetration sources of political intelligence, located thus: Berlin, Hamburg, Ruhr, Frankfurt/M, Munich, and the Netherlands.

Sovzone Coverage: No staybehind coverage proper had been established in connection with the 1948 emergency effort, for the apparent reason that Odeum had concentrated its current coverage on that zone and felt that its existing peacetime apparatus would weather the outbreak of war sufficiently, to provide at least as good a coverage as the F Net would provide for Western Germany. The eastern border of the Sovzone has, moreover, been accounted for under the AFU Project (#127) providing for teams at seven key points on the Oder-Neisse Line. In the Sovzone proper, Odeum claims to have four radio operators actually working and six more in training or available - all of whom are presumably to be carried over from current to wartime duty, in addition to three operators in Berlin and Potsdam who are strictly sleeping net men. The sum total of these various efforts is apparently expected to provide wartime teams for some 25 Sovzone districts.

4. To merely keep the existing staybehind assets in the Western Zones in being, Odeum requires approximately DM 15,000 per month (Phase I). To round out existing assets for a total coverage of 57 districts, it requires roughly DM 30,000 per month. To build up optimum, 75-district coverage, it would need some DM 50,000 per month.

While the figures for Phase II (DM 30,000) and Phase III (DM 50,000) are not questioned at this time, it is clear that the Phase I figure (DM 15,000) is subject to two considerations:

(1) That some DM 6,000 of the DM 15,000 required under Annex 67 of the Plan is presently being met from the regular Odeum budget (only DM 9,000 being requested under PULL-496). This DM 6,000 possibly consists of staff salaries and overhead;

(2) That the sum of DM 15,000 (ev. DM 9,000 as special, project allotment) is the minimum required to hold all existing assets, i.e. against a possible decision to buy Phase II and in order to retain not only the 12 rounded-out teams but also the 8 uncoupled operators and 22 uncoupled agents as a going concern toward the completion of 57 teams under Phase II. It is evident that if our decision should be to "buy" only the 12 completed teams, or some similarly modest concept as a starter, the amount required would be considerably smaller than the 15/9000 sum requested - perhaps less than half that sum.

5. Setting up sound staybehind teams is even more complicated than appears in the lengthy Odeum studies. Such matters as the base into which the team will operate, type of equipment it will use, signal plans, and the long-term financing and other supporting of the project simply must be shot out between ourselves and Washington. Until we have run through, or closely watched the running through of one or two complete operations, it is useless to attempt to set up or "buy" a very broad net.

S. J. [unclear]

6. After one or two teams have been established satisfactorily, we can take the basic Odeum plan and decide how far we want to go in implementing it. We will have a much better basis for making or recommending decisions, since we have demonstrated the efficiency of an initial team or two - including their ability to establish actual workmanlike contact, under simulated conditions of hostility, with bases in Washington, Great Britain, or North Africa.

7. If it were not for Odeum - due to circumstances not wholly in its control - having a large and possibly already unwieldy staybehind concern going, we should have done just that. Through our Commo representative, we would have got together with Odeum on initiating an F Net by an experimental phase, beginning with the assignment of one recruiter and one radio trainer, proceeding through them to the activation and assignment of one or two "pilot" teams, and removing the numerous tough problems and bugs encountered in the perfection of the experimental "net" of one or two teams. The experience gained in this type of procedure would have then served as the basis for deciding the nature and size of F Net planning.

8. It is most unlikely and possibly also undesirable that Odeum be persuaded to scrap the whole of its emergency staybehind works and give the mutual effort a completely fresh start, but some sort of a compromise may be acceptable to them and to us alike. One possibility might be to provide the necessary funds to keep the 12 completed teams (and possibly the most promising of the 50 uncoupled agents and operators) in "sweet" status, while proceeding along the lines of Para 7 above as if we were starting from scratch. Such parts of "Phase I" as we would thus be keeping on "sweet" ice would be regarded not as the beginning of the ultimate F Net we might decide to help Odeum build, but as an accumulation of possibly quite valuable assets toward it, upon which we could draw according to need and qualification.

9. If you think that this proposition might be workable, one or two radio operators could be turned over to the Commo representative for their communications training. The funds required for this initial step would be so modest as to present no insuperable obstacle.

10. I have decided to keep the current discussion of all specific aspects of the present plan separate from this critique of the proposition as a whole - regardless of the value of detailed discussion in any plan that will emerge in the end. Noel's notes on the various points brought up by the revised version of the Odeum plan are therefore forwarded as an attachment.

POB-2 (w/atts)
EDM-1 (w/att)
COB-1 (")

16 April 1950

To: POB
From: C
Subject: Project 145

Ref: MGL-A-1595

1. In view of the fact that the proposition - infinitely clearer now than in the original version under MGLA-371 - is up for examination as a proposition, only the more significant points raised by the revised version will be commented upon here.

2. Responsibility for security of SB personnel: Para 10 of the Attachment to MGLA-11578 (inadmissibility of concept or practice of the recruiter alone being responsible for security of agent or operator personnel) remains a most serious stricture, however sympathetic we might be toward the causes of such practice.

3. Para 4a of Ref (Page 17, Att O) states that the "whereabouts of the set are known only to the operator." We prefer to believe that Odeum does not mean this literally and that Odeum HQs at least gives out no precious sets without securing a diagram of its exact location. It would be unwarranted optimism to expect even as many as half the operators being permitted by the vicissitudes of Soviet invasion access and use of their sets. With locations known to HQs, these sets would for the most part be recoverable as "blind caches" with due allowance for thorough reconnoitering on the part of any future agent or operator being directed to recover it. With locations being known to original operators only, the sets would be lost.

4. Political stayability of SB personnel: Para 11 of MGLA-11578 Attachment remains largely unanswered. While it brought forth from Odeum the proposition that a small additional net covering political intelligence would be organized from agents infiltrated, in peacetime, into KPD et cetera, there is no indication that adequate attention is being paid in the grooming of the SB rank and file now to render them as acceptable to the Soviet invader as possible. Great stress has been laid by Odeum on the strong anti-Communism of the 54 SB personnel already recruited but insufficient clarification is made of how the gap between anti-Soviet conviction and pre-Soviet reputation (the minimal condition for Germans to escape deportation could easily be pre-Soviet and not not apolitical reputation).

5. Standardization of "sweetening" rates: The across-the-board 50-25 DM compensation rate still seems peculiar, allowing that rates should meet cases and that some cases are more likely to go sour upon being offered any kind of compensation. Moreover, the standardization may in itself be an adverse security factor by branding each SB as a member of the "50-25 Club."

6. Blind caches: Odeum clearly misunderstood our jargon, so that no clear answer is discerned in the Ref on the subject of blind WT caches. This being the case, it may be as well to let the matter pass - especially with regard to the F Net proper, covering the Western Zones only - and take care of this aspect of the program through purely U.S.-controlled channels such as KIBITZ.

7. No identifying personalia has been provided on the project staff. No personalia whatever has been provided on SB personnel, with the indication that this cannot be provided on the basis of operational security.

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8. Lack of detailed information on the past development of the Net and of the precise nature of the training curriculae and of professional and security indoctrination courses, renders evaluation of the existing aspects most difficult.

9. Faulty arithmetic is noted in Para 3 (Page 3, Att C). Surely the elimination of the British Zone from the F Net (where, incidentally, the bulk of it is located at present) would save the salaries of a number of project staff personnel, even if they should be transferred to another zone - by saving the salaries of those who would otherwise have to be hired for such other zones.

10. "Political" Net: The concession made in the revised version that political coverage will be desirable and the type of coverage (by penetration) planned are gratifying. It is doubted that the separation of political from military-economic coverage is necessary or will merely increase the complexity of an already most complicated picture.

11. Contamination: Para 4 1 (Page 14, Att C) contains the most disturbing indication that SB operators may "eventually transmit already under normal conditions". It is noted with satisfaction that the original practice of 2 exercises monthly has been reduced to 1 in two months; but the intimation of possible use of SB operators for peacetime business sending will require watching.

12. Theory and practice: It is noted that in theory Odum intends to use "blind" bird-dogs (researchers), who spot talent without knowing the purpose to which it might be put. In practice, we have already observed in MGKA-11578 that the present project staff members do for the most part engage in the spotting, recruiting, training etc. of one and the same agent or operator (including the project headman). This may be advantageous rather than harmful, but the contradiction is regarded worth noting.

13. Weaknesses removed: The second paragraph, page 16, Att. A, shows that many of the weaknesses pointed out in our MGKA-11578 and/or in Memo # 216 (POB to Odum) of 20 October 1949 might be corrected as the project graduates from the original emergency to permanent status.

14. The indication in Paragraph "aa" (Page 16, Att A) that SB radio operators might be trained in the collection of intelligence as a "sideline" will bear examination.

15. Circle of risk: While one agent-trainer (since he is itinerant) could conceivably train 20 SB agents without compromise, we doubt that one operator-trainer could train 20 SB operators securely at one and the same location. It is possible that the intention (and practice) has been to change school locations after each one or two training courses; or that shortage of real estate has been the compelling consideration; but the matter would seem to warrant looking into. (Cf. also Paras 44 and 4 1 of Lockhart's MGLA-1725.)

16. The meaning of "Planspiel" is now clear. It goes without saying that the security aspects of these games will pose considerable problems.

17. The only thought of a general nature offered hereunder is that now, even more than upon considering the original version 6 months ago, the F Net has to be examined on the premise that by, or before, the time it reaches maturity, it will be the staybehind organization of the German I.S.