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the breacht into the picture to sum the operation under our control, and the role are convert to by the leading personalities of the decellociant, including the elderly and none or less figurehead chain on, former lajor Concreat Colompth you hellowmen.

II. Projeci Crigin

he Although the Coellectart de Mertaunde was formally organized on f dinnary 1922, its roots jo had to the predices year then C.D.T. the except in developmental activities under HTAMLY, the master project covering vetorenet arlaire. There were at that time a beallering energy of building reference organizations. To this there over to Meetern interests an excepted their psychological warfare rotential, it pastecided to establish bourne interests of second over the veterant, it pastecided to establish bourne interests of the several control over the veterant, it general, restruggle for interestioner of the several engent and pic for the top in the struggle for interestioned. This neuropper and bie fource collecter foilure (BCZ) and CAUCRY control over the ar formalized in Madfill scheproject interestion of the several the formalized in Madfill scheproject interestion of the several the formalized in Madfill scheproject interestion of the several the formalized in Madfill scheproject interestion of the several the formalized in Madfill scheproject interestion of the several the idea for such an en-officers' resolution apparently reveloped from discussion ball between Case Officer C

I QZAAGHAG chief agent Helput Demerau and other Sermans then connected a study the Managaper, including former SS General Felix Steiner.

These discussions gave with to a plan (sold by Classon to be the brainchild b. Felix Steiner) to organize an ex-officers' group expable of contanding respect and influence diroughout Nest Sermany and thich, at the capacities, could serve under NOCCW control and supervision doe cold for esset against could Serve under NOCCW control and supervision doe cold for influences in Sector Serve and in the Co-Fascist influences in Sector Contery. The device and and was the fullying of support in Sector Contern milling different formation in the defence of Nestern Durope.

S. Obside outsing from of Damerca, Dr. Classen was induced to resign a responsibly for the initial off off which in the Dubr free and cone to innegate serve -- under thebro, is control -- as organizer, administrafor the Folic, head of the Coellisiant. In wall per anent office was set up injunich in late 1991, started by Classen and a secretary, and the Work of the organization began. The already noted, the Gesellaraft for all coefficiently January 1992.

1 ____ Operational Development.

7.1 In the sector ting of verbers and formation of Sections in various, and of the reteried Republic, the Genellechaft, on MDCLL instructions, Money coeffolioning rules of Nembership clighting.

Logicality to Westernaideals and the conceptionintegrated and the conceptionintegrated and the conception of integrated and the conception of the second sec

0.000 Alexandre of neo-Faceics and neo-Nacilan and groups one and descort similar philosophies - particularly the tra-rue to a control large are similar of the

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c. Rejection of Corrandon and opposition to die front organizations and activities; and

d. Acceptance of the July 19hh bomb plot against Hitler as a justifiable and honorable act.

8. Structurally, the Gecellochaft was headed by its Executive Coard under the nonducl chairmanship of von Hellomann. Deputy chairmen was Felix Steiner, whose tranted SE background, furzy political ideas and pushing, bus for temperatent partially contributed to the organizations denice as a NUGCAN project. Although not personally popular with its collectues (Classen oplains this well in his critique), Steiner, by virtue of his alleged role an foster father of the Gesellschaft, and by his approprive personality; entrenched hisself in the organization's leadership circle. The Gesellschuft also had a Ecirat, or Advisary Council, Merfed by ex-General Rasso weil gantouffel, but this group had only honorary functions and no sigmilicant voice in Cescilischaft policy ratters. Various mecialized Cescilschaft comittees (Arbeitsauschüsse) were also set up, each dealing with rescarcin and preparation of special papers and studies on technical military matters. Among these committees were those on Military Training and Education, Defense Propaganda (headed by Dr. Classen), Youth and Defense, Hilitary Law, Military Organization, Military Medicine, Armored Troops and Marfare, Particul Marfare, etc. One objective committees, in addition to incoctrinction and instruction of section scribers, was to law We croundwork for potential Aubire includiess in restarch and braid staff work on behalf of the embryo "defense mindstry" (moun as the Alanh Office) at form, charged by the Federal Coverment with organizing German participation in Western military affairs.

1951 and 5 of Americk Contrin a List officel Gesellschaft and 5 of Americk Contrins of Organization by 10 December, SAO Sec 1952. These totalled 107 sections in every partwork the Federal Republic. Each contained a minimum of 10 and a mark of 30 members.

IV. Operational Control.

10. As foon as Dr. Classen appeared on the science in late 1951 and

Lo. As soon as in the spear a operation on the scene in late 1951 and consumed the function of principal dent, contact beinger Case Officer induction of principal dent, on the far a comption, maintained through himselone. A potentially complicating factor and theorems a simul-taneous role as case officer for FTFULTILL/OFMEN. Similar but him in the difficult position of hanching two Werdss-fortillisde organizations. Although the control line in one case are to Daneral and in the difficult of the store of Classen, here the less in under the trade of the second and the other to Classen, nevertheless it has inevitable and unavoidable that "informed" personnel of each organization lost in touch with each other, corpared notes and generally contributed to a basically unsound situation from applandosting operational

viewoint: Life It is necessary to menuion here, that the origin of the Cesellschaft (as an offshot, in a sense, of HTPULTIL/AMAGING) and the circlestences of its founding, resulted in at least 21, persons connected with OLEACE and/or the Cesclischaft being anarciol American support of the latter and

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Lists this number in his critique -- Annex C, page 3). The focal point of the treatle in this respect was General Steiner, whose notoriously wassing tongue was impervious to all varnings from C _____ and Dr. Classen alike. Steiner is constitutionally incapable of keeping his mouth shut, particularly since the Gecellschaft was more or less his own idea and this weakness remains a permanent source of potential HUGORN embarrassment.

12. Michanisms by which the Gesellschaft implemented NUCCAN policies -the psychological warfare line was laid down by Whybrow to Classen and faithfully followed by the latter -- were perconally managed by Classen and included the following:

2. The internal information bulletin therrande, publicited bi-monthly and distributed to all sections and members as well as to a number of selected outside organizations. This was a house ergan of 20 pages in which Classen, Iditor Jeachim Ruoff and other designated writers discussed topical military with heavy stress on U.S. and RUGON objectives; German integration with the Western Norld; an active military contribution; resistance to Communist pressure are policies, etc. The publication was intended -- and used -- as a formalized not of briefing notes for the guidance of section leaders. Its subject matter provided themes for subsequent local rallies and discussion meetings.

b. Public meetings, conducted under local Gesellschaft auspices in many cities, often with speakers directly assigned by the central office in lunich. Dr. Classen reports that as of 12 December 1952 (immediately preceding termination of HUGGLE support), a total of 67 public rallies of this kind had been held, with attendance ranging from 40 to 350 persons. This is not a bad record considering that the Gesellschaft's basic appeal is to a nerrowly specialised and professional autience. Of these 07 meetings, G6 were devoted directly to projections of German support for the European eivilian defense against atomic parfare. Not included in these fillares are the Elterally hundreds of local Gesellschaft discussion evenings to mileb non-members were invited and debate stimulated on the European Defense Treaty issue.

C. The brochure program. This involved the publication, in ceries, s of Sole Line themes, including "Vescor Sole the Defence Treaty", "The USA in the Eyes of a Sole Sole ("mitten by ex-General Elumintritt), "Armanet in the Soviet Orbit", "The Spirit and Structure of the Rei Army", "Encore an Do It", "Attach and Defence the Cold (dir", and "The Road to Sat 111 - State", "include brockards are included the Gesellschaft direction of the Sole for a little several brockards are included the Gesellschaft direction of the Sole for a little 212,000 conics were included and distributed in the regular series, with several therefore the United Structure of the in the regular series, with the of the prost of the Most office for and in the case of all least the of the prost for the Most office, strict 300057 editoric for the as addition over this publication program. The Subject watter of each prostant in the case of a defent of the Most office, strict and the case of a least the of the prost of the Most office, strict 300057 editoric for the prostant particus of a dynamic between the program. The Subject watter of each product particulated in Structure and Dr. Claster, connectivel and the office of the sole between in the sole of the state of each the office and for refere and refere and Dr. Claster, connectivel and the distributed for refere and refere the for the sole of the state of each the sole of the distributed for refere and refere the sole of the state of the sole to a state of the distribute and the state of the sole of the sole of the sole of the

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QKSNITCH Final Report

EGZA - 946

provided by CADOUR to the Gesellschaft. Distribution of the brochures was made through the local sections and by friendly organizations such as the Bund Europaische Jugend and the Bund Deutscher Jugend, and copies were sent to all higher schools and universities in the Federal Republic, libraries, state headquarters of the coalition political parties, etc. Favorable newspaper review and congratulatory letters received by the Gesellschaft from several offices of the Federal Government, the coalition political parties, other veterans' organizations, youth groups, schools and universities, and from private organizations and individuals gave ample testimonial to the effectiveness of this phase of the Gesellschaft program.

V. Financial Support and Introduction of Funds.

13. The total cost to KUGOMi of this project from start to finish was DM 240,858.-- . Annex D itemizes by date and amount the record of advances made and accountings received from the principal agent. The individual accountings, accompanied by receipts and certificates as appropriate, have been submitted to the Mission Finance Office. With the data still available to him, the undersigned can give only an approximate functional breakdown of overall project costs. Exclusive of termination salary payments, approximately 150,000 DM were spent for support of "regular" Gesellschaft operations; 70,000 DM for authors' fees, and brochure printing and distribution costs; and 14,000 DM for two special Gesellschaft conventions which brought together delegates from various points in West Germany.

14. To camouflage introduction of KUGOWN funds, which were the sole source of Gesellschaft income, an arrangement was set up by the principal agent and \Box which provided for the deposit of these funds with the Stifterverband für die Deutsche Wissenschaft (Foundation for the Advancement of German Science), located in Essen. The money was re-transmitted monthly from the Stifterverband as a "contribution" into the Munich bank account of the Gesellschaft. Occasionally, a portion of the KUGOWN funds were deposited by \Box \Box into a Hannover bank account maintained by another agent controlled by him. A check for this sum from the Hannover account would then be sent to the Stifterverband. For the most part, however, funds were passed directly from Whybrow to Classen and deposited by the latter with the Stifterverband. The fact that the Gesellschaft received its support from American sources was known to the Stifterverband director with whom the arrangement had been made early in the project's existence. This indiscretion has been attributed to General Steiner.

15. It is interesting to note from recent mail intercepts maintained on the Gesellschaft, that it has been successful in obtaining some degree of covert financial support from the Blank Office of the Federal Government subsequent to termination of our support, and that the transfer of funds from the new sponsor is apparently still being handled in the same way through the Stifterverband. QESNITCH Final Report

EGZA = 946

VI. Termination of KUGOWN Support

16. The decision to terminate support of the Gesellschaft was made in November 1952 as a result of the overall policy change in German operations which, among other things, required a somewhat precipitous withdrawal from the entire field of voterans' affairs. The undersigned, who had replaced

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 \Box \exists ' as Case Officer barely three works before, communicated the decision to Classen and termination proceedings immediately got under way. Details of this close-out phase have been fully reported in contact reports transmitted to the Home Office. However, a few aspects are perhaps worth mentioning.

17. The termination came as a stunning surprise to the Gesellschaft and the proffered explanation that we were pulling out because ratification of the European Defense Treaty was approaching and we considered the basic promotional job to have been largely completed, plus the fact that virtually complete German sovereignty was also imminent, was greeted with some skepticism and bitterness by members of the Gesellschaft Executive Board, if not by the principal agent. All members of this Board, as previously indicated, were aware of the past American support. They were also quick to find out, through the "cross fertilization" mentioned earlier, that we were abandoning HTFULFIL/QKNAGNAG.

18. Immediately a scramble started to secure new sponsorship if possible. Exploratory contacts were made at Bonn and elsewhere. To nobody's surprise, it became obvious that the Federal Government was in no hurry to take over the Gesellschaft and was convinced - without proof - that the ex-officers' group had been financed by some American agency. It was thus treated as "tainted" to some degree, although there was no question of disagreement with the Gesellschaft's record of public achievement. However, the Government's greatest reluctance to adopting the Gesellschaft centered around the person of General Felix Steiner, who apparently was as persona non grata to Bonn as he had been to KUGOWN. After some negotiating, Steiner's complete removal from the scene was made a condition for possible support by the Elank Office.

19. Steiner, meanwhile, appeared to entertain personal political ambitions (there was talk that he intended to run for the Fundestag if he could deliver the SS and other veterans' vote to the Deutsche Partei), and threw himself into the effort to line up a new sponsor. It is known that shortly after our termination was completed, he succeeded in promoting a small "loan" from a dubious Rightist organization, the Gesellschaft für Neue Staatspolitik (Society for a New National Policy) of Ulm. Shortly, however, the Executive Board of the ex-officers' Gesellschaft, faced with the alternative of closing down completely, overcame past reluctance (based on outmoded concepts of officer corps mutual protection regardless of personal feeling), and politely ojected the former SS General from the organization. The Gesellschaft, according to monitored reports, was then taken under the financial wing of the Blank Office, to what degree is not known. ZIPPER is also reported to have had some support under consideration. QKSNITCH Final Report

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20. CADOUR termination with the principal agent was amicable in every respect. The undersigned's final contact with Classen was on 17 January 1953. Classen was given a three months' salary payment and a quitclaim to sign. Although Classen obviously wanted to continue in KUCOWI: employ elsewhere, it was not felt advisable to retain him because of the wide circle of people aware of his relationship to "the Americans". Classen himself recognized the validity of this point of view -- in his own words, he was "abgestempolt", or marked as an American "collaborator". So far as is known, he has remained with the Gesellschaft under its new sponsorship.

VII. Concluding Comments

21. It would appear from the record that project QKSNITCH was worthwhile and soundly conceived from a policy standpoint, if one considers the German political climate at the time of its origin. As a KUGOWN asset, it accomplished undeniably valuable work. The fact that the Communists found it necessary to create a counterpart rival - the front organization Führungsring ehemaliger Soldaten (Leadership Circle of Former Soldiers) - and to establish an anti-West, neutralist military publication to match the Gesellschaft's Wehrkunde and its brochure program, is indicative of the Gesellschaft's success in solidifying the basically pro-Western orientation of most West German ex-officers. Other contributory factors were at work to create a pro-Western majority among the ex-officers; the Gesellschaft, however, provided an organizational rallying point and a program which would have been otherwise absent.

22. There were underiable weaknesses in the operational development of OKSNITCH. These are illustrated by the very presence of General Steiner and other SS personalities in the organization, to say nothing of Steiner's unfortunate qualities which, from all evidence available to the undersigned, led to the widespread circle of "informed" persons within the Gesellschaft and on the outside as well. It is indeed fortunate that this widespread knowledge of American support did not lead to a blow-up while the project was alive. It is difficult to blane the founding Case Officer for this unhealthy situation. QKSNITCH was developed under great pressure for speedy action in the veterans' field, and the assignment should probably never have been given to a Case Officer already involved in a parallel project with inevitable cross ties. Also, to the writer's personal knowledge, the original Case Officer was so heavily committed to other operational burdens (he handled at least five other projects of considerable complexity) that it was remarkable he was able to supervise the Gesellschaft as well as he did. And there can be little doubt but that General Steiner was the biggest thorm in the side of this project. Without him, many of the evident weaknesses would not have appeared. Those which are not related to Steiner's presence are well covered in the principal agent's orilique attached to this report, and with which the undersigned is in general agreement.

Approved:

Enclosures: A, B, C and D HEREWITH Distribution: 3 - Addressee W/Encls.A, B, C, and D. 200 3 - COM, Frankfurt, Att: C D, W/Encls. A, B, C, & D. /Ca. Written: L. April 1953 EGZA - 946

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