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CITE C \_ 28054

TO: PRIORITY DIRECTOR INFO PRIORITY C

REF: A. C \_ 28030 (N 375182) B. C \_ 28055 (N'378065)

1. AT A SPECIAL MEETING ON 3 OCTOBER VICE PRESIDENT BLOETZ ADVISED COB THAT MUCH TO HIS REGRET HE MUST POSTPONE HIS PLANNED VISIT TO WASHINGTON 16-18 OCTOBER. REASON FOR POSTPONEMENT, DESPITE VITAL IMPORTANCE OF SEVERAL CURRENT SUBJECTS WHICH BLOETZ VERY ANXIOUS TO DISCUSS WITH CIA MANAGEMENT AS WELL AS NSA, IS RAPIDLY EXPANDING POLITICAL UPROAR SURROUNDING ACTIVITIES OF GERMAN SECURITY AND INTELLIGENCE SERVICES EVOLVING OUT OF THE PARLIAMENTARY INVESTIGA-TION OF THE GUILLAUME CASE.

2. 3 OCTOBER ISSUE OF WEEKLY MAGAZINE "STERN", PAGES 158-160, HAVE REVEALED SIGNIFICANT EXCERPTS OF SO CALLED "MERCKER REPORT" DATED 24 JULY 69 WHICH ACCORDING TO "STERN" CONTAINS DEVASTATING EVALUATION OF BND UNDER FORMER PRESIDENT GEHLEN WHO SCHEDULED TO TESTIFY BEFORE GUILLAUME

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COMMITTEE DURING PERIOD IMMEDIATELY AFTER COMMITTEE RECONVENES ON 9 OCTOBER 74. CABLING SEPARATELY SUMMARY "STERN" ARTICLE WHICH DESCRIBES MERCKER REPORT AS CONDEMNATION OF GEHLEN'S BND AS A CORRUPT, INSECURE ORGANIZATION RAMPANT WITH NEPOTISM AND HAVING DIRECTED SIGNIFICANT PORTION OF ITS EFFORTS TOWARDS SPYING AGAINST WEST GERMAN POLITICIANS AND RECRUITING INFLUENCIAL WEST GERMAN CITIZENS.

3. BLOETZ ADVISED FURTHER THAT BND PRESIDENT WESSEL BEING RECALLED FROM LEAVE TO PREPARE FOR HIS TESTIMONY DURING WHICH CURRENT BND MANAGEMENT WILL ATTEMPT TO CONVINCE COMMITTEE MEMBERS FROM BOTH GOVERNMENT AND OPPOSITION PARTIES THAT PRESENT CONDITIONS WITHIN BND IN NO WAY REFLECT DETAILS CONTAINED IN MERCKER REPORT. BLOETZ COMMENTED THAT UNFORTUNATELY MOST OF THE ACCUSATIONS AGAINGT GEHLEN ARF TRUE BUT WESSEL UPON TAKING OVER IN 1968 AND CERTAINLY BLOETZ, C D AND D HAVE DONE IN 1968 AND CERTAINLY BLOETZ, C D HAVE DONE IN THEIR POWER TO REVAMP BND INTO A MODERN EFFECTIVE INTEL SERVICE, WESSEL ORDERED DISMISSAL OF SO CALLED LANGENDORF APPARET RUN BY NOW RETIRED C

AND DESTRUCTION OF THEIR FILES, UNFORTUNATELY IT NOW

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REVEALED THAT PRIOR TO DESTRUCTION PHOTO COPIES WERE MADE OF THESE FILES WHICH NOW ARE LEAKING TO POLITICIANS AND PRESS. FURTHERMORE; CERTAIN DISSATISFIED ELEMENTS WITHIN THE BND CONTINUE TO LEAK VERY BIASED INFORMATION TO THE PRESS AND OPPOSITION.

4. BLOETZ STATES THAT ALTHOUGH HE PERSONALLY UNTOUCHED BY THESE REVELATIONS, HE MUST REMAIN IN GERMANY UNTIL COMITTEE INVESTIGATION HAS BEEN COMPLETED IN ORDER TO SUPPURT PRESIDENT WESSEL AND HIS STAFF DURING THIS CRITICAL PERIOD. BLOETZ STATED THAT HE PLANS CONSULT WITH PRESIDENT WESSEL ON 7 OCTOBER AND WILL THEN SEND PERSONAL MESSAGE TO DCI REGRETTING POSTPONEMENT OF HIS TRIP BUT ASKING FOR UNDERSTANDING IN LIGHT OF CURRENT PARLIAMENTARY INVESTIGATION. HE HOPES THAT TRIP CAN BE RESCHEDULED FOR NOVEMBER.

5. WILL KEEP HEADQUARTERS ADVISED OF FURTHER DEVELOP-MENTS RE ABOVE. E2 IMPDET.

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