11 May 1955

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# MEMORANDUM FOR: Chief, EE/FI/Germany

SUBJECT:

#### EE/PP/G Items for Director's Discussion with Chancellor Adenauer and/or State-Secretary Globke

The following items are submitted for in lusion in the EE briefing paper for the Director's meeting with Chanc alor Adenauer and/or State Secretary Globke on 16 June 1955.

1. <u>CDU Ostbuero Operations</u>. The Director in his briefing of Chancellor Adenauer and/or Dr. Globke should make some reference to his gratification over the development of close relations between CIA and the Federal CDU organization in the planning and conduct of psychological warfare operations in East Germany. He may recall to the Chancellor that he recently expressed the same gratification to Dr. Bruno Heck, secretary-general of the CDU, who recently visited Washington and who has been the focal point of our dealings with the CDU on this matter.

<u>Background (for DCI only</u>): Dr. Heck is the channel through which the German Mission recently reached policy-level agreement with the CDU for the establishment of a joint CDU/CIA program for psychological warfare operations in East Germany. This program is about to pass from the negotiation stage into actual operations utilizing facilities of the CDU Ostbuero which will be expanded with CIA financial assistance and operational guidance. Under the program, it is contemplated that Dr. Heck will have full policy and operational responsibility on behalf of the CDU for its propaganda to the East. His management of existing and potential CDU assets will be exercised in close collaboration with German Mission representatives.

# 2. CIA-Federal Republic Liaison on Psychological-Warfare Activities.

a. DCI should state that CIA plans to continue to bear the burden of financial support and direction of the Soviet Zone operations of several smups based in Berlin such as the

J. No major policy problems are expected in this connection. However, should such problems occur, CIA would like to be appraised of the Federal Republic position at any given time (1) in order to arrive at an equitable solution based on an exchange of views and (2) in order to prevent possible embarrassment to either CIA or the Federal Republic Government. For example, it would have saved both parties (CIA and the Federal Republic) some embarrassment if the Kaiser Kinistry had given sufficient notice of its intention to form a roof organization of refugees in Berlin and withdraw its support of the C.

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This particular matter is not too important but is cited as an example of the sort of thing CIA would like to avoid.

## Background (for DCI only):

The German Mission has disclosed U.S. governmental interest in six continuing PP projects to Globke and key officials of the Kaiser Ministry and the Gehlen organization. The German Mission, in October 1952, made a "statement of intention" to Otto Lenz (subsequently confirmed to Globke) acknowledging the legitimate interest of the Federal Republic in East German resistance activities, and promising to consult with the Federal Republic Government on Cold Har policy and operations. With Globke's concurrence, the German Mission has continued to deal with State-Secretary Thedieck and von Dellingshausen of the Kaiser Ministry on several projects financed by both CIA and the Kaiser Ministry and for broad coordination of policy and operations affecting the other CIA-controlled organizations revealed to the Federal Republic.

In view of West German sovereignty, EE Division anticipates increasing German pressure for more active participation in the management of the six projects revealed to the Kaiser Ministry and the Gehlen Organization, especially in view of CIA statements of intention regarding such increased participation. Progressively expanding German participation in these projects must be anticipated, probably eventually culminating in CIA's relinquishment of direct control over these operations and reliance on official liaison and penetrations to protect U.S. interests. In the opinion of EE Division, increased German participation in these projects should be on a gradual step-by-step basis, conducted so as to retain for CIA decisive policy influence over project activities as long as possible and to preserve as much insight into the operational relationships as possible for future CE purposes. While CIA should be prepared to relinquish its present more or less unilateral control since it appears that long-term U.S. interest will best be served by allowing increased German operational control, CIA should seek to retain the initiative rather than to simply react to German demands and actions. Most of the revealed projects are based in Berlin, and because of the special legal status of Berlin, it is believed that CIA will be able to retain the initiative.

b. The Director should emphasize the importance CIA attaches to continued close liaison with the Government of the Federal Republic on covert psychological and political activities of mutual concern in Germany, and ask the Chancellor how he envisages arrangements for such liaison in the future:

1) Will some body be charged with the overall policy responsibility for psychological and political activities, and if so, what will be the scope of responsibility?

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(2) What agency or agencies will be charged with executory responsibilities and what will be the scope of activities of each of these agencies?

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### Background (For DCI only):

There are several aspirants to the Federal Republic's psychological-warfare function, including Gehlen, Kaiser, Minister Strauss, Lanz and Globke. It appears likely that the Gehlen Organization will be given the psychological-warfare responsibility for the Soviet Zone (and foreign areas), but it is not yet clear what, if any, arrangements will be made to establish (1) centralized responsibility for information activities in West Germany or (2) a centralized policy agency for all psychological activities in both West and East Germany. EE Division favors the Gehlen Organization to take over the East German psychologicalwarfare function but does not wish to become involved in any way in the current behind-the-scenes scramble. The Kaiser Kinistry, because of its demonstrated lack of operational ability and Hinister Kaiser's apparent opposition to an aggressive propaganda policy for East Germany, would be a bad choice in this Division's opinion.

3. Political Effects of German Re-Armament. The Director should make reference to the fact that CIA analyses tend to show a growing trend, even among certain elements ostensibly in support of Dr. Adenauer's policies, to a more nationalistic military-political attitude in fundamental opposition to the Chancellor's Western-integration policies. According to these CIA analyses, there is some indication that these elements temporarily support the Chancellor's policies only as a means of maneuvering Germany into a position where she can regain her freedom of action, at the expense of German integration into MATO and the European political community. The Director should ask Dr. Adenauer and Dr. Globke whether they agree with CIA's analysis and, if so, what they believe can be done to combat this trend.

### Background (For DCI only):

German Mission reports based on overt and covert information reveal increasing concern that the proposed Federal Republic military establishment might have a detrimental effect on the further development of the democratic order in Germany. It appears that certain elements ostensibly supporting Adenauer's policies are in fact unconvinced of the long-range desirability of the Chancellor's Western-integration policies and temporarily support the latter only as a means of maneuvering Germany into a position where she can regain her freedom of action.

In addition to the split between the "resistance" and the "loyalist" elements in German military and political circles, a new

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schism has developed between those who favor an internationally-minded "democratic" arry under civilian control and those who favor the reestablishment of a national army along traditional lines with a status resembling its previous position as a state within the state.

In October 1954, influential CDU leaders stated that the London Agreements authorizing the establishment of a German national array were a source of danger. The more existence of parliamentary government was not a sufficient safeguard for the maintenance of civilian control. No parliamentary committee could effectively influence the Army, which will be guided by its own traditions, bureaucracy, and cliques. Eugen Gerstenmaier stated that he had full confidence in the personnel of the Blank Office, but that he did not think they would be able to maintain their positions, particularly after the stabilizing influence of Adenauer passes from the scene.

In recent months senior personnel of the Blank Office have become increasingly concerned about what they believe is a trend among German military personalities to pursue a more nationalistic militarypolitical course of their own and slowly to divorce themselves from close relations with the U.S. and other Western nations.

In the opinion of EE Division, there are indications that German nationalist circles have been capitalizing on U.S. eagerness to re-arm Germany and expect to exploit the situation for their own purposes. It is also the Division's opinion that Adenauer's large majority includes elements who do not accept the Chancellor's Western-integration policies as the goal but string along with him as the quickest means of reaching their objectives, i.e., the establishment of a re-armed Germany as the dominant power in Europe.

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