MEMORANDUM FOR: Deputy Director (Plans)

SUBJECT

: History of LCPROWL Project

A. Origin and Approvals

1. Two distinct organizations are involved in the LCPROWL affair. One is the EDJ which was envisaged as a political action organization available for anti-Communist psychological warfare operations including demonstrations, poster campaigns, etc., in Western and Eastern Germany. The second is the Apparat which was created for paramilitary and sabotage activities in Eastern and Western Germany in the event of war. Both organizations originated from the same project, and, despite attempts to keep them distinct, their subsequent activities overlapped. Moreover, the personnel of both organizations have intermingled, and press comments concerned with the recent expose refer generally to the EDJ.

- 2. The BDJ was originally proposed as a project by the Frankfurt station on 3 June 1950. It resulted from a proposal by a man named Lueth, subsequently the leader of the BDJ, to organize an independent youth group which would carry on anti-Soviet activities in connection with the Soviet Zone election of 1950.
- 3. A project for the utilization of such an organization was prepared in four phases. The first phase, relating solely with activities in connection with the Soviet Zone election, was approved on 9 August 1950. In December 1950, approval was secured for the remaining three phases, involving establishment of the organization on a nation-wide basis to conduct political warfare in East and West Germany and selection of recruits for partisan action whose training for paramilitary and sabotage activities would be conducted in West Germany. In July of 1951 was authorized to cover organization expenses in developing the Apparat.
- 4. A substantial portion of the expenses of the BDJ were met from ECA counterpart funds allocated for the purpose by Mr. McCloy. Mr. McCloy's approval for the use of ECA funds was solicited in a memorandum dated 4 October 1950 which spelled out at some length activities contemplated by OPC in Germany. These activities specifically included the BDJ which was described as engaged in anti-Communist activities particularly simed at the FDJ and the Apparat which was described as primarily aimed at the establishment of a network in the Soviet Zone for paramilitary purposes, the members of which would be trained in the West Zone. The memorandum also outlined a plan for organizing former soldiers and right wing elements of uncertain political opinions against the eventuality of a Soviet occupation of West Germany.
- 5. The memorandum was initialled by Mr. McCloy, and his approval of the program was confirmed by a telegram dated 16 October 1950.

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B. Development

1. The BDJ has continued as an overt organization since its inception and has contributed to demonstrations and poster campaigns.

2. The Apparat as such was segregated from the BDJ. Although some of the original members of the Apparat were also members of the BDJ, including the principal agent and organizer of the Apparat, all these individuals were called upon to resign from the BDJ and terminate any association with it. Later investigation indicated that in practice complete segregation of the two activities was not effective. The Apparat was organized throughout the Fastern and West Zones with sub-leaders in each of the various Laender and sub-units established down to the Kreis level. A training course was instituted at which leaders and selected members of the Apparat were given elementary instruction in weapons and demolitions techniques.

C. Curtailment and Liquidation of BDJ and Apparat

1. Considerable concern was voiced by representatives of NICOG from time to time about political activities of the BDJ. This concern reflected statements generally ascribed to SPD sources to the effect that the BDJ had an anti-Socialist bias and that its membership included undesirable elements including former members of the SS. Nessrs. Reber and Thayer brought these allegations to Mr. Wisner's attention at the time of his visit to Germany in November 1951. Mr. Wisner questioned representatives of the German Mission about the activities of the BDJ, and, after his return to Mashington, directed that the project be reviewed. This review coincided with a general review undertaken by the Division and representatives of ADPC of all psychological and paramilitary activities conducted by CIA in Germany.

2. By dispatch dated 28 December 1951 (3840-CWUFG), the German Mission was apprised of the fact that any resistance program involving the organization and training of German citizens in West Germany would have to be drastically curtailed at least until a satisfactory basis of cooperation with the Bonn Government could/established. Further correspondence resulted in a cable from Headquarters in Harch 1952 requesting a complete report on the security and general status of the Apparat. The necessity for such a report and desired governing policies were set forth at length by dispatch (4936-CWUFG) in April 1952. The German Mission advised on 16 May 1952 by cable that such an investigation was underway, and, on 20 June 1952, reported their decision to phase the Apparat out completely. A subsequent oral report to the Chief of the Division in July 1952 confirmed that the investigation and subsequent liquidation of the Apparat had been made the responsibility of a reliable case officer,

3. The desirability of disbanding the BDJ in toto was considered from time to time during the course of the complete review of West German projects undertaken by the EE Division shortly after the merger of OPC and OSO in January 1920 and by representatives of ADPC during the ensuing months. Various reports received during this period indicated that the BDJ was attaining a certain respectability. For example, a Whitsuntide rally proposed under

the auspices of the BDJ for late May 1952 received written approval from Lenz as well as financial assistance from Chancellor Adenauer. At another meeting sponsored by the BDJ principal sponsors included Euler, a leading FDP deputy to the Bundestag. A separate report states that the leader of the BDJ had succeeded in establishing cordial relations with the SPD and had discussed anti-Communist activities of mutual interest with Heine.

- 4. Despite reassurances concerning the good standing of the BDJ, a drastic curtailment of the organization was scheduled and discussed with representatives of the German Mission in August 1952. It was decided in September to liquidate the organization entirely, and the German Mission was so instructed by cable dated 18 September 1952.
- 5. The Hessian police investigation of the BDJ Apparat and the subsequent SPD-sponsored publicity overlapped German Mission measures to terminate the Apparat and curtail or eliminate the BDJ. On 14 September 1952. Hassian police raided the homes of the Apparat's American case officer and the German principal agent and arrested eight Apparat leaders. On 16 September, Otto John, head of the Federal Office for the Protection of the Constitution (BfV), informed General Truscott of the police raids and promised a full police report which was furnished on 25 September. At the first interview John asked whether U. S. interests were involved and General Truscott indicated that unidentified authorities had been interested in the activity in the past. On 30 September, the German Mission learned from John that the Hessian police had found among Apparat members' effects lists of individuals, including names of SPD officials and other material indicating organized intelligence collection against the SPD. One member of the Apparat had testified that cards identified persons to be "done away with" in an emergency. On 2 October, German Mission representatives discussed the new developments with John and Zinn, Einister President of Hesse and prominent SPD leader. Zinn proposed the establishment of a joint U.S.-German investigative commission. Adenauer was informed of the situation on 3 Uctober. after Zinn had stated that he was planning to make an 8 October public statement to the Hessian Landtag on the results of the police investigation. On 7 October, Mr. Michael Burke met with Ollenhauer and Heine of the SPD, and later High Commissioner Donnelly also met with Ollenhauer in an effort to dissuade Zinn from mading his scheduled speech. On the morning of 8 October, Reber and Burke met with Zinn to make a last effort to prevent the speech or to moderate its tone. Minister President Zinn delivered the speech on the afternoon of 8 October.

Chief, Eastern European Division