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in these forces remains to be confirmed. There ~~has been~~ no information to indicate the presence of either FROG or ~~SCUD~~ in the Hungarian forces, although SCUD has been confirmed in the SGF.

c. Surface-to-Air Missiles.

(1) East Germany.

There are 20 confirmed EGA SA-2 SAM sites, in addition to the 22 GSFG sites. Deployment of the sites to the northern and southeastern areas of East Germany has apparently taken precedence over the completion of the southwestern half of EGA SAM Berlin defense ring.

(2) Other Satellites.

The number of confirmed SA 2 SAM sites in the remaining Satellite countries is as follows: 1 in Albania; 18 in Bulgaria; 22 in Czechoslovakia; 15 in Hungary; 22 in Poland; and 12 in Rumania.

d. Estimate of Satellite Missile Capabilities.

It has been evident that as the Soviet forces - especially evident in the GSFG - made the transition from the older SCUD A to the SCUD B system, the SCUD A was supplied to the Satellite forces with EGA apparently having the highest priority. Also, as the Soviets improved and increased the number of launchers in their FROG-3/4 battalions, sufficient equipment was furnished the Satellites for the organization of the two-launcher FROG-3/4 battalions. The Soviets have also begun supplying the EGA and perhaps other Satellite forces with the latest known SA-2 SAM equipment, to include the FAN SONG E radar and the new configured GUIDELINE missiles. It is estimated that this action indicates the Soviets have begun, or will begin in 1965, the introduction of a new, more mobile, low-altitude SAM into their groups of forces, GSFG, NGF, and SGF. This new missile may well be the GANEF, first displayed in the 1 May 1964 parade in Moscow.

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ANNEX 21

COUNTERINSURGENCY

1. ^(U) ~~(S)~~ General.

Possible areas of potential insurgency within the Soviet Bloc against which the Soviets and Satellites would have to utilize counter-insurgency techniques are discussed below.

2. ^(U) ~~(S)~~ USSR.

a. The traditionally compliant attitude of the population in Greater Russia has been changed to some extent by increased anxiety over the possibility of war and concern over the effects of international tensions on the already sagging rate of improvement in living standards. In addition, the de-Stalinization program has led to openly expressed skepticism, occasional student riots, and some adverse comments from intellectual circles. However, there is no foreseeable sharp turning of the public mind toward radical solutions.

b. Centers of active or passive resistance are most likely to develop in the outlying republics, where the nationality problem could be an important factor in the disintegration of the Communist state if outside pressures were brought to bear upon the government.

c. Although ethnic groups in various Soviet Socialist Republics are potential centers of resistance, these people would have to be convinced that they are fighting to free themselves of Communist rule. If they believed that an invader was attempting to conquer the Soviet homeland, they would defend their land and home. It is extremely doubtful whether the discontent of the various nationalities and religious groups will be anything more than a minor irritation to the central government in 1965.

3. ^(U) ~~(S)~~ Satellites.

a. General.

Some anti-regime activities continue in all of the Satellite nations. The principal groups in the population who voice opposition are the youth (particularly students), peasant farm laborers, factory workers, and the intelligentsia. Members of various religious sects have resisted the Communist attempts to do away with religion.

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Generally, the more primitive the country and the more provincial the population, the greater the resistance to the Communist regime (For reference concerning the characteristics of the people, see Annex, "Sociology"). Although a large segment of the population of each of the Satellite nations is largely anti-Russian and anti-Communist, segments are presently submissive and inert because of the strict control exercised by the police and security forces.

b. East Germany.

(1) Popular hostility to the Ulbricht regime has been manifested by passive resistance, restlessness, grumbling, and sporadic acts of sabotage, especially in rural areas. The regime has had little trouble from the workers, although there is some evidence of passive resistance strikes and even occasional sabotage. There is no sign of organized opposition. Among the professional classes, whose ranks were already severely thinned by emigration before 13 August 1961, resentment is particularly strong. Isolated instances of open but unorganized opposition have been reported among teachers and university professors.

(2) Anti-regime sentiment is more virulent among the youth (and students) than in any other segment of the populace with the exception of the farmers. Nevertheless, the regime has encountered only minor and scattered resistance from youth to the conscription law, and no major campaign to boycott it has materialized.

(3) Discontent has been strong in the rural areas since the initiation of forced collectivization and the resulting unrelenting pressure on farmers. The uncooperative attitude of the farmers is an important factor in the decline of agricultural production. Despite the resentments of the population, which are sustained by the oppressive measures of the regime, it is unlikely that a general uprising will occur spontaneously.

c. Bulgaria.

Bulgaria is one of the least troublesome of the European Satellite nations. However, after years of Communist indoctrination the majority of the Bulgarian population has not fully accepted Communism, generally resents the regime, and is dissatisfied with it. Opposition is expressed passively. Organized resistance and open defiance are not apparent. No significant change in the situation is expected in the foreseeable future.

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d. Czechoslovakia.

(1) The Czechoslovakian population seems resigned to the conditions under which it lives and is generally quiescent and tractable. Whatever resistance exists is passive and ineffectual. With the industrial workers, resistance usually takes the form of work slowdowns, absenteeism, and frequent job changing. Criticism of the living standard, which the population apparently believes is lower than that enjoyed before the Communist regime, has occurred on occasion, and the regime's anti-Church policy has also been criticized. Opposition and dissatisfaction is greater in Slovakia than in the Czech region.

(2) Generally, the Czechs oppose Communism and are dissatisfied with the economic, political, and personal restrictions placed upon them by the regime. However, they are not inclined to engage in active and open opposition under the penalties of a police state.

e. Hungary.

Active resistance in Hungary is now virtually non-existent, and passive resistance is ruthlessly sought out and eliminated. Without considerable outside help the possibility of a successful anti-regime revolt appears remote. In the event of war other centers of active or passive resistance would most likely be the Catholic Church and the small minority groups --Germans, Rumanians, Slovaks, and the Hungarian Jews.

f. Poland.

Notwithstanding sporadic acts of sabotage and infrequent and localized demonstrations and riots, resistance to the regime in Poland is mainly passive in nature. Under Gomulka the regime has succeeded in holding dissatisfaction and resistance to a tolerable level. However, Polish nationalism and general non-acceptance of Communism, as well as poor living conditions and church-state relations, remain as wellsprings of popular resentment and resistance.

g. Rumania.

Although dissatisfaction and resentment against the regime have been noted, years of harsh security measures have transformed resistance to passive acceptance. Nonetheless, a reservoir of potential active resistance does exist. It is principally among the

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peasantry, industrial workers, and the younger generation, especially the student group. Furthermore, the various religious groups, mainly Rumanian Orthodox, and the comparatively large Hungarian minority are sources of latent resistance. In a time of crisis these groups could be expected to become centers of active resistance.

h. Albania.

As a nation, Albania lacks political experience; the people, however, possess a keen political sensitivity, which precludes neutrality or indifference on any matter of general concern. Passive resistance is usually manifested in slowdowns and deliberate negligence, and abuse of state property appears to be widespread. The mountainous regions of northern Albania are considered to be potentially the most explosive in the event of war or insurrection.

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ANNEX 23

ESPIONAGE, SUBVERSION AND SABOTAGE

1. ~~(S)~~ Espionage.

a. General.

Communist Bloc intelligence services are directing a major espionage effort against USAREUR. Although the individual services of the Communist Bloc vary widely in effectiveness and extent of activity, the aggregate coverage presents a significant threat to USAREUR.

b. Soviet Intelligence Services.

(1) Status and Capabilities.

(a) The USSR has two intelligence services, the civilian Committee for State Security (KGB) and the military intelligence service (GRU). The KGB has both collection and counter-intelligence responsibilities, while the GRU is primarily engaged in the collection of military intelligence and scientific data.

(b) KGB strength is estimated at 150,000, largely in internal security functions, and the GRU at 10,000. Despite the disparity in sizes, the GRU effort directed against USAREUR forces appears greater than that of the KGB. This is attributable to assignment of RU (GRU field elements) in support of Group Soviet Forces Germany (GSFG). Soviet clandestine operations against USAREUR forces in West Germany appear to be conducted primarily from bases in East Germany, while legal residencies of the host country are favored for clandestine operations directed against USAREUR forces in France. Information is lacking on Soviet Intelligence Services (SIS) operations in Italy, although legal residencies are probably preferred for clandestine operations. Legal residencies in Austria, the Benelux countries, Denmark and Switzerland have also been used in operations against USAREUR.

(c) An unconfirmed report lists RU staff strength at GSFG headquarters in Wuensdorf, East Germany, at 250. It is estimated that there are an additional 150 men assigned to RU operational points in East Germany. An unconfirmed report

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lists KGB strength in East Germany at 800. It is also estimated that an additional 250 SIS personnel are assigned to legal residences in Western Europe from which operations have been conducted against USAREUR forces. In addition to clandestine operations, the Soviets also support a massive overt collection program against USAREUR, which is conducted from legal residences in Western Europe and East Berlin.

(d) Soviet collection capabilities are augmented by Soviet Military Liaison Missions (SMLMs) established in West Germany in 1947. These Missions conduct overt collection operations against USAREUR and other Allied forces in West Germany. Primary targets are maneuvers and alerts, arrival of new units, and new weaponry.

(e) Soviet capabilities are further enhanced by intelligence "advisors" assigned to the various Satellite intelligence services. Their mission is to ensure that pertinent information collected by the Satellites is furnished to the Soviets. In the case of the powerful East German Intelligence Services, the advisors are even able to effect the transfer of agents to Soviet control.

(2) Modus Operandi.

(a) Soviet operational methods are characterized by simplicity of concept and execution. Both the RU and the KGB rely heavily on "direct approaches" in recruiting agents. The principal inducement for cooperation is monetary reward. Blackmail is also frequently employed in recruiting sources, particularly by the KGB. Ideologically motivated agents are a rarity although belief in the Communist cause appears to have been the motivating factor in certain higher level operations. Agents are usually controlled individually.

(b) In operations from East Germany, meetings between agents and handlers are kept at a minimum, usually once a year, and are normally held in East Berlin. Agents are paid via dead letter drops and meetings between agents and couriers are avoided. In cases involving handlers operating under regular or quasi-diplomatic cover, meetings are held more frequently and there is a tendency towards laxity with regard to security, although conspiratorial rules are never completely ignored.

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(c) Soviet Intelligence Services stress technical aids and equipment. Agents are usually given training on codes and ciphers and normally receive instructions via one-way radio. Early in their espionage careers, agents are trained in the use of secret writing and the development of microdot messages. Instructions are then sent by ordinary letters containing hidden microdots through normal postal facilities to the agent in the field. Information is also forwarded to the SIS through regular postal facilities using secret writing to avoid detection. Another method for forwarding information to the SIS is by two-way radio, but the use of radio transmitters by agents is usually restricted to forwarding imminence information, and only a limited number of agents are known to have received two-way radio sets. Generally, radio equipment used by the SIS is characterized by simplicity in design, ease of handling, and reliability. Transmission speeds are in the medium range at 720 words per minute. In recent high-level cases, subminiature cameras and sensitive paper have been employed for copying documents.

(3) Estimate of Future Operations.

(a) The level of SIS activity against USAREUR will probably be somewhat reduced in 1965. It appears that the RU is examining sources from the standpoint of their reliability and those of questionable status are being dropped. In 1963, SIS agent assets in West Germany were estimated at 350-400, but this figure may be 200-250 resident agents in 1965. The dropping of agents is possibly related to the appointment of former KGB security expert Ivashutin to the GRU. Despite diminishing assets, USAREUR will remain an important target for KGB counterintelligence operations and RU positive intelligence collection activities. The SIS will also continue to stress collection of information concerning USAREUR exercises, alerts, advanced weapons, and the introduction of new weapons systems.

(b) The trend of polycentrism among the Satellites is undoubtedly affecting the Soviet intelligence advisory system. Even before the trend became evident, a number of advisors had been withdrawn as the Satellite services acquired operational experience. With the further breakdown of Soviet Bloc solidarity, the "advisors" in many of the satellites appear to have been reduced to the status of liaison officers, and in the case of Rumania may have been withdrawn completely.

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(c) In the event of a sudden deterioration of the international situation, the SIS would probably intensify recruiting efforts and dormant agents would be reactivated. Emphasis would be placed on the collection of imminence of hostilities information and there would be a general intensification of intelligence collection activities.

c. East German Intelligence Services.

(1) Status and Capabilities.

(a) The East German Intelligence Services (EGIS) continue to be the most active of the Communist Bloc services in West Germany. Approximately 85 percent of all hostile agents neutralized in the Federal Republic of Germany and 70 percent of those specifically directed against USAREUR were EGIS agents. The inherent advantages of the EGIS for operations in the Federal Republic of Germany materially increase their capabilities for activity against USAREUR.

(b) The civilian service, the Ministry of State Security (MfS), is the dominant element within the EGIS. It is responsible for the internal security of all East German agencies, including the Armed Forces, and is active in counterintelligence operations against USAREUR and the Allies. The collection arm of the MfS, the Main Administration for Intelligence (HVA), is engaged in collection operations against political, economic, technical and military targets in Western Europe. In addition to its extensive low-level coverage of Allied order of battle, the HVA has successfully penetrated Western agencies at high level. Total MfS staff strength is estimated at 13,500.

(c) Administration 12 (V-12) is the intelligence element of the East German Army (EGA). The relatively limited personnel strength, estimated at 400 staff officers in the East Berlin headquarters and in the operational bases at Erfurt, Leipzig, Magdeburg and Schwerin, has not permitted mass agent operations. V-12 operational equipment and techniques were, until 1961, on occasion as sophisticated as those of the MfS. Since late 1961 no significant information on V-12 operations has been received, and there have been no known defectors from the organization.

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(d) The MfS also occupies a dominant position at the East German borders, including those in and around Berlin. Through its Department of Passports and Wanted Persons (APF) the MfS controls the checking of identity documents, the apprehension of wanted persons and the maintenance of current wanted persons lists for use at the border. This capability not only adds to the security of MfS agent travel, but also makes all travelers directly available to the MfS for assessment and recruitment.

(2) Modus Operandi.

(a) Emphasis on the exploitation of West German travelers in the low-level recruitment program continues, and increased care in the assessment and selection of such travelers has been noted. The use of false Federal Republic and West Berlin identity documents by East German residents employed as EGIS agents has now become standard practice. An increase in EGIS use of couriers has also been reported.

(b) Agent meetings are held in East Berlin and less frequently in East Germany. The volume of Western travel to and from East Berlin and East Germany is high enough to provide sufficient cover for EGIS agents. Widespread use of communications systems, such as secret writing, one and two-way radio, code systems and dead letter drops, permit regular and effective contact with agents between meetings.

(3) Estimate of Future Operations Affecting USAREUR.

(a) Improvement in the quality, and possibly in the number, of overall agent assets can be expected. Assuming full implementation of the Berlin pass agreement, low-level agent assets in West Berlin may expand. In general, the EGIS will be able to maintain its coverage of routine order of battle in both West Berlin and West Germany.

(b) Continued improvement in operational techniques and broader application of technical aids, increased activity among MfS border units, and demonstrated flexibility in new situations will assure continued EGIS effectiveness during 1965. The EGIS will remain the most important single element in Communist Bloc espionage directed against USAREUR.

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d. Czechoslovak Intelligence Services.

(1) Status and Capabilities.

(a) Major Czech Intelligence Services (CIS) elements are Interior Ministry (MV) Directorate I and the General Staff Military Intelligence Directorate (ZS). A third element of interest is the MV Border Guard Intelligence Section 1-2 (PS).

(b) CIS operations in the Federal Republic of Germany have been conducted from many Czechoslovak towns, but control is exercised in Prague. Foreign bases are maintained in Czechoslovak diplomatic, trade and cultural offices world-wide, with as many as 45 per cent of the personnel in these offices having intelligence functions. Bases in West Germany are the trade representations in Frankfurt/Main and Hamburg and the military mission in West Berlin. Third-country bases are located in Austria, Switzerland, and East Germany, and deep-cover illegal residents also are used.

(2) Modus Operandi.

(a) CIS recruitments occur in Czechoslovakia, in target areas and in third countries. Primary recruitment targets abroad are persons with relatives in Czechoslovakia, principally Sudeten Germans and Czech emigrants of whom some 3 million live in the Federal Republic of Germany. The estimated 250,000 Sudeten Germans remaining in Czechoslovakia are even more intensively exploited. However, the CIS recruitment potential is not restricted to these circles and foreign nationals, including USAREUR personnel with Czech relatives or contacts, are also subject to CIS approaches.

(b) Approaches also are made on the basis of contacts with Czech representations abroad and tourist or business travel to Czechoslovakia. CIS recruitment operations are usually well planned and executed, and the Czech relatives of recruitment targets are occasionally required to assist in approaches and in subsequent contacts.

(c) CIS agents are normally provided some degree of training. Particular attention is given to clandestine communications involving use of secret writing, brevity codes, meetings, illegal border crossings, third-country travel and coded one-way radio. High pay and operational aids, including expertly fabricated documents, are characteristic of CIS operations.

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(3) Estimate of Future Operations Affecting
USAREUR.

(a) In 1964 the Czech regime's relaxation of travel requirements for its citizens and for foreigners resulted in greatly increased travel between Czechoslovakia and the Federal Republic of Germany. This travel contributed to a moderate rise in CIS activity in the USAREUR area, particularly in military intelligence collection.

(b) At the same time, however, Czech concern with internal security was again reflected in counterintelligence targeting. The current situation is expected to continue through 1965. CIS spotting and assessing operations also may lead to additional approaches to USAREUR personnel and employees, but Sudeten Germans and Czech emigrants will remain primary recruitment targets.

e. Polish Intelligence Services.

(1) Status and Capabilities.

(a) The Polish Intelligence Services (PIS) consist of Internal Affairs Ministry (MSW) Departments I and II, and the Armed Forces General Staff Z-II. MSW Department I collects political, scientific, technical, economic and military intelligence, while Department II has internal and foreign counterintelligence responsibilities. The Z-II collects military intelligence, including scientific and technical information.

(b) Most PIS operations in the Federal Republic of Germany and in France have originated in Poland, primarily in Warsaw. Active PIS residencies also exist in Polish diplomatic and trade representations in the two countries and supporting third-country bases are in Austria, Switzerland, Belgium and East Germany.

(2) Modus Operandi.

(a) The PIS employ most standard operational techniques, but have seldom exhibited sophistication in the conduct of operations involving USAREUR. Only a few known cases have been well planned and executed. While the PIS have often appeared

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more concerned with the introduction of agents into target areas than with the immediate collection of intelligence, they also have shown a capability for the direct exploitation of new sources with access to important objectives.

(b) Several PIS approaches to USAREUR personnel of Polish extraction have been made in the Federal Republic of Germany, but most have occurred while the personnel were visiting relatives in Poland or in third countries. USAREUR Labor Services members of Polish origin in both the Federal Republic of Germany and in France have been exploited much more intensively. In recent years, however, the majority of PIS agents identified in the Federal Republic have been ethnic German resettlers from Poland who were forced to accept recruitment to be able to repatriate. Few of these are known to have become active agents.

(3) Estimate of Future Operations Affecting
USAREUR.

In 1965 PIS activity will continue to be directed primarily against Western intelligence services and Polish emigrants. However, some attention will be given to coverage on USAREUR and additional approaches to USAREUR personnel and to Labor Services members may also occur. The modus operandi will not be outstanding in most cases. However, PIS does possess capability for higher-level operations as indicated by some successful operations in the past.

f. Rumanian Intelligence Services.

(1) Status and Capabilities.

(a) The only Rumanian Intelligence Services (RUMIS) element identified in activity against USAREUR has been Directorate I of the General Directorate for State Security (DGSS or Securitate), Internal Affairs Ministry. An Intelligence Directorate also exists in the Armed Forces Ministry General Staff, but is not known to be active in the Federal Republic of Germany. However, the Securitate has both counterintelligence and positive intelligence responsibilities, including military intelligence collection.

(b) RUMIS operations are often conducted from bases in Rumania, but have also been conducted from other areas.

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Known foreign bases for activity against USAREUR are the Rumanian Trade Representation in Frankfurt/Main and the embassies in East Berlin, Vienna, Paris and Bern.

(2) Modus Operandi.

Agent recruitments for operations in the USAREUR area usually occur in Rumania, with comparatively few reported abroad. Agents are frequently recruited from among the 300,000 ethnic Germans living in Rumania who are sent to the Federal Republic of Germany as "repatriates". Foreigners who visit relatives in Rumania, including USAREUR personnel and employees, have also been approached. Agent training is generally limited and typical communications consist of brevity code mail correspondence and third-country meetings. Failure to maintain contact with an agent as a result of poor communications techniques, inadequate controls, and low payments is not unusual.

(3) Estimate of Future Operations Affecting
USAREUR.

Most RUMIS activity will continue to originate in Rumania, but approaches to USAREUR personnel and residents of the Federal Republic of Germany who visit Rumania are also anticipated. RUMIS legal residencies will remain primarily responsible for the conduct of foreign operations in NATO countries. Those in Vienna, East Berlin, Bern, Paris and Frankfurt/Main are most likely to conduct activity against USAREUR.

g. Bulgarian Intelligence Services.

(1) Status and Capabilities.

(a) The Bulgarian Intelligence Services (BULIS) consist of Internal Affairs Ministry (MVR) Directorate I and the Armed Forces General Staff Intelligence Division (RO).

(b) Most known BULIS activity against NATO countries has been centered in Greece and Turkey. Limited activity in the Federal Republic of Germany has involved recruitments from among USAREUR Labor Services members of Bulgarian origin, Bulgarian emigrants, and Western tourists visiting Bulgaria. The BULIS maintains legal residencies in representations abroad, the Bulgarian Embassy and Trade Mission in Athens being the most active.

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Other notable residencies are the Bulgarian Trade Representation in Frankfurt/Main and Embassy in East Berlin. BULIS operations in Western Europe have been generally low level, showing little rearmement, but those in Greece and Turkey have been progressively more effective in recent years.

(2) Modus Operandi.

Many BULIS agents in Greece have been exiled Greek Communists living in Bulgaria who cooperated on an ideological basis. In Athens, the Bulgarian Embassy conducts spotting and assessing missions, and residency personnel travel throughout Greece to establish exploitable relationships with Greek nationals. Agents recruited in Bulgaria for operations in Greece are generally well trained, receive adequate communications systems, including two-way radios, and often are given military intelligence collection missions. For activity in the Federal Republic of Germany, however, agents may be forcibly recruited and provided little if any training, pay or operational aids. Communications have involved direct agent contact in the Federal Republic, travel to Bulgaria and use of the mail.

(3) Estimate of Future Operations Affecting
USAREUR.

The level of BULIS activity in Western Europe will not represent a significant threat during 1965. Major recruitment targets will be tourists visiting Bulgaria and Bulgarian emigrants abroad, including USAREUR Labor Services members. The primary BULIS threat to US interests including USAREUR agencies will continue to be concentrated in countries adjoining Bulgaria. Modus operandi in these areas will remain relatively good.

h. Hungarian Intelligence Services.

(1) Status and Capabilities.

(a) Hungarian Intelligence Services (HIS) operations in the USAREUR area are conducted primarily by Section 3 of the Political Investigation Division of the Interior Ministry (BM). The Special Operations Section, Second Group Command (VFK/2), Armed Forces General Staff, also is responsible for collecting military information.

(b) The majority of HIS personnel appear to be engaged in internal security and related matters. The BM

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maintains residencies in Hungarian diplomatic representations as well as cover positions in trade and cultural agencies ~~abroad~~, probably including the Hungarian Trade Representation with offices in Frankfurt Main and Hamburg, Federal Republic of Germany.

(2) Modus Operandi.

Most HIS operations detected in USAREUR have been low level, lacking in refinement and agent control. HIS spotting and assessing abroad is performed mostly by personnel in residencies in the West, but foreign mail to Hungarian addresses is monitored for the same purpose. Hungarian emigrants, particularly USAREUR personnel, are of special interest to the HIS and attempts are made to cause their redefection or to exploit them for information. Such attempts often are made by mail and Hungarian relatives of the emigrants may be compelled to participate in the activity. The HIS is known to have a comprehensive agent training capability, but has seldom applied this capability in recent years.

(3) Estimate of Future Operations Affecting USAREUR.

Most HIS activity will remain targeted against Hungarian emigrants and Western intelligence, indicating HIS emphasis on defensive operations. Activity will be conducted mainly on a target of opportunity basis. HIS targeting of personnel of Hungarian origin will continue to be of concern to USAREUR.

i. Albanian Intelligence Services.

(1) Status, Capabilities and Modus Operandi.

(a) The Albanian Intelligence Services (ALBIS) consist of the State Security Service (Sigurimi) of the Interior Ministry and the Military Intelligence Directorate of the General Staff. The Sigurimi has internal security and foreign positive and counterintelligence functions. Military Intelligence Directorate responsibilities are apparently limited to countries bordering Albania.

(b) ALBIS legal residencies exist in Albanian legations at Rome, Paris, Vienna, East Berlin and Ankara. Sizable Albanian communities offering recruitment possibilities are in Yugoslavia, Greece, Turkey, Italy and France. Comparatively few persons of Albanian origin are in the Federal Republic of Germany;

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most of these are USAREUR Labor Services members or USAREUR personnel. ALBIS activity is concentrated in Yugoslavia, Greece and Italy. Leading targets are Albanian emigrants, Western intelligence activity of any nature hostile to Albania, and NATO order of battle.

(2) Estimate of Future Operations Affecting USAREUR.

Concentration on activity against Yugoslavia will restrict the ALBIS potential to operate in other areas. Coverage on NATO forces and indigenous targets in Greece and Italy will probably remain limited. Requirements for information on Albanian emigrants could also result in some ALBIS activity in the Federal Republic of Germany and France. Targets would probably include US Army enlisted aliens and USAREUR Labor Services members.

j. Yugoslav Intelligence Services.

(1) Status and Capabilities.

(a) The most important Yugoslav Intelligence Services (YIS) element is the State Security Service (UDB) of the Internal Affairs Secretariat (Ministry). A second civilian agency, the Coordination Department, is subordinate to the Foreign Affairs Secretariat, but controlled operationally by Internal Affairs. The two military intelligence elements are General Staff Sections II and XII.

(b) The UDB has internal security responsibilities in Yugoslavia and conducts espionage abroad, including military intelligence collection and counterintelligence, and is largely concerned with coverage on Yugoslav refugees. Coordination Department personnel in diplomatic cover positions abroad have foreign espionage and counterintelligence responsibilities paralleling those of the UDB. The Coordination Department further maintains liaison with General Staff Sections II and XII and also may control Yugoslav military attaches.

(c) General Staff Section II processes and disseminates military intelligence, but has no known collection function in USAREUR areas. General Staff Section XII has been identified variously as the Security Administration of the Yugoslav Peoples Army (UBJNA) and the Military Counterintelligence Service (KOS). Its responsibilities include security of the Yugoslav Armed

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Forces and war industries, and foreign military intelligence collection and counterintelligence.

(d) YIS personnel are adequately trained and many are highly experienced. Foreign bases are located in Yugoslav official representations, including the Yugoslav (Diplomatic) Mission in Bad Godesberg-Mehlem, the military mission in West Berlin, and consulates and trade agencies in Munich, Stuttgart, Frankfurt/Main and Hamburg. Bases in France are the embassy, commercial mission and the Organization for European Economic Cooperation in Paris, and the consulate in Strasbourg. Those in Italy include the embassy in Rome and consulates and trade agencies in Trieste and Milan.

(2) Modus Operandi.

YIS agent operations are usually controlled from Yugoslavia and relatively few recruitments are made abroad. YIS agents are most often Yugoslav nationals, but ethnic Germans from Yugoslavia and nationals of countries bordering Yugoslavia are also exploited. Communications are unsophisticated, involving personal agent contacts and occasional use of the mail and of couriers. Agent pay is low and technical aids are rarely used. Recruitment and handling methods often involve coercion. Despite these limitations, the YIS have the capability to conduct successful operations, particularly in bordering countries. Known missions include recruitment of USAREUR personnel and employees of Yugoslav origin, and targeting of Western intelligence, NATO order of battle and Yugoslav anti-Communist organizations.

(3) Estimate of Future Operations Affecting USAREUR.

YIS activity will remain concentrated in countries bordering Yugoslavia, and operations targeting USAREUR will remain limited. Probable objectives will be recruitment of USAREUR personnel with Yugoslav connections and collection on USAREUR intelligence and order of battle. Unrefined operational techniques and inadequate assets, together with a basic requirement to target limited sources towards coverage of Yugoslav refugees and Western intelligence, will probably reduce the overall YIS threat.

2. (C) Subversion.

a. General.

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Subversive elements of primary interest within the USA REUR area of responsibility are the national Communist Parties, with subservient networks of front groups and infiltrated organizations. These elements are less of a current threat than the hostile espionage effort.

b. Communism in the Federal Republic of Germany.

(1) Status and Capabilities.

(a) The West German Communist Party (KPD), illegal since August 1956, and major front groups are of primary concern. The Central Committee and Politburo of the allegedly independent KPD are located in East Germany and are completely controlled by the East German Socialist Unity (Communist) Party (SED). Guidance for the KPD elements in the Federal Republic of Germany is provided through a network of couriers or "instructors," who travel to East Germany to receive their instructions either directly from the SED or through East German KPD elements.

(b) Approximately 6,000 to 8,000 persons are estimated to be nominal members of the KPD. Of these, probably less than 5,000 are in actual contact with organized KPD groups and attend meetings, and not more than 1,200 hold positions of responsibility or engage in Party work. KPD strength is concentrated in the Ruhr area and in Bremen, Ludwigshafen, Hamburg, Mannheim, and Munich.

(c) KPD activity is largely limited to the distribution of propaganda. Included are East German publications, alleged KPD publications that are actually printed in covert installations in the Federal Republic of Germany, and KPD "factory newsletters." KPD factory organizations have also made attempts to influence union activity through infiltration into positions within unions or employees' "works councils." While these efforts are sometimes successful, broad influence over union activity has not been obtained.

(d) Approximately 100,000 Communist supporters are active in the Communist-controlled front groups. They concentrate primarily upon themes of "peace," German neutrality, disarmament, and opposition to nuclear weapons and testing. Also included are special-interest groups for victims of Nazi persecution and organizations of former resistance fighters. Until 1963 political front groups were also used in an effort to obtain

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parliamentary representation, but this program now appears to have been dropped in favor of a "popular front" movement. Activities of the front groups are primarily production of propaganda and sponsorship of "peace" and similar campaigns.

(e) In general, effectiveness of the KPD and front groups is low, as is demonstrated by the lack of significant activity in 1964. However, through the Party apparatus, KPD members perform low-level industrial espionage missions, and they also have a limited capability to influence labor union activity within the factories. The hard-core element of the Party can also be assumed to have a sabotage and espionage potential, but there is no evidence of training or preparations for any such activity.

(2) Trends.

(a) Beginning in 1963, the Central Committee ordered West German KPD elements to de-emphasize independent and clandestine Party work, to seek the development of a popular front movement with non-Communist elements, and in particular to support the efforts of the Social Democratic Party (SPD) and Trade Union Federation (DGB). In 1964 this program was expanded. Party members were instructed to appear publicly and identify themselves as Communists (although not necessarily as KPD members) when arguing the Party line. Moreover, the Party was specifically directed to work for an SPD victory in the West German elections scheduled for the fall of 1965. This is a reversal of the trend of the last few years, when the KPD attempted to secure political influence through such front parties as the League of the Germans (BdD) and German Peace Union (DFU). In one state election in 1964 the DFU supported SPD candidates on KPD orders instead of campaigning itself.

(b) Two new propaganda themes were predominant in 1964, one calling for the repeal of the ban imposed on the Party in 1956, and the other urging increased contacts and negotiations between East and West Germany on the pattern of the pass agreement negotiated in December 1963 between the West Berlin government and the East German regime. The propaganda campaigns were related to the political one, for the KPD assured the SPD that, if legalized, the Party would cooperate with an SPD coalition government after the 1965 election. Moreover, KPD propaganda praised the pass agreement negotiated by the SPD government of West Berlin and praised the SPD in general as a party that recognized the German question could only be solved by direct contacts between East

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