

CLASSIFIED MESSAGE

DATE :

S-E-C-R-E-T

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BRLN 6604 (IN 20625)

3. WE UNALTERABLY OPPOSED, IF CAN POSSIBLY BE PREVENTED, ANY DIRECT OR INDIRECT U.S. AID OR ASSISTANCE TO TELEGRAF OF ANY KIND IN VIEW STRONG EVIDENCE WE POSSESS THAT CAMLET DEFRAUDED KUBARK OF SUBSTANTIAL SUMS OF MONEY, CONSERVATIVELY ESTIMATED AS POSSIBLY RUNNING AS HIGH AS ONE MILLION DMW AND IN ADDITION GUILTY OF SUBSTANTIAL FRAUD IN CONNECTION WITH FUNDS MADE AVAILABLE TO HIM BY USIS. COUNTERPART LOANS HIGHLY DESIRABLE TO ANY RECIPIENT SINCE INTEREST RATE NOT MUCH MORE THAN HALF CURRENT GERMAN COMMERCIAL BANK RATE. CONSIDER IT ENTIRELY POSSIBLE TELEGRAF IN STRAIGHTENED FINANCIAL CIRCUMSTANCES WHERE UNABLE FLOAT COMMERCIAL BANK LOAN OF ANY SIZE AND DO NOT BELIEVE U.S. GOVT SHOULD HAVE ANY PART IN TAKING CAMLET OFF FINANCIAL HOOK. FURTHER FACTOR IN OUR OPINION MILITATING AGAINST ANY SUCH ASSISTANCE TO TELEGRAF IS FACT THAT IT HAS IN RECENT MONTHS ON SEVERAL OCCASIONS FOLLOWED AN UNNECESSARILY SNIDE EDITORIAL LINE WHICH IS HARDLY CONSISTENT WITH AIMS AND OBJECTIVES OF BASIC U.S. FOREIGN POLICY IN GERMANY.

4. WOULD APPRECIATE BONN ATTEMPTING SECURE DISCREETLY FROM EMBASSY ALL ADDITIONAL AVAILABLE INFO CONCERNING PROPOSED LOAN. WILL ADVISE FURTHER DETAILS AS PROCURED HERE. BELIEVE KUBARK SHOULD DISCREETLY PROTEST TELEGRAF RECEIVING COUNTERPART LOAN. REQUEST ADDRESSEES COMMENTS SOONEST.

END OF MESSAGE

CABLE SECRETARIAT COMMENT: [] , EE, NOTIFIED OF RECEIPT OF THIS CABLE AT 1950 31 AUG 56.

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IT IS FORBIDDEN TO MAKE A COPY OF THIS MESSAGE