

DISPATCH		CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO. BUDA-53165
TO INFO	Chief of Station, Germany NR, Bonn		HEADQUARTERS FILE NO. 32E-124-0080 Field File No 689
FROM	Chief of Base, Berlin		DATE 15 October 1958
SUBJECT	Operational/CADSKY Termination of DILLING		RE: "43-3" — (CHECK "X" ONE) MARKED FOR INDEXING XX NO INDEXING REQUIRED INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY
ACTION REQUIRED	None		
REFERENCE(S)	<p style="text-align: center;">DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCE METHODSEXEMPTION 3028 NAZI WAR CRIMES DISCLOSURE ACT DATE 2007</p> <p>BUDA-317 dtg 7 August 1958</p> <p>1. In response to reference, an inventory of current DILLING assets and activities has been compiled—please see paragraph 1 of Attachment A. Attachment A also reviews various possibilities as to the transfer or continuation of individual DILLING activities per paragraph 1 of reference.</p> <p>2. While the matters raised by reference are discussed at some length in Attachment A, the following constitute our summary replies to paragraphs 1-a, 1-b and 1-c of reference:</p> <p style="padding-left: 40px;">a. <u>Phasing of termination</u> (paragraph 1-a of reference): To ensure orderly phase-out, we believe a six-month period will be required from initiation of termination to its conclusion (see paragraph 4 of Attachment A). We assume all are agreed that termination, having unforeseen factors and developments, should not be initiated until we have assurance that the outstanding legal charges involving DILLING personnel will be quashed. Additionally, coordination of the decision to terminate with CADSKY would seem to be prerequisite.</p> <p style="padding-left: 40px;">b. <u>Transfer of activities to other organizations</u> (paragraph 1-b of reference): Except for DILLING's East German propaganda activities and central files, the answer to the question of what assets and activities should be transferred and to whom would appear to rest in the first instance almost exclusively on German views and desires. KIRANK presumably has no operational interest in continuing, either under its own auspices or in conjunction with HEINOWING, singleton DILLING activities other than those indicated above. We consequently see no alternative to discussing such activities of DILLING as the search service with HEINOWING/CADSKY in order to determine their interest and wishes as concerns the activity and to reach an agreement with them as to disposition, whether such disposition be termination or take-over of the activity by an organization nominated by HEINOWING. Various possibilities as to transfer, dependent on HEINOWING views, are discussed in paragraph 2 of Attachment A. As concerns those other activities which do lie within the area of KIRANK interest, our views are as follows:</p> <p style="padding-left: 80px;">(1) DILLING's balloon distribution capability: We believe that our interim decision, subject to later review against the background of the overall operational situation then existing, should be to attempt to salvage this capability, either by organizing the balloon team on an independent basis (perhaps in the legal form of a private entrepreneurship) or by tying it into an existing project whether CADSKY or HEINOWING. (See paragraph 2-b(1) of Attachment A.)</p>		
<p>APPROVED: _____</p> <p>Attachments: A, herewith B & C (Append. I & II to Att. A), use</p> <p>Distribution: 2-CSS w/2 cpy Att A, 1 cpy Atts B & C 2-NR " " " " " " 2-Bonn " " " " " "</p> <p>sgn</p> <div style="float: right; border: 1px solid black; padding: 5px;"> <p>Document No. _____</p> <p>No Change in Class. <input checked="" type="checkbox"/></p> <p><input type="checkbox"/> Declassified</p> <p>Class. Changed to: TS S C</p> <p>File Review Date: 14/10/09</p> <p>Auth: 107 70-3</p> <p>Date: 14 OCT 1999</p> <p style="text-align: right;">20/11 orig</p> </div>			
FORM 10-57 53 (40)	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.	CLASSIFICATION SECRET	PAGE NO. CONTINUED

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(2) DTLINEN's mailing capacity: We see no pressing operational grounds to attempt to maintain DTLINEN's mailing apparatus as an organized unit, particularly since we presumably will be able to tie into individual mailers at will and as desired. We should of course attempt to salvage a maximum in terms of existing DTLINEN mailing lists. (See paragraph 2-b-(2) of Attachment A.)

(3) DTLINEN's propaganda production team: We do not deem it feasible to attempt to salvage DTLINEN's propaganda writers as a group. Individual writers can of course be picked up by KUBARK or non-KUBARK activities as required or desirable. (See paragraph 2-a of Attachment A.)

(4) DTLINEN's central files: While there is a KUBARK interest in maintaining DTLINEN's central file in some manner which would provide ready KUBARK access, it does not appear feasible for KUBARK itself to take over the files. Discussions with HEGROPING with a view towards securing takeover of the files by a responsible German organization which would undertake service of KUBARK trace requests appear indicated. (See paragraph 2-d of Attachment A.)

c. Possible continuation of some activities under DTLINEN name (paragraph 1c of reference): On this point we believe the terms of reference relating to CANASH involvement are all important.

(1) If CANASH is unwilling to change its past attitude toward and relationship with DTLINEN, then we believe KUBARK should not continue any activities under the DTLINEN name.

(2) If CANASH desires continuation, either under the DTLINEN name or under another name, of any combination of DTLINEN activities but less DTLINEN's East German propaganda activities, then we believe KUBARK should attempt to pass to HEGROPING complete fiscal and operating responsibility for the continuing activities. If HEGROPING/CANASH pleads inability to assume complete fiscal responsibility, we believe KUBARK should be prepared to make a fiscal contribution for a period of a year or two (the general amount of the subsidy to depend on the activities continued and their value to us, on the intangible value to us of a continuation of DTLINEN's name, and on political factors relating to the overall KUBARK-HEGROPING liaison relationship) but KUBARK should resist any CANASH attempt to maintain KUBARK in a position of day-to-day operating responsibility for the continuing activities of the organization.

(3) If CANASH is agreeable to or desires continuation of DTLINEN activities, under the DTLINEN name and substantially as constituted at present (i.e., including East German propaganda activity), then we believe DTLINEN should be continued for the time being, provided the degree of initial CANASH participation---in terms of HEGROPING political backstopping and fiscal involvement---fits KUBARK's view of the minimum HEGROPING participation required to make continued KUBARK operation of the project tenable. If HEGROPING should not be prepared, as seems probable, to take over at an early date more or less complete operating and fiscal responsibility for the project, we should have adequate assurance that their fiscal and operating participation gradually will be increased. Alternatively, we should explore the possibility of passing operating responsibility for the project to HEGROPING while continuing for a year or two a large measure of our subsidy. Paragraph 3-a of Attachment A outlines our views as to what additional tightening up steps we should take relative to DTLINEN if DTLINEN should be continued with HEGROPING participation but under primary KUBARK operating involvement.

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4. General Recommendation: We see only three alternative ways of proceeding on this whole matter:

- a. either KUBARK makes no final decision on the project for the time being and pending settlement of the legal cases involving DILLIEN personnel;
- This applies* b. or we reach an internal decision that DILLIEN is to be terminated, when, and at what time we will relay this information to CANASH and DILLIEN;
- c. or we again review the project with CANASH to see if we can see our future way more clearly.

In view of the developments at [] 9 October meeting with [] course 'c' seems most appropriate at this time. Such a review would be designed ^{to} to cover continuation possibilities under either exclusive HSCROPIKO or joint KUBARK/HSCROPIKO auspices and transfer of individual activity possibilities under HSCROPIKO auspices.

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Review of DTLINEN Operations and Disposal Possibilities

REFERENCES: A. ROBA-42536, 25 June 1957
B. ROBA-318, 7 August 1958
C. ROBA-317, 7 August 1958

Summary:

In the following paper we have attempted to provide a picture of the various organizational elements which make up the DTLINEN project complex. We have followed up our expository treatment with a review of possibilities for the transfer of various operating units of the DTLINEN organization to other existing organizations. We have also reviewed the possibilities of continuing DTLINEN, in whole or in part, and with or without German participation. The paper includes a section on plans for terminating the project if this becomes our final decision.

1. Review of Current Activities:

a. Propaganda Production: Although the explosive operational reverses encountered by DTLINEN during the past ten months have shaken the project to its bones, surprisingly enough the hard PP core of the project remains pretty much unchanged, and the organization is still producing brochures and leaflets for East German consumption as follows:

(1) Periodic production: The project currently is producing each month seven Din A 5 brochures—one, produced in 100,000 copies, is targeted at the general population while the other six, each produced in 25,000 copies, are each aimed at a special group: SED members, the military, intellectuals, workers, youth and farmers—which from a technical, literary and propaganda point of view appear to be as well or better prepared than other similar items which we have seen. These publications have a total monthly production of over 200,000 copies and are distributed into the Zone through mailing from West Germany and via ballooning. DTLINEN also continues to produce two periodic items for West German consumption. The DTLINEN Archiv, which may be described as a collection of DTLINEN editorial comment on specific current developments in East Germany, is published approximately ten times a year and has a distribution of between 2,000 and 2,500 copies for each issue. The DTLINEN Digest, which is a summary of developments in the Soviet orbit with emphasis upon conditions in East Germany, is published once monthly with a press run of about 700 copies. Both of these latter items are distributed to West Berlin and West German governmental agencies, the West Berlin and West German press, and to other persons in a position to influence developments relating to the cold war. Particular attention is given to getting these publications to people who are thought to believe in the objectives and goals of the DTLINEN effort.

(2) Special production: DTLINEN's ability to produce and distribute, by balloon or mailing, special leaflets and pamphlets for East German consumption has not been significantly affected by recent developments and remains limited only by the funds available for such publications and our decisions as to what Zonal developments and/or intrinsic weaknesses of the Communist system in East Germany should be exploited by this method. In 1958 DTLINEN continued to produce a variety of special leaflets and pamphlets attacking specific manifestations and developments in East Germany and to distribute these items into all areas of the DDR. DTLINEN's coverage of the SED V Parteitag in July again illustrated rather

dramatically the ability of the DTLINEN organization to direct a massive effort against a single political event in the Zone. In this operation, DTLINEN ballooned over one million copies of a leaflet into the confines of East Berlin, the site of the Parteitag, alone. DTLINEN also falsified and distributed in over 20,000 copies each two 'interim' Parteitag reports, i.e., Zwischenberichte. DTLINEN finished its V Parteitag program with the falsification of a final report, i.e., Abschlusskommunique, of the results of the Parteitag and distributed it in over 40,000 copies. It is our opinion that DTLINEN's V Parteitag program constituted an effective, well-balanced and commendable propaganda operation.

b. Distribution Activities:

(1) Mailing apparat: Although DTLINEN's mass distribution capability obviously rests with ballooning, DTLINEN has a well-organized and smoothly functioning mailing apparat consisting of a headquarters element and 12 to 15 persons strategically dispersed throughout West Germany who mail DTLINEN's propaganda letters from a great variety of locations each month. These individuals are paid on a piece-work basis and receive between DM 20 and 50 monthly, depending on the number of items which they mail. The letters are prepared for mailing under the direct supervision of the DTLINEN Headquarters in West Berlin. The letters are addressed (the addresses are taken from DTLINEN's special card files) and then stamped and assembled into packages of 50 to 100. The packages are then air-mailed to the mailers in West Germany, who then enter the letters into West German postal channels at various cities in the neighborhood of their homes. DTLINEN's mailing apparat usually handles between 16,000 and 20,000 envelopes monthly although, in special circumstances, it can be pushed upwards to over 30,000 separate pieces. It is difficult to estimate the value of salvaging this mailing capability in the event of project termination. Possibly its salvage value is negligible, since one would presume that a new organization of this type could be established without too much difficulty. It is, however, surely also true that the building of any kind of new organization often brings unanticipated problems of indeterminable dimensions.

(2) Ballooning apparat: Apart from the inactive Berlin balloon team, DTLINEN currently has two functioning balloon teams in West Germany which are operating from two heating gas bases, one in Dammberg, Lower Saxony, and one in Coburg, Bavaria. A new base in Eschwege, Hesse, which has been under construction for some time, should be operational within the next few weeks. DTLINEN's ballooners also have access to the TROPE balloon base at Koenigslustter, Lower Saxony. In a reasonably good month, i.e., when the wind direction is right at least half of the time, DTLINEN's West German balloon team members can launch at least 500 balloons from each of DTLINEN's bases and an additional 500 from the TROPE base. Thus, when the DTLINEN base at Eschwege becomes operational, DTLINEN should have a West German balloon capability of 2,000 balloons a month. Although DTLINEN's West German ballooning facilities can provide coverage of most East German areas, they cannot provide the massive East Berlin coverage that can be obtained by ballooning from West Berlin, e.g., it would have been impossible to put a million copies of DTLINEN's V Parteitag leaflet into East Berlin had it not been possible at that time to balloon from West Berlin.

c. Search Service and Social Welfare Activities:

(1) Search service: Since the founding of the DTLINEN organization by Paul V. Henderson in late fall 1948, search service activities have been a fundamental part of DTLINEN activities. From the very outset, DTLINEN concentrated on the accumulation of information regarding missing and/or imprisoned persons and, over the years, has assembled a great deal of

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source material in this field. The organization, through experience, has developed an admirable professional 'know-how' in this field and quite likely has the most effective search service capability as concerns East Germany to be found in West Germany. DTLINEN, for example, has carded references to 146,083 persons reportedly imprisoned at one time or another in East Germany. Over the years, DTLINEN has accepted 38,541 search service requests, of which 18,532 have been clarified. This capability on the part of DTLINEN, however, appears to have little meaning for KUBARK from an operational point of view. We have viewed this work, together with the social service work, simply as a part of DTLINEN's formal raison d'etre. Regardless of the future of the DTLINEN organization, however, it appears that this aspect of DTLINEN's activity probably is in the Germans' own interest to continue. Additional information concerning the file data built up by the DTLINEN search service unit will be found in paragraph II of Appendix I.

(2) Social service: DTLINEN's small social service section, although laudatory from a humanitarian point of view, also has little or no operational utility for KUBARK. The social welfare services provided by the DTLINEN organization are handled at present almost exclusively by the wife of [] She makes the decisions regarding whether or not DTLINEN funds should be expended for needed items of clothing, medicine, food, etc., to be presented to refugees and other visitors to DTLINEN who appear in need. She also handles the distribution of CARE packages, old clothing, and other material of this type which is given to the DTLINEN organization for distribution to needy refugees.

d. Central Card Files: During its ten years of existence, the DTLINEN organization has built up a central files section of massive proportions which is controlled by a central card file containing 546,000 separate entries. These carded references lead back to approximately 320,000 separate files which are maintained by the organization. DTLINEN's cards and files are broken down into special categories in typical IS fashion, and the subject headings included probably equal those found in a major KUBARK operating base as far as diversity is concerned. Of particular interest to KUBARK are DTLINEN's files and cards pertaining to the MFS. DTLINEN has 8,976 carded references to staff employees of the MFS and an additional 322 carded references to MFS secret informants; there are also special sections pertaining to MFS offices, meeting places, safe apartments, telephone numbers, vehicles, etc. Also of interest to KUBARK are the DTLINEN card files covering East German governmental, military, political, mass organization and other personalities. These card files are the basis for DTLINEN's specialized mailing lists, the accuracy of which plays a major role in any mailing operation. The sophistication of DTLINEN's personality card files perhaps can be demonstrated by the fact that their carded references to members of the East German Peoples Army are additionally broken down on the basis of grade, e.g., a special category for the grades captain to lieutenant colonel, another category for the grades first and second lieutenant, etc. Approximately a year ago, at our request, DTLINEN established a card file on license plates of West Berlin and West German vehicles sighted in East Berlin and East Germany. At the present time this particular card file boasts 1,268 entries. Although the license plate card file has not yet produced any information of special value, EGB's Soviet Section has considerable interest in this activity and periodically reviews the results of DTLINEN's efforts. A detailed breakdown of the central files section of DTLINEN, prepared by the DTLINEN organization, is forwarded as Attachment B for your information.

e. Refugee and Visitor Debriefing Activities: DTLINEN maintains a reception office at the Marienfelde Refugee Camp which is staffed by one full-time refugee debriefer who is afforded secretarial assistance as required. Depending upon refugee flow, this individual interviews between 10 and 30 refugees daily. Refugees who appear to possess information of value are

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referred to DILLINER's headquarters where they are further debriefed by DILLINER's East German specialists, i.e., DILLINER's Referentin for the Vopo, Volkarmee, SED, Kampfgruppen, etc. Visitors to the DILLINER headquarters building are handled in a similar fashion; they are afforded a preliminary interview by a receptionist and then, if indicated, they are referred to a specialist for further debriefing. DILLINER currently is visited by between 700 and 1,000 persons monthly and prepares 50 or more reports each month based upon information provided by the visitors. Although many of these reports are of value to DILLINER's search service activity, not more than 10 or 15 in any one month are of interest to KUBARK and two thirds of these usually contain information on the NIX.

f. Press and Radio News Releases: Although DILLINER once had fairly good connections in press and radio circles (particularly when Hanso GRAY was the press officer) and was able to secure good pick-up of its information releases, current press and radio pick-up of DILLINER information is low and when pick-up does occur it is normally without attribution to DILLINER. It is possible that a rehabilitation of DILLINER could overcome the current shy-away attitude of press and radio circles.

2. Possible Transfer of Current DILLINER Activities to other Organizations:

a. Propaganda Production: The various individuals who create DILLINER's propaganda could be reutilized as individuals by KUBARK, German governmental agencies or other groups involved with propaganda production. It is not believed, however, that it would be feasible to attempt to excise the propaganda writers from DILLINER as a group and reestablish them either as an independent unit or within another existing organization. We don't see that KUBARK could absorb them as an independent group without building up a whole new apparatus including administrative, support and distribution elements. Nor could the writers be moved as a group into another organization since all the groups that could come into question presumably would have to fire their own writers to make room for them.

b. Distribution Assets:

(1) Ballooning apparat: In paragraph 1 above we described the balloon and mail distribution assets currently maintained by the DILLINER organization. Of these two units, the balloon apparat appears of the greatest salvage interest. The West Berlin ballooning team consists of two members supervised by GERTERS. The leaders of the two balloon teams in West Germany also are under GERTERS' control. These two latter individuals utilize friends and acquaintances to assist them in their balloon launching activities. Although the security weaknesses of such a system are obvious, it is to be noted that to the best of our knowledge both of these individuals have performed efficiently and have carried out their balloon launching activities as reported. If the DILLINER ballooners are to be reutilized by another group or independently, we feel certain that GERTERS could reestablish the unit quickly and effectively. Since we don't see any indications that CANASH would be willing to take over and run such a unit, for practical purposes we are probably dealing here with only two alternatives: (1) DILLINER's ballooning assets could be transferred intact to another existing CASORY or REDWOOD organization under the leadership of GERTERS or another individual with the technical knowledge and experience required, or (2) KUBARK could reestablish the ballooning assets on an independent basis with an appropriate cover organization and/or story.

(2) Mailing apparat: The West German mailing apparat presents a somewhat different problem. The DILLINER West German mailers have been

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contacted and developed by DYLLINEN over the years on an individual basis. The only thing that combines them into an apparatus is the centralized direction of the mailing operation which is exercised by DYLLINEN from Berlin. Thus, the reutilization of these individuals for the mailing of propaganda material would require that each of the 12 to 15 mailers involved be contacted individually and asked whether or not he would be willing to conduct mailing activities for another organization. Presumably an appropriate DYLLINEN staffer could undertake to talk with each of the individuals and determine their sentiments, if we so desire. Since idealistic motivation probably doesn't play a great role as far as the mailers themselves are concerned, i.e., they mail their 1,000 to 2,000 letters a month because of the payments that they receive and not because they believe in DYLLINEN's propaganda activity, reestablishment of the mailing apparatus within another existing organization probably could be carried out without a great deal of difficulty. Utilization of the mailers on an independent KURANK basis, however, probably would present some difficulties, e.g., some of them quite probably would be gushy of mailing propaganda destined for East Germany if they were not aware of the identity of the organization directing the activity. Once again, as with the ballooning assets, COMASH or other elements of the German government probably would not be interested in taking over the mailers directly and thus the choices probably would be the same as in (1) above, i.e., reutilization by another existing organization or, possibly, utilization by KURANK on an independent basis.

c. The Search Service: The search service, as already noted in paragraph 1 above, is a humanitarian facility which should merit continuance in some form. If DYLLINEN is terminated, we suggest that there are several ways through which the search service capabilities could be continued:

(1) If the German government is interested in establishing an organization specifically designed to meet search service needs, DYLLINEN's search service section, along with its files and reference material, could be moved into or become the base for such a unit.

(2) DYLLINEN's search service section possibly could be absorbed by a similar existing unit in another organization (such a move to be coordinated with and approved by the German government), e.g., the German Red Cross or the VOB. Another possibility in this connection would be to establish the Hilfskomitee on an independent basis and then transfer the DYLLINEN search service assets to the new Hilfskomitee organization.

(3) The DYLLINEN search service could be terminated and its existing cards and files transferred to another existing organization selected by the German government or to the German government.

NOTE: The files of the search service are interlocked with DYLLINEN's central files (see below) and the search service relies heavily upon the central files in order to perform its function. Thus, any new organizational form set up for the search service function would have to include the central file section.

d. Central Files Section: As a source of biographies, references and support material, DYLLINEN's central files section undoubtedly has continuing value as far as KURANK is concerned. To be of value to us, however, the files must be accessible to us and probably directly so, i.e., their value would diminish radically if we were required to pass along name trace requests through a variety of channels. The question arises as to whether or not this file material can be transferred in toto to another existing organization and at the same time be readily accessible to us.

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(1) Transfer of the files along with key file personnel to [] is perhaps the only solution that would meet the above condition of direct accessibility, but it is not at all certain that [] would be capable of absorbing all of this material in a useable condition, i.e., so that name traces still could be conducted accurately and swiftly. Nor is it certain that introducing a DTLINES activity into [] would be a desirable solution from the viewpoint of the [] operation.

(2) An obvious solution of the central files transfer problem would appear to be simply to transfer the cards and files in toto to UPENDING, assuming that such a solution would be acceptable to UPENDING. We have, however, certain reservations about such a course of action, e.g., it is surely not beyond the realm of possibility that UPENDING would simply pack the DTLINES file material away in some dusty old vault where it would be of no service to anyone. Additionally, transfer to UPENDING quite probably would reduce our ready access to the material, possibly to the degree that it no longer would be practical for us to attempt to utilize it. It is possible that a solution could be found whereby NSR/LD could have direct access to the files, thus continuing ready KUBARK access to the material.

(3) Another possibility would be to establish the central files section, perhaps in conjunction with the search service, on a separate basis with a new name.

(4) Transferring the central files section to the IME or one of the Party East Bureaus also appear to be possibilities which might merit investigation at the appropriate time.

c. Refugee/Visitor Debriefing and Press/Radio Releases: There is no basis for the existence of these activities as separate organizational entities.

3. Continuation under the DTLINES Label:

a. As a KUBARK Operation with CANASH Participation: We note your comments in paragraph 6 of Reference B that [] has suggested that perhaps some DTLINES functions could be continued under the DTLINES label. Assuming for the moment the broadest construction of [] remarks, it might be feasible to continue DTLINES operations more or less in toto, but on a streamlined basis. Such a streamlined DTLINES would continue to include propaganda producing and distributing elements, a central files section and a combined search service/social welfare section. The streamlined organization would also continue to maintain offices at Marienfelde and would continue to employ people as refugee and visitor debriefers in order to provide the organization with at least a modicum of the current information required to produce effective propaganda material. There would, of course, be no East German coverners of any kind nor, with the exception of the distribution apparatus, would the organization have any clandestine overtones whatever, e.g., DTLINES would get completely out of the CALL business. DTLINES would continue to produce periodic publications and special leaflets designed to exploit targets of opportunity. DTLINES's tendencies to encroach upon West German politics would be suppressed and any residual international overtones still remaining within the organization would be purged out. Streamlining of the organization would entail a significant budget reduction (perhaps from \$285,000 annually down to less than \$200,000 for a starter), further reduction in personnel (DTLINES currently has circa 50 employees as against circa 75 in the spring of this year; we feel that a streamlined organization probably could run with circa 35 employees), and a tightening up of the organization all around. If the Germans were interested in such a solution, KUBARK of course

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would have to decide as to just exactly what minimum participation in addition to political backstopping would be required on the part of the Germans in order that KREBANK could maintain a tenable position in the venture. We would, of course, favor more or less complete German takeover of the project or partial KREBANK fiscal support with complete German operational responsibility, but if neither of these solutions would be forthcoming from the German side and KREBANK in effect retained operating and primary fiscal responsibility, we feel that KREBANK should continue to have a fairly free day-to-day hand, i.e., we don't believe KREBANK's position would be tenable if every routine decision regarding DTLINEN activities required endless liaison consultation bogged down by reams of FedRep official red tape. We suggest that an attempt to run the project on a committee basis might bring forward liaison difficulties worse even than those heretofore encountered. Perhaps, the introduction of a German-nominated staffer, along the lines proposed for [] would be part of the answer here also.

b. As an Essentially West German Activity, with or without KREBANK Participation: Assuming a relatively narrow construction of [] remarks, CANASH may be willing to see DTLINEN continued less 'certain objectionable or politically delicate' activities. Such objectionable or delicate activities presumably would include in the first instance the production and distribution of East German propaganda, since there is at present little other activity which can be objected to in its own right. Essentially then, CANASH may envisage a revamped DTLINEN engaged substantially in search service/welfare activities and perhaps including the present West German publications activity, press and radio placement activity, and its visitor/refugee debriefing activity. In such an event, no particular problems are presented for KREBANK (beyond questions relating to whether or not to salvage the project's editorial and/or distribution capabilities) if CANASH is willing to assume complete operational and fiscal responsibility for the revamped organization. If, however, CANASH should desire to retain KREBANK fiscal—or operational and fiscal—involvement, we obviously would have to weigh the cost in monetary and personnel terms of such involvement against the value to us of continuation of the DTLINEN name plus whatever CADORY-type activities (e.g., West German publications and press and radio placement) CANASH may envisage for retention.

4. Termination Plan: In the foregoing paragraphs, we have attempted to outline the various possible methods of continuing DTLINEN in one form or other. The other side of the coin is total and complete termination. Upon numerous occasions during the past few months we have discussed termination with the DTLINEN principals and, after receipt of Reference C, we requested [] to prepare a detailed termination plan for the project which would be geared to a six-month time period and would include plans for the phasing out of the organization's employees and the disposal of the project's physical assets. [] recently completed his work on the plan and passed us a report containing the results of his efforts which we are forwarding as Appendix II. His report covers the legal aspects of termination, lists the organization's outstanding obligations, i.e., employer insurance payments, rent, cost of repairing the DTLINEN premises prior to return to the landlord, etc., and a list of the employees of the organization showing the payments German law entitles them to in the event of termination. The paper also includes a complete inventory of all property held by DTLINEN and an estimate of its current value. It also provides financial data regarding the probable overall cost of maintaining the project over the six-month termination period. It is our feeling that there isn't a great deal that we can add to his paper; [] appears to have covered the subject very well and in detail. The termination paper, as noted, is based upon the presumption that a six-month phase-out period will be available after notification of termination has been received. It is our strong feeling that we should not attempt to phase out the project in a shorter period of time.

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