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SOURCE METHOD EXEMPTION 2520
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

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1298 CBGFG

22 August 1952

SUBJECT: Operational - DTLINEN

TO : Chief of Mission
Frankfurt, Germany

ATTN:

REF : (a) 451-CFGBG
(b) 427-CFGBG

DATE	27. AI	C/M	Exec.	G.D.	R.D.	P.D.	B.D.	C.D.	Air Sec.	Sec.	Per.	Fin.	Sup.	Wor Plans	Proc. Ho	Tech.	Evcc.	INFO.	File Copy
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1. According to your instructions, Newham was requested to prepare the July report for SGRIND with utmost speed and it is attached herewith. It must be admitted at this point that neither Newham nor myself are sure of what is actually required. The questions posed in the attachment to 427-CFGBG have been complied with quite some time ago - I believe in April - however, we shall be glad to restate the answers.

2. The following is a summary of the reasons for the difficulties which have arisen right from the beginning of the SGRECORD grant.

a. As soon as the SGRECORD grant was announced and the first installment rolled into DTLINEN, Newham was instructed (in accordance with instructions I had received) to use DYCIAVIER funds exclusively for the development of the DYCIAVIER section of DTLINEN, namely II b., and subsequently the SGRECORD money necessarily had to absorb the rather large overhead of DTLINEN's overt social welfare part.

b. I know that SGRECORD, as stated to me personally by John N. Waterfield approximately two years ago, expected that their funds would be exclusively used for an increase of DTLINEN's activities in the social welfare field and primarily furnish the increase of volume in supplies and cash for relatives of political prisoners in the zone and for the relief of refugees in West Berlin. This was not possible, and we have always been in the predicament of accounting to SGRECORD without giving them the impression that they have suddenly with their grant taken on the full load of the overt DTLINEN overhead. Since DYCIAVIER funds could not be used for that overhead, Newham has always been caught between two fires. In at least the last four or five reports, however, at the end of the report Newham has stated the total expansion of all funds expended by DTLINEN and then added that of these funds approximately 31,000 DM were covered by SGRECORD. We have, therefore, never directly answered the question of what percentage of the total overhead of DTLINEN is met by SGRECORD grant as stated in paragraph 1) a) of enclosure A to dispatch 427-CFGBG.

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c. Approximately eighteen months ago, when DYCIAVIER absorbed the Kaiser Ministry funds (which the Kaiser Ministry intended to use as a lever of control against DTLINEN) we replaced the loss to DTLINEN on the one hand but on the other hand required them not to use these funds for the same purpose for which they had been used while coming from the Kaiser Ministry.

3. DTLINEN continues to be by far the largest private welfare organization in West Berlin, and the latest influx of refugees are even required by the city to report to DTLINEN in their processing. Approximately 500 people per day come to DTLINEN now for guidance as well as material help. This is in addition to the many thousands that DTLINEN is still attempting to aid in the Soviet Zone. For these overt activities DTLINEN receives 5,000 DM from the Senate. No other sources of funds are available to the DTLINEN social welfare activities except the SGRECORD grant. It must be restated that DYCIAVIER funds as well as the small contribution from CIC are completely used for DYCIAVIER type covert activities. DTLINEN's payroll on the overt side alone however is more than 15,000 DM.

4. It is suggested that [] examine the enclosed July report for the SGRECORD prior to sending it on to Munich. DTRUIER would be grateful for guidance on a way out of this predicament.

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Distribution:

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Enclosure:

2 copies of DTLINEN Report to SGRECORD

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