1. Through the courtesy of George Wood, a meeting was arranged between Arno SCHOLZ, Annedore LEBER and myself. SCHOLZ and LEBER are both editors and licensees of the violently Social Democratic Berlin daily, the "Telegraf", and there is a wide-spread impression in newspaper circles that both of them are active in British Intelligence or a subsidiary thereof, such as the Dutch Intelligence Service, which you suggested in your reference letter.

2. The meeting was scheduled to take place at 2130 hours, 3 December 1946. Unfortunately, SCHOLZ was unable to find Krottenauer Strasse immediately, and as a result came over an hour late, thereby limiting the time available and forcing me to take a more direct approach than originally planned.

3. This, roughly, seems to be the story. The "Telegraf" was started on the understanding that it will be a militant paper and will have none of the slightly hesitant, conservative style of the "Tagespiegel"--the other large pro-Western daily. The license for the paper was issued by British Military Government to Arno SCHOLZ, Annedore LEBER, and Paul LOEBE. The distribution of labor seemed to be as follows: SCHOLZ had the militant spirit, a most vitriolic pen, and the technical know-how of printing and publishing; LEBER--widow of a famous Social Democrat who was murdered by the Nazis--had the money and the connections to SPD circles; and LOEBE, a noted SPD man, had the literary talent necessary. The newspaper founded by the trio, and strongly backed by the British, became an outstanding success overnight and has been by far the most popular Berlin newspaper ever since its publication.

4. Most of my attention was naturally devoted to SCHOLZ--a rather repulsive person at first glance. He is one of those...
dark-complexioned men with a very dark growth of beard, who look dirty and unshaven, no matter how fastidiously they are dressed, which to be sure, SCHOLZ does not. He is about 40 years old, slightly fat, wears thick black-rimmed glasses, and has a nose comparable to that of Cyrano de Bergerac. All in all, he looks like the late "Stuormer's" conception of a Jew, although SCHOLZ is not Jewish. SCHOLZ attended the University of Magdeburg and Berlin, graduating from the latter in the early thirties. He is a journalist by profession, and is also an expert on printing and publishing technique. SCHOLZ was associated with one of the Social-Democratic newspapers of the pre-Hitler era, and was arrested when the Nazis came to power, but was released shortly thereafter. For a year and a half, however, he had to report twice daily to the local police precinct to announce he was still in Berlin, but was not further disturbed. Around 1936 SCHOLZ established a newspaper clipping service, which he maintained till late 1940, when fearing a call to military service, he left Berlin for Magdeburg. From Magdeburg he moved to a number of other towns, always just one jump ahead of the draft, and managed to stay out of the Army throughout the war. In the winter of 1944 he came back to Berlin, was conscripted into the Volksturm but I doubt if he was of much use to the Reichswehr during the battle for Berlin. In the summer of 1945 SCHOLZ went to Hannover and became one of SCHUMACHER's close assistants. From there he came back to Berlin, sponsored by the British MG.

5. SCHOLZ is violently anti-Russian, and I have no doubt about his sentiments being genuine. He is very proud of the stand the "Telegraf" has taken against the Russians and particularly against the SED, a stand certainly more courageous than that of any other newspaper. This stand against the SED resulted in a constant flood of letters to the "Telegraf" from people in all walks of life in the Soviet Zone, who write of even the smallest and most insignificant grievances, in the hope that the "Telegraf" will print them. SCHOLZ said it was his policy to have all letters answered and in the answers people are encouraged to keep on writing and tell their troubles. As a result, SCHOLZ stated, at the time of the so-called kidnapping of children last summer, the "Telegraf" received over 300 letters, with that many case histories, on subject in a single day. SCHOLZ said he has in the "Telegraf's" office, a so-called "Situation Room" where he files all reports about the Russians and the SED that he felt would be unwise to print. In SCHOLZ's own opinion, the quality of the information he receives from these volunteer correspondents was not very high, although occasionally very well written and concise reports are received, but that the quantity was so great that a proper exploitation of the material would definitely be worth while.

SECRET CONTROL
6. Answering my direct question, SCHOLZ stated that some of the material he receives is being passed to the British Press Center, while representatives of British Intelligence have access to and are frequent visitors in his "Situation Room". He assured me that the American authorities would be just as welcome to make use of his facilities.

7. In view of the fact that we were not alone during the conversation, it did not seem advisable to ask SCHOLZ just which British authorities he worked for, nor about his possible tie-up with the Dutchman SWART, which you mentioned in reference letter. However, SCHOLZ promised to come for dinner at my home next week, where in all probability a better opportunity will present itself.

Distribution:

4 - AB 51
1 - SCHOLZ File.