

VIA: AIR  
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**SECRET**  
CLASSIFICATION

DATE: 16 April 1952

TO : Chief, SR  
Chief, EE  
FROM : Chief of Station, Frankfurt

SUBJECT: GENERAL — REDSOX/AERODYNAMIC

SPECIFIC — <sup>0</sup> Transmittal of Report on Fifty Thousand DM Subsidy to CASSOWARY 1

REF: MGQ-A-2108 Para 3

Transmitted herewith is   report on fifty thousand DM subsidy to CASSOWARY 1, for your further distribution.

[ ]  
*reg*

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CENTRAL INTELLIGENCE AGENCY  
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DATE 2007

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FORM NO. 51-28A  
MAR. 1949

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*74-124-29/2*  
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Subject: Fifty Thousand DM Subsidy to CASSOWARY 1

1. In June 1950 a fifty thousand (50,000) DM subsidy was handed to CASSOWARY 4 so that CASSOWARY 1 could start the publication of a periodical. Without an official subsidized publication CASSOWARY 1 would not have been able to survive in Europe for many of its members were unemployed and would have had to emigrate from Germany purely for financial reasons. We did not want "to preside over the dissolution of " our emigre group. At the same time, CASSOWARY 1 did not have explicit permission from its parent organization, CAWNPORE 1, to accept outright subsidies from the U.S. Government. This explicit permission to cooperate closely with the U.S. did not arrive until October 1950. In June 1950 the CASSOWARIES asked that the money be termed as a loan and the terms of repayment were elaborated and signed by CASSOWARY 4. Since the undersigned and [

] realized that all the emigre publications of this nationality operate at a deficit, it was not clear how the "loan" could be repaid. To the best of the undersigned's recollection, December 1950 was the due date for the first repayment installment. Since permission had arrived in the meantime for "close cooperation" between the U.S. and CASSOWARY 1, no repayment was made and none expected.

2. Whether this subsidy was the first written into our books as a loan or a subsidy, it should now be written off as an outright gift. According to [ ] the correspondence referring to the entire transaction is only to be found in Washington, because the back files for this period at CSOB were destroyed during a period of international tension some time back. Authorization to give outright subsidies to CASSOWARY 1's publications was granted in Washington in mid-December 1950.

*WAP*  
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