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Chief, EE

15 January 1953

Chief of Mission, [ ]

Operational  
Interview with Utility

240/6211

Reference: (a)ESZA-61, (b)DIR 35323, (c)SBORN 0420, (d)SPULL 4695.

1. UTILITY came [ ] on 12 January. He had dinner with us in our apartment, after which [ ] went to the movies. UTILITY and I talked from 2030 until after 2300, after which I drove him to his hotel (the Gotthard). The next day he was to see [ ] and [ ].

2. As long as I have known UTILITY, and as pleasant as our relations have been, I have never known him to be as cordial and communicative as he was during our two-and-a-half hours' talk. In the course of what follows, there will be some frustrating gaps and some unanswered questions. Some of the things he said were not entirely clear to me, and wherever I felt that there was an even chance that such statements would be clear to my colleagues of the German Station I let them go rather than interrupt the flow of conversation and the relaxed atmosphere by possibly too persistent inquisitiveness.

3. With reference to the subject of reference (b) and (c), I simply asked UTILITY if he had heard anything of the sort. He said that he had not, but that it probably stemmed from the same source as the report of French-Soviet negotiations mentioned in reference (c) and was undoubtedly a plant. He stated that ZIPPER had possibly identified this source as one in [ ]. I did not recognize the name, but UTILITY threw it out as if my familiarity with it were to be taken for granted, and I hesitated to disabuse him, assuming that it would be in the file or known to others. Unfortunately, I have found nothing here on him. I would appreciate being enlightened. From UTILITY's further discourse, I gathered that [ ] was somehow involved in the Rado complex. In any case, it is UTILITY's theory that certain elements in that complex who worked both for the Soviets and the BIS during the war are still active and available for the planting of just such destructive rumors. For many reasons I did not tell UTILITY that we had heard of the rumor through CAPOTS, or even that we had run across it in Germany.

4. With respect to the subject raised in SPULL 4695, UTILITY gave no indication of deep concern. He knows that forces are at work to divert his organization to the EDC, and he thinks that the French are behind it, possibly fronting for the British. He apparently does not know which French individuals

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or groups are involved. He says the idea is not taken seriously in Germany.

6. He is deeply concerned, of course, by the delays in treaty ratification, chiefly because he feels that the position of his organization becomes daily more exposed. To anticipate attacks from opposition elements, he has initiated preventative measures with both the SPD and the DRV through their respective Chiefs. Just before his trip to Switzerland, he conferred with both JOSE and GILBERT. The latter readily agreed to brief his associates on the existence and nature of RIPPEN, remarking that one of RIPPEN's problems was not that it was too well known but that it was not known well enough. JOSE will similarly brief the Laender Verfassungsschutz chiefs, this program having been coordinated with GILBERT.

5. As to JOSE, relations between the two men continue to be outwardly good, and UTILITY even went so far as to say that he would be reluctant to see him go, not because he is the ideal man for the job, but because (1) his dismissal would probably be attributed to UTILITY by the British, and (2) a successor might be worse. UTILITY reiterated his determination to maintain harmonious working relations with the British. He did state, however, that JOSE was engaging in foreign intelligence, not only in Eastern Germany, whose status as foreign territory is doubtful, but also in the Near East. UTILITY implied that this activity was probably directed by the British. He did not seem much concerned about it, remarking that this sort of thing could be easily handled once RIPPEN is in the Government. JOSE, by the way, and according to UTILITY, boasts of a line to the immediate vicinity of BEIRUT and the Arabian. When I asked for details, UTILITY mentioned "the British agent, Peter WYKE." My own estimate of the RIPPEN-UTILITY relationship as of the moment is that JOSE's position has been weakened, to what extent with or without subtle assistance from UTILITY is hard to tell. Conscious of this weakness, and also conscious of UTILITY's present strength with the Chancellor, he has become aware of RIPPEN as a possible source of support. UTILITY, for the reasons given above, is rather disposed to support him. From UTILITY's point of view, the situation is eminently satisfactory.

7. We now move on to the weapons procurement scene, on which we have had such extensive reports from [ ]'s garrulous sources. UTILITY told a story which checks in its general outlines with the story told to [ ] by [ ] and reported in paragraph 6 of HIRA-61. According to UTILITY, however, the [ ] representatives were CAPILA and Peter STORCKMAYER (t), who had moved with his Ferrarini firm to Hamburg, and the commission to be paid was five per cent, with four per cent to go to the [ ] fund and one per cent into CAPILA's pocket. The rest of the story is the same, with BURNELL reporting to SPRIDEL and the latter raising hell about it in Bonn. An additional wrinkle is that BURNELL, while he was in Germany saw, not only EDWARD, but also UTILITY, who assured him of a neutral position as between BURNELL and [ ] B. He also assured [ ] that he has never seen any evidence to substantiate the reports of BURNELL's dealings with the East and discounts them.

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8. While on this subject, it would appear that UTILITY is far less deeply involved in [ ] than had previously been assumed. As a sort of trial balloon, I told UTILITY that I was having lunch next day with [ ], whom I know to be a member of the board. To my great surprise, and for the moment to my considerable incredulity, UTILITY said he had never heard of [ ]. This was doubly astounding in view of the fact that, at the Christmas party at Pullach, ROGER, rather in his cups, had mentioned [ ] to me and urged me to look him up. Picture my confusion, then, when [ ], next day told me that he had not seen ROGER since before the war in Berlin and had not even been aware that he was still alive! UTILITY even told me that he would be very much interested in any information I could give him about [ ]. From my subsequent conversation with [ ], I gather that [ ] plays a pretty independent hand, and may well have a policy of keeping his many contacts separate from one another.

9. To conclude on a piquant note, here is a tentative list of some of UTILITY's future Chiefs of Station (diplomatic cover): France, ROSE (NOELLER); Spain, DOERR; USA, HENDAH; Italy, Brother HAYS (God help us!). He intends to limit these representations to a single man and a secretary.

P.S. To return for a moment to the weapons business, I asked UTILITY about [ ]'s role in [ ]. He said that [ ] was not a member of the board (his name was not included on the list of board members given me by [ ], but that he was certainly trying to get into the act and that he (UTILITY) was encouraging [ ] to keep him dangling, for CI reasons. [ ] and his secretary, [ ] (sp?), who is [ ]'s fiancée, are somehow involved in it all, which accounts for UTILITY's CI interest.

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