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5 25.35 15 January 1953

Chief. ER

Chief of Mission,

Operational

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Interview with Utility

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 hetel (the Gotthard). The next day he was to see and 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 WILLITY 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 possiblively identified this source as one inu L I did not recognize the name, but WILITY 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 J 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 sany reasons I did not tell Ufiliti that we had heard of the rusor 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 divest 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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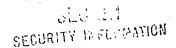
SECURITY IN CHARACTOR

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

- 5. We is desply concerned, of course, by the delays in treaty ratification, chiefly because he feels that the position of his organization becomes daily more exposed. To caticipate attacks from opposition elements, he has initiated preventative measures with both the TVD and the BEV through their respective thicks. Just before his trip to Evitarized, he conferred with both JUHE and CLL-MARKER. The latter readily agreed to brief bit associates on the existence and nature of IPPIE, remarking that one of IEPPE's problems was not that it was too well known but that it was not known well enough. JUHE will similarly brief the Launder Ferfassunguenhutz chiefs, this program having been coordinated with SLAME.
- 5. As to CORR, relations between the two men continue to be outwardly good, and Willit's even went so for an to any that he would be raluntent to see him go, not because he is the ideal new for the job, but because (1) his distingui would probably be attributed to Will'll by the British, and (2). a supportant might be worse. WilliTY reitemated his determination to maintain harmalous working relations with the Eritich. He did state, however, that July was engaging in foreign intelligence, not only in Eastern Garmany, whose status as foreign territory is dedutable, but also in the Rear Past. Willitt implied that this sollvity was probably directed by the Britist. In old not som much concerned about it, remarking that this cost of thing sould be essily handled once IFFER is in the Coverment. JOHn, by the key, and according to UTILITY, boasts of a line to the landlate vicinity of This and the Lordin. Then I asked for details, Willit's mentioned the British mest, Poter WYS!" My ove estimate of the LIPTE-MY relationship as of the monest is that JOHE's position has been weakened, to that extent with or without wable assistance from Willit is herd to tell. Conscious of this weekness, and also conscious of Willit's present strongth with the Charcoller, he has become every of AIP BR as a possible course of support. THEITY, for the reasons given above, is rather disposed to support bia. From UTILITY's point of view, the situation is estimatly satisfactory.
- 7. We now move on to the weepons producement scene, on which we have had such entensive reports from L De garralous sources. Utility told a story which obsers in its general eatlines with the story told to [] by I and reported in varygraph 6 of Rill-61. According to Dillity. I representatives were CAPILA and Pater STURIBLATER (1). however, the [who has payed with his Terremer firm to Headurg, and the commission to be I fund and one paid was five par cent, with four per cent to go to the per cont into CATILA's pocket. The rest of the story is the same, with BURENLE reporting to SPRIDEL and the latter raising hell about 10 in Boss. As additional wrights to that BURELL, while he was in ferroup say, not enly MHARD, but also DTILITY, who assured him of a neutral position as that he has never between BURUSLE and L 35. He also escared L seen any evidence to substantiate the reports of BUSHBLE's dealings with the Kast and discounts them.



- desply involved in _ _ than had previously been assumed. As a sert of trial balloon, I teld UTILITY that I was having lanch next day with _ _ whem I knew to be a number of the board. To my great surprise, and for the minent to my considerable incredulity, UTILITY said he had never heard of _ _ This was doubly actualing in view of the fact that, at the Christman party at Pullach, ECCER, 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 MOSER since before the war in Berlin and had not even been aware that he was still alive! UTILITY even teld me that he would be very such interested in any information I could give him about _ _ Trom my subsequent conversation with Lance a policy of keeping his many contacts separate from one another.
- 9. To conclude on a piquent note, here is a tentative liet of some of UTILITY's fature Chiefs of Station (diplomatic cover): France, MORE (NURLER); Spain, BOERR: USA, HENDANG; Italy, Brother HANT (God help un!). He intends to limit these representations to a single man and a secretary.
- 2.5. To return for a mesent to the weapons business, I asked UTILITY about I a role in I. He said that I was not a member of the beard (his way mane was not included on the list of beard members given me by I, but that he was certainly trying to get into the sait and that he (UTILITY) was encouraging I to keep him daughing, for CI reasons. I (ap?), who is Is finance. ere seasons involved in it all, which accounts for UTILITY's CI interest.

