

VIA AIR

SEARCH NO. 127A-5335

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29 Apr 55

TO : Chief, ~~EC~~

DATE: 28.4

FROM : Chief, FOR

INFO: COM

SUBJECT: GENERAL-- CALL/CADORY - Operational

SPECIFIC-- [] - Dowshall's New Undertaking and its Atomic Energy Possibilities

References: A. FROB 0141
B. FROF 0161

1. For some weeks now a deal has been maturing, under which George C. Dowshall has become the Germany representative, and in effect the prime mover, of an as yet secret public relations contract between Identity 1 and CAPSULA (Identity 2). Although the relationship of CAPSULA, Identity 1, and Dowshall is not to be announced before late May, it has now been formalized, and for most of the month of April Dowshall has been devoting a heavy share of his time to these new duties, which he plans to carry out without suspending, or cutting back his own publication.

2. In the course of a telephone call on family business 19 April, Dowshall passed me the information contained in ref. A, and the next day Dowshall's wife brought me the information contained in ref. B. LOFFERBOK indicated lively and immediate interest, and wanted more information. While [] is not my project, and in fact technically is not even an active project any more, I accordingly visited Dowshall at his home 21 April, partly because I had already been specifically briefed by LOFFERBOK on the additional information they desired in the course of processing refs, partly because of the natural cover of known friendship and cross-visiting.

3. Dowshall not only made available a translation of a technical pamphlet prepared by CAPSULA's top experts on the subject matter desired by LOFFERBOK, but outlined to me his relationship with CAPSULA under the new arrangement. As he puts it, owing to both the extreme sensitivity of CAPSULA on the question of international reputation, and the well-nigh complete continental ignorance of modern public relations techniques, Dowshall is "practically a policy-maker and advisor to the whole CAPSULA empire". Dowshall originated the recent allusions of CAPSULA-1 (Identity 1) in a press conference to the initiation of a "private Point Four program" by CAPSULA on an international scale, relative to the export of technicians, know-how, and guidance. He has also demanded, and been promised, that on behalf of Identity 1 he, Dowshall, will have immediate access day or night at any time he feels such urgency to CAPSULA-1.

4. Dowshall mentioned in passing that he knows the top directors of CAPSULA are either considering or actually planning entry into the field of

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atomic energy, at least to the extent of building equipment if nothing more. Off the cuff, I suggested that as public relations advisor he should suggest to CAPSULA-1 that the latter at least broach publicly the idea of constructing an atomic energy power plant for West Berlin.

(a) Judging by recent OPACID traffic, there is an undesirable amount of Communist confidence and West German apprehension based on the fact that West Berlin needs brown coal briquettes supplied by the DLR and/or Poland for which West German coal, flown or railroaded in, is not a completely satisfactory substitute. The mere mention of atomic power might jar loose some calcified thinking along these lines.

(b) Such discussion would not only further the U.S. and Western "Atoms for Peace" line, but might give a new twist to the CAPSULA "war monster" reputation which could be exploited by adept public relations.

(c) Most important of all, however, it would give Dowshall the necessary uncompromising opening for digging out some information on CAPSULA's atomic energy plans and thinking, which would appear to be a rewarding KUTANK target.

5. Dowshall agreed with considerable enthusiasm. We both agreed that we have no basis for knowing whether the idea is even remotely feasible, but CAPSULA could hardly expect Dowshall to be scientifically knowledgeable in this field, and if the idea is impractical, the CAPSULA scientists may well let slip a certain amount of worthwhile information to him if for nothing more than to convince the layman of his stupidity.

6. Dowshall stated that as long as I am reachable in Germany (to 1 July 1955), and for as long thereafter as KUTANK remains interested in supplying him with a contact, preferably one thoroughly competent in security tradecraft and knowledgeable enough in industrial and technical matters to direct Dowshall's output, he will be glad to continue to give us such useful information as he obtains from the CAPSULA connection. He made the sole stipulation that this must in no way ever involve him again in having to draft, substantiate, or sign an ODIOME accounting of any nature, out of consideration to his basic allergy to all such procedures. It would also appear that at long range, if Dowshall works his way into CAPSULA 1's confidence, there are broad KUCAGE possibilities in this relationship.

APPROVED: [] [] [] []

25 April 1955

Enclosure: SEPARATE COVER

Att. A (Identification)

Distributions

1 - ES w/encl. as noted S/G
1 - [] w/encl. as noted S/G

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SEPARATE COVER ATTACHMENT "A"

to SIWA-5335

IDENTITIES

- Identity 1 - ^{FIAM - U.S.A.} Worton & Condon, New York City
- 2 - ^{FIAM - GERMANY} Fried. Krupp A.G.
- 3 - Alfred Krupp von Bohlen und Halbach

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