SECURITY DEFERMATION

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Subject:		with Grallspice 1, Report #36	26 July	1953	

Opening of Meeting:

l. Case officer ______ met agent Grallspice l at 1600 hours on the corner opposite the Elmo Kino on 28 July 1953. Agent and case officer walked along the river bank (northward) to a park bench where the meeting was held. The meeting was held in English except for a few instances when German was used to avoid misunderstandings. The meeting as usual was held under social cover.

Production:

2. Agent submitted his weekly behavior reports which were examined as usual. Since the reports were not too detailed, no attempt was made at cross-examining agent concerning his activities.

Operational Matters:

- 3. Agent submitted two more "business" letters which are to be mailed to him. Agent reported that he had received two from Linz. (Case officer note: Stephen H. Fendler mailed these letters during his recent trip to Linz.)
- 4. Agent was asked if he could write a letter to the Lindex Company in Nunich, asking to be reinstated as a representative as he thinks he might be in Salzburg a while and if possible would like to have some business connections during his stay in Salzburg. Grallspice 1 answered that he would give the matter some thought in view of his cover with Lindex in Vienna. The matter will be discussed further at the next meeting. When agent asked the reason for the letter, he was told that we may be able to start some operationalwork. Agent was extremely happy that he might have something to do.
- 5. Agent was asked to try to spot a suitable safe house for our future meetings. He is to visit real estate offices under a false name, receive addresses and descriptions of potential safe apartments and then case them briefly. Then either _____ or another case officer would rent the apartments after agent has refused them.

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Personal Matters:

6. Agent was asked to have passport-size photos of himself and his family made. (Case officer note: These pictures will be used for securing additional documentation for Grallspice 1.)

Security:

7. Agent reported that the Negro civilian as mentioned in Contact Report 35 was still loitering in the neighborhood. Agent was told to watch this person more closely and if the right opportunity arises obtain his name.

Administrative Matters:

8. Agent was paid the following sums for which signed receipts were obtained: (a) 1000 ANS, subsistence July; (b) 1560 ANS, salary July; (c) 168 DM, salary July.

Close of Meeting:

9. The meeting ended at 1650 hours. It was agreed to meet again at 1600 hours 3 August 1953 at the Lehenerhof Gasthaus.

Case Officer Comments:

- 10. Agent's morale seems to be quite high again although he does occasionally mention his mistake in going across the border black for the sake of his 16-year old mistress. Agent was very glad to hear that he at last might have some kind of an operational job to perform.
- ll. Agent continues to make quite good progress with his English; as mentioned above, almost the entire meeting was held in English. Of course, case officer must speak slowly and distinctly so that agent can understand. Case officer has found that agent understands him this way and case officer has not had to repeat sentences too often.

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