

AIR

WGL-4-7022

Chief, Foreign Division X
Chief of Station, Karlsruhe

21 August 1950

Operational
USAGE / Cover

1. Subject has been occupied with the question of his future cover ever since the Austria Verlag, which has served him in the past, ran into difficulties with the Austrian tax authorities, which will probably eliminate the firm from the cover picture. (See WIRNF-4057). We have not solved the quandary into which USAGE's headstrong disregard of our directive not to try to interfere in the matter by means of a letter from a notional American office has put both him and us, but have merely postponed any drastic trouble by arranging CIC intervention. USAGE and the head of the firm may have taken steps to solve the whole question. This is one subject which will be discussed at a planned meeting between [redacted] and myself and USAGE on 24 August.

2. The following suggestions have been submitted by USAGE as cover possibilities:

a. A great need for gelatine capsules exists in Austria, both for pharmaceutical and food industries, and there is to date no such industry in Austria. Such an undertaking would provide excellent cover. A Berlin firm, Fritz KILLIAN, Berlin/Lichtenberg manufactures the necessary machinery. Also an American firm, SNIDER (no address known). It is believed however, that the American firm manufactures only machines of great capacity which would not be suitable for Austria's limited needs. One of the KILLIAN machines apparently would be enough. No price or estimate is given, but it seems probable that this is an opportunity to provide cover for USAGE, with a small original outlay and the strong possibility that it would show a profit in the long run.

b. The second and probably more attractive proposition stems from USAGE's contacts through his father-in-law to Dr. Max Count ATTENS, Chief of Protocol of the Austrian Foreign Office. Although most states since 1945 have ignored protocol and have not consulted the Austrians as to acceptability, etc. of their appointees, more regular diplomatic behavior is now expected and USAGE has been assured that the next time any foreign government asks for a consular official acceptable to the Austrian Government, he will be proposed. It is apparently normal for Austrian nationals to take consular posts for foreign countries. I do not know the present state of USAGE's application for Austrian citizenship.

NAZI WAR CRIMES DISCLOSURE ACT

EXEMPTIONS Section 3(b)

- (2)(A) Privacy
- (2)(B) Methods/ Sources
- (2)(G) Foreign Relations

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8. Since USAGE's future with us is still not clear, any decision on these two reports must await the outcome of the overall PCB - USAGE decisions, but we would like to hear your views on the intrinsic merits of these two suggestions.

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