

SECRET  
SECURITY INFORMATION

MIL/8283

11 August 1952

Grallspice  
Meeting on 22 July 1952Contact Report No. 15

1. [ ] arrived at the operational apartment at 0905 hours as had been arranged at the previous meeting.

Operational Matters.2. Neues Oesterreich Advertisement.

a. Grallspice reported that on 18 July he had called the number of the telephone given in the Neues Oesterreich classified advertisement and talked with the owner of the shop in question. He had, as had been planned, told the owner of the store, who did not give his name, that he had a daughter who might be qualified for this position if he had more details about the opportunity. The owner of the shop told Grallspice that the shop was located at Faulnangasse 7 in Vienna IV. He said that he is looking for a Russian-speaking salesgirl because the majority of his customers are Russians and he himself could communicate only very poorly in that language. The owner of the shop said that until the salesgirl who was willing to take this position had demonstrated her ability to sell goods to Soviets, she would have to be content with a modest salary. Grallspice informed the owner that he would talk the matter over with his daughter and send her to the shop if she was interested.

b. Later the same day Grallspice went to the address he had received and discovered that the shop in question was a clothing store called the Maschmarktbasar. The display windows carried primarily sport jackets, shirts, leather jackets, and other articles of wearing apparel. Grallspice also noticed that the neighborhood in which the store was located was teeming with Soviet vehicles and personnel.

NOTE: The address files indicate that six different apartments in this area of the Faulnangasse are entirely requisitioned by the Soviet occupation authorities.

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c. On 21 July Grallspice returned to the Naschmarktbasar and entered the store in order to case the area. He discovered that the sales room was very small, about 25x25 feet, and that behind the display window was a closed room into which one could not see from the sales room. Two men were in the shop when Grallspice arrived, one of whom was about fifty years old, 170 cm., heavy set, and bald, and the other about forty years old, 160 cm., slim, and dark blond hair. In addition to these two men there was also one policeman and a woman who was holding a telegram in her hand. Grallspice looked around the shop and was unable to determine which of these men might have been the owner of the store. No one asked him what he wished to buy and he was ignored the total time he was in the shop. Grallspice had intended to buy a pair of suspenders but found that the shop contained practically no goods. After looking over what appeared to be available for purchase, Grallspice left the shop without saying a word and feeling that he had made a mistake and entered the wrong door. After leaving the shop, Grallspice discovered that he had, indeed, entered the right door; he was then curious as to the very limited number of items the shop appeared to have for sale. Grallspice did notice that the shop, in addition to the clothing, had a few odds and ends of porcelain, a few pots and pans, and other miscellaneous trivial articles. Grallspice noticed that the display windows also contained three pairs of shoes, but no shoes had been visible inside the shop nor did he see any shelves where shoes might have been kept. Grallspice reasoned that if one were to sell shoes, it would be necessary to have a certain selection of various sizes and styles. He felt that if the shop is legitimate, the only explanation is that it sells primarily "seconds" and odd lot items in limited quantity at bargain prices.

d. Grallspice and [ ] discussed the operational possibilities inherent in this lead and had to regret that no candidate was available to inject into this tailor-made situation. Grallspice agreed that he would return to the shop periodically in order to determine whether or not a girl was employed there. If he determined that the owner of the shop had been successful in obtaining a girl, he would enter the shop and attempt to learn whether or not she spoke Russian.

3. Grallspice reported that through his landlady, THUILE, he had met a young girl, approximately nineteen years of age, whom his landlady introduced only as a close friend. The young lady stated that she was studying nursing at the University clinic and that her home was in Kærnten. She said she had been in Vienna for more than two years. Grallspice found her attractive and intelligent and feels that this contact might possibly provide entree to other girls from the nursing school.

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4. Grallspace and [ ] spent a considerable amount of time continuing their usual discussions about the best approaches to the Soviet target. Grallspace appeared to be entirely sold upon the advantages to be gained by tracking down Russian-speaking Austrian girls who were suitable for intelligence work. He also made several suggestions concerning other approaches, one of which, although perhaps sound from a psychological point of view, [ ] had to refuse without qualification. Grallspace suggested that the simplest and most direct method in which the Americans could obtain "defectors" would be by the simple expedient of kidnapping them. Grallspace supported his argument by going into a detailed analysis of the Soviet mentality and assured [ ] that a considerable number of Soviets picked up in this manner would be more than willing to remain in American hands after being detained for a few days with only modest dress. [ ] took Grallspace slightly to task for the many factors he had not considered in suggesting this solution. Grallspace tried to seek an out by claiming that although he realized that political and other considerations mitigated against the actual use of such procedure, the theoretical success of such action served as an excellent insight into the Soviet mentality.

NOTE: Grallspace's primary argument in support of the above reasoning was drawn from the history of Soviet soldiers in World War II, who so quickly and willingly joined forces under VIASSOV'S Army. Grallspace explained that although none of them, with few exceptions, had ever actively thought of surrendering, even though they were relatively discontented and disaffected, once fate had stepped in and led to their capture by the Germans, the Russians invariably accepted this and found it not in the least unreasonable that they should turn around and fight against their own countrymen. Grallspace stated that he was in more or less the same position and that he knows that the vast majority of his fellow officers had reacted in the same manner. Grallspace stated that he felt strongly that the phenomenon carries over to the present day; any action which could be considered fate or something over which the Soviet himself would have no basic control dictated that the Soviet should be withdrawn from his environment, this action would serve as a catalyst upon the Soviet's basic disaffection and would tend to make him accept his fate; i.e. working for the Americans after an unaccountable course of action.

#### Personal Matters.

5. Grallspace stated that he was not entirely happy with his new apartment, primarily because his landlady had proved herself to be an exceedingly curious individual. Moreover, she already had reneged on her promise to go to Germany and it appeared quite uncertain that she would ever leave so that

Grallspice would have the apartment to himself as he had originally hoped. Melderness gave Grallspice a brief lecture at this point concerning the somewhat unethical ways of Austrian landladies and Grallspice stated that unless the situation improved, he most certainly would attempt to find a new residence when his advance payment for the trial period had been exhausted on 25 August.

Close of Meeting.

6. The next meeting was scheduled for 23 July at 1400 hours. [ ]  
left the operational apartment at 1115 hours.

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