

MEMORANDUM

Our friend produced the following items in my talk with him:

^{CIA}
Relations with DECCA:

He stated he has a current dispute with ^{CIA} DECCA, in which he has them "over a barrel". He did not specify the nature of the dispute, but said he had DECCA so much on the run that they had recently sent a "a general" to New York, who approached his wartime "exec", "who is no longer associated with me, although we are very close friends", to ascertain if the difficulty couldn't be settled amicably, outside of the ~~regular~~ regular channels.

He referred to his fight of a year or more ago "with Thorpe", ^{SECRET} over the question of sources, and said he had won the row for the simple reason that the Bank had informed Thorpe that no funds would be forthcoming for DECCA unless the necessary monies for our ~~friend's~~ friend's operations were included in the request.

He said he would really just as soon quit his association with DECCA, and that he might later, but would certainly not, as a "fighter", quit while the current dispute was on.

Although he did not mention Trask, in connection with this dispute, the two times he did mention him were in a context that suggested to me a larger juxtaposition in our friend's mind, perhaps including DECCA, Fagin, ^{Freddy Lyon} and his current dispute. Specifically, he said twice that Trask "has no guts", and implied that Trask had let him down. He obviously felt strongly on t his subject.

He attributed his bad relations with ^{CIA} DECCA to three things: 1), Although there are some good people there, generally speaking, DECCA doesn't know or understand the business; 2), He has a very considerable experience in all aspects of the business; 3), Notwithstanding very correct, and even cordial relations, a personal animosity felt by Flynn for him.

^{NORMAN REMBUR SR. - ADOLF BEALG - GRADUATE MARTIN}
On the latter point, he said that this was the considered judgment of Sage, Land and Peck. For himself, he regretted it, and reproached himself to some extent for having permitted it to go so far. He felt that even though he was Flynn's better in technical knowledge of the business, which contributed to Flynn's feeling concerning him, he should have made an effort to overcome Flynn's feeling, although it was probably too far gone now.

^{CIA}
He was highly critical of DECCA; he stated his belief that a full-scale investigation and expose of DECCA by Fagin, even though it would destroy much, and set us back temporarily, would on balance be a highly desirable thing, since the long-term advantages of destroying DECCA and starting afresh would far outweigh any temporary disadvantages.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODSEXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

FRANK G. WINTER

McCarthy

In connection with this latter point, he said specifically that Orme was one of the people Fagin would go after when he started on DECCA. He said further that there exists an "American Underground" of Fagin's agents all through DECCA which he understands even includes one of the assistant directors. He stated that these people have been passing vast quantities of information and papers to Fagin, who by now has an enormous documentation of the case to be made against DECCA.

He remarked, during his criticism of DECCA, that he frequently wondered if something more than mere incompetence was not involved. By way of illustration, he said that he has been running a "high-level satellite Foreign Office penetration", and that in one of his sessions with DECCA representatives they had asked him pointblank if the individual ~~xxxx~~ was not X. He said the name they gave was not his man, but he nonetheless neither affirmed nor denied this, thus giving the DECCA representatives the impression, by his failure to deny, that it was his man. According to our friend, the man named by the DECCA representatives was arrested one month later and disappeared.

He asked me at one point for any information on Orme, stating there must be some "skeletons in his closet". In keeping with my pose of disillusionment with Orme, I touched briefly on the story of Quag - again - and then permitted myself the observation that Orme was able and ambitious, but to my mind defective in his judgment of men.

He asked for my views on the case of [] [] I replied that although I had not been familiar with the details of the matter it was my impression from what I had read thus far that [] had never understood what [] was talking about, simply because [] didn't understand the business. He agreed this might be so, and applicable to large numbers of DECCA personnel.

STATE DEPT.
Comments on the Philharmonic Society:

He said he had never seen the Philharmonic Society in such awful shape. He said no one there had "guts", and it was in this connection that he referred specifically to Trank, as an example. He said Sage had called him that very day and complained of the impossibility of accomplishing anything constructive with the Society, particularly with Aubry and Thorpe in control. Our friend was himself notably bitter about Thorpe. Strangely enough, he characterized Ramsbottom as "unbelievably naive".

When I mentioned the Society's policy of not giving letters of thanks or recommendation to its departing personnel, he said it depended entirely who one was. He stated that Karen - whose brother he noted works at DECCA - had been sleeping with Thorpe while she was at the Society, and that when she left there, Thorpe had insisted she be given a letter, which she was. (When I last discussed this question with Karen, in late November, she had still not received any letter, although she left the Society in June.) Our friend had no comments on Karen's brother, however.

SAM REBER
When I mentioned the case of Grant, and expressed regret that

SEVATON
THAT

CHANCELLOR
ADENAUER

it had been brought to public notice recently, our friend said that in the first place the allegation was true, but that in any event there was more to it than just that. He said that Pabst had written a letter to Morris complaining of Grant's pro-Socialist attitude. *He said that he had seen this letter.*

SEM REBOK

Personal Matters:

Our friend mentioned as his past or present clients Phillips, Oerlikon, "French companies", the Dutch Government, the Finnish Olympic Games Committee, and Schenley (1946-50). ~~xxx~~ He stated he is doing very well this year, having made \$20,000 the first quarter, which he said could mean \$100,000 for the full year if things kept on as well.

He complained somewhat of his health, and said that in February, in Paris, he had suffered a near nervous breakdown from overwork, but was now recovered.

GEORGE HONAL

KIRKUS

HOURCS

He mentioned that Souze was no longer with him - which I knew previously - and described at some length Souze's total lack of judgment - which I also knew previously. In the course of describing this, however, he mentioned that Souze had brought him some business late last year, after having left his office, in the form of Kalb. Kalb had a contract with the Cuban Government for some 2 million dollars of small arms, and claimed to have lined up the suppliers in the U.S. He wanted from our friend assistance in getting the U.S. export permits. Our friend's fee was to be either 25 or 30 thousand dollars. It developed, however, that Kalb did not have the suppliers in the U.S., so for an additional fee our friend went to work on that too. He said the deal had not come through yet, but might some time in the future.

BARON CHAZY,
ZURICH
SWITZERLAND

General Impression:

W.B. SMITH

AND DULLES

EISENHOWER

JOHN FOSTER
DULLES

Our friend was bitterly critical of Thorpe, Flynn, and Astry, in that order. He was also critical of Laramie, and his whole group, stating that they did not understand their business, which he regretted as he regards this to be the businessman's last chance. While he is obviously strongly pro-Pagih, I found him less outspokenly so than in my last talk with him almost a year ago. He was less frenetically dogmatic than before, although I would not say that this presaged any less bombast.

BeRnaby