

DISPATCHCLASSIFICATION
SECRET

DISPATCH SYMBOL AND NO.

EAVA-31045

TO Chief, EE

HEADQUARTERS FILE NO.
[]

INFO

FROM Chief of Station, Vienna *V88*

DATE 28 December 1962

SUBJECT GROOVY/GRCAMERA/Operational Progress Report

RE: "43-3" - (CHECK "X" ONE)

MARKED FOR INDEXING

 NO INDEXING REQUIREDACTION REQUIRED
FYIINDEXING CAN BE JUDGED
BY QUALIFIED HQ. DESK ONLY

REFERENCE(S)

1. The progress in the development of our relationship with GRCAMERA has been satisfactory. A firm rapport and a good basis of understanding between the two of us now exists. The general political line followed by GRCAMERA's newspaper could hardly be better from our point of view. In the instances where specific direction or guidance seemed to be called for, I have passed these on to GRCAMERA and his responses have been gratifying. We are now in the position that even without the assistance of [] and working exclusively through GRCAMERA, we can place articles and/or provide guidance to GRSPINAL/2 within the limits of journalistic realities. (This does not imply that there is any change in []'s willingness to cooperate.)

2. Since the last report on GRCAMERA there have been several developments which bear out our optimistic evaluation:

a. At the height of the Cuban crisis we were requested by Headquarters to place an article which underscored the nature of the Soviet military threat against the United States. The Washington cable was received here Saturday morning. I arranged to meet GRCAMERA the same afternoon, and handed him, in German, the substance of what Headquarters wanted published. The story appeared in next day's (Sunday) newspaper, in form of a signed editorial on the front page.

b. The get-together between senior Embassy officials and the top people of GRSPINAL/2, reported in EAVA-30901, turned out well and resulted in several additional promising relationships. It also served as a vehicle to introduce [] into the GRCAMERA complex.

c. GRCAMERA has asked for our impartial assistance to obtain a Quaker fellowship for his son. The latter was interviewed by [] and while it looks almost certain that he will not receive the grant, this too was a useful means of strengthening personal relations with GRCAMERA and [] has followed up this opportunity in a commendable fashion.

d. On 17 December the Embassy received a NIACT expressing the Department's concern about a story on a "secret" U.S. loan to strengthen the Austrian Army which was picked up by the GRSPINAL/2 correspondent in Washington and which, according to her, would be published on the 18th or 19th in Vienna. (The story was essentially correct. The Embassy considered it a near-miracle that it was kept out of print until now and they had been considering for some time just how to publish the story without raising a major hue and cry about the neutrality issue.) Upon receipt of the State message I advised Mr. Porter that I had a prior luncheon appointment with GRCAMERA for the 18th which was rather fortuitous. Porter and Political Counsellor Devine then discussed with me possible courses of action and it was agreed that it would be in our interest to prevent the proposed publication if it could be done in such a way as to avoid the identification of the Embassy with any direct request to suppress the admittedly newsworthy item.

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WHICH ARE OBSOLETE.

During the 18 December lunch, I worked the conversation around to the American loan for the Austrian Army. GRCAMERA volunteered the information which was known to me already from the Department's cable. He said he meant to publish it on the 18th, but refrained from so doing upon the request of Defense Minister Schlainzer. However, he also got some additional data and wanted to print it within the next few days. I told him that any undue emphasis on the American aspects of the case would help only the Soviets, even though I took it for granted that he, GRCAMERA, was in favor of the efforts to strengthen the Austrian Army, including the American loan. I said that the American loan to purchase arms and communications equipment in the U.S. was only a part of the story and it should be treated as such, along with other aspects of the effort to modernize the Austrian Army. After some discussion on the subject of journalistic duties and privileges, GRCAMERA agreed not to publish his correspondent's story. The Embassy was much relieved and advised the Department accordingly.

3. GRCAMERA told me that he had a visit from the new Press Attache of the Hungarian Legation BIRO () The latter represented Hungary's new "soft sell" approach. The results of the BIRO visit can be read from GRCAMERA's editorial which we are forwarding under separate cover.

4. The recently arrived U.S. Ambassador, Mr. Riddleberger, has agreed to my request that his first Austrian press contact should be with GRCAMERA. Such may well have been the case even without my intervention, based on the stature of GRCAMERA and the quality and prestige of his newspaper. However, GRCAMERA is most appreciative of our effort which will give him a clear scoop locally.

5. I have explained to GRCAMERA that I was going on home leave and that I will resume contact with him immediately upon my return. In the meanwhile I will be in touch with him.

DOC RECORDED w/5 C, 13
BY IND/AT 3 Jan 62

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