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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	East Germany/China/Hungary	<input type="text"/>	25X1 REPORT NO.	<input type="text"/>	25X1
SUBJECT	1. 1953 Production of the East German Main Administration Radio and Telecommunications (HV RFT)	DATE DISTR.	3 August 1954		
25X1	2. East German Plans for Export of Telecommunications Equipment	NO. OF PAGES	3		
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PLACE ACQUIRED	<input type="text"/>	25X1	REFERENCES		



1. The radio industry achieved 100 percent of its 1953 production quota in all fields except the production of television sets. While the tube-producing industry fulfilled its production plan 100 percent in the field of general tubes, it was not able to meet the plan targets for miniature tubes because the development was not yet completed and raw materials such as wolframite, molybdenum, cathode nickel, and fink-type wires, were scarce.
2. The following main targets were fixed for the HV R-F-T¹ production in 1954:
 - a. Supply of the KVP with telecommunication devices. VEB Fernmeldewerk Arnstadt was scheduled to deliver special mobile and stationary selector sets. Plants scheduled to produce radio and decimeter sets for the KVP, VPL, and VPS, included: Funkwerk Koepenick, which was scheduled to produce portable and stationary radio equipment especially for VPS, and decimeter sets; Funkwerk Dabendorf; Sachsenwerk Radeberg, which was scheduled to deliver decimeter sets to VPL and the USSR on reparation orders; and Funkwerk Dresden, which was also scheduled to produce decimeter sets under the direction of Kutsche (fnu), a national prize winner.
 - b. Program for building high-power transmitting stations. Funkwerk Dabendorf was scheduled for this production program in addition to Funkwerk Koepenick.
 - c. Production of tubes. Funkwerk Erfurt was scheduled to become the main center for the the production of miniature and transmitting tubes.
 - d. Other main centers were scheduled to be organized by HV R-F-T for testing the aeronautical properties of sets and for developing radar equipment. The establishment of these centers was allegedly in connection with the foundation of aerodynamic research stations (planned by other offices). The Pirna-Sonnenstein, Schkeuditz and Welzow institutes were to be involved in these tasks.²

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- 25X1 3. The main export effort of HV R-F-T was aimed at the fulfilment of the China agreement which provided for the construction of telephone exchange with 40,000 to 90,000 call units each. This export order had been endangered by better offers from [redacted] Hungary (Tungsram). Another obstacle was the fact that the technical development of an automatic switching telephone system had not yet been completed in Arnstadt. In order to secure the order for East Germany in spite of this difficult situation, a commission directed by Hegemann, manager of HV R-F-T, was by order of Minister Wunderlich sent to China to assist the delegation under the direction of Kreckow, which was already in China. Hegemann had been ordered to negotiate with the Chinese Ministry of Postal Services and Telecommunications and to conclude the trade agreement. He was moreover made responsible for the construction work in China. Another leading member of the commission was Koeppe (fnu), the manager of the research and development department. According to plans available at the Ministry for General Machine Construction, complete factories for the production of radio tubes, radar equipment and radio equipment were to be delivered to China. German experts, especially construction and other engineers, were also to be sent there. All these projects are matters of very long planning. Source knew that the deliveries to China executed so far amounted to about 25X1 10,000,000 to 12,000,000 eastmarks. [redacted] the trade agreement with Finland had failed to materialize because the automatic switching telephone system had not yet been completely developed.
4. Since 1949, a six-year trade agreement has existed between the USSR and East Germany. This agreement required East Germany to deliver yearly to the USSR 40,000 T 2-Leningrad type television receivers at the price of 750 eastmarks each on reparation orders, while the regular selling price was 1,950 eastmarks; the T-2's were to be replaced by the new FE 852 type in 1954. The imported receivers were re-exported by the USSR to China and Hungary. Tungsram, however, intended to start its own production in 1954. For East German domestic supply, a total of 18,000 FE 852 type receivers was earmarked with the selling price fixed at 1,450 eastmarks. These sets were scheduled to be sold by HO, and the Deutsche Notenbank (East German Bank of Issue) was willing to pay 500 eastmarks per set to support the price. DHZ Elektrotechnik was requested to start a propaganda drive to increase the sales of television and ultrashort wave sets.
5. In April 1953, DIA Elektrotechnik concluded two contracts with W/O Tekhnopromimport in Moscow for the sale of a total of 36,000 tubes which had already been delivered in 1952 at a total price of rubles 335,000.
6. In early 1953, the post of special official for railroad signals and safety problems was created at the Ministry for General Machine Building, and occupied by Lehmann (fnu), former deputy minister of HV R-F-T.
7. In September 1953, Posch (fnu), special official of HV Funk, traveled to VEB Glashuetter Uhrenbetrieb (watch producing plant) to get informed on the possibilities of producing vernier drivers for ultra short wave transmitters and receivers.
8. In mid- 1953, according to the organization table, HV R-F-T had 113 regular positions, 70 to 80 percent of which were filled.

25X1 [redacted] Comment: The following abbreviations appear in the report:

HV RFT - Hauptverwaltung Radio- und Fernmeldetechnik - Main Administration
Radio and Telecommunications

KVP - Kasernierte Volkspolizei

VPL - Volkspolizei - Luft (air)

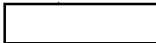
VPS - Volkspolizei - See (naval)

HO - The nationalized retail stores of East Germany

WTB-3 - Scientific Technical Bureau No. 3 (also called NTB-3 and WTBG)

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2. Comment: The institute in Pirna-Sonnenstein is believed to be either the former Materialamt Pirna which was dissolved in late September 1953, when the building was occupied by a KVP unit, or the HF institute which is said to be in Pirna-Sonnenstein and which seems to be confirmed by the following statements:

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a. Pirna was the seat of a branch institute of the Dresden Technical University under the direction of Professor Fruehauf, who had been appointed Professor of High Frequency Engineering at the Institute for Light Current Engineering directed by Professor Barkhausen.

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b. In the summer of 1952, a physicist, who was a tube specialist, read a paper at the Pirna Institute shortly after he had returned from the USSR.

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c. investigations by the Ministry of Post & Telecommunications showed that an institute in Pirna, directed by Professor Barkhausen, had been granted a transmission permit by SCC in Karlshorst of which the Ministry had not been informed.

d. In the beginning of July 1953, WTB 3 was ordered by USIG to employ high frequency engineers who had worked at a radar set developing office in Pirna which was allegedly scheduled to be dissolved.

The only information available in Schkeuditz was that, before adopting the New Course, the VEB Nagema Maschinen- und Apparatebau Schkeuditz, which was under HV Transportmaschinenbau, was scheduled to begin the construction of aircraft. An identification of the Wälzow Institute has not been made so far.

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