

CONFIDENTIAL INFORMATION REPORT

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SUBJECT Intrac Requested to Organize Sale of East German Goods in Austria

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SUPPLEMENT TO REPORT NO.

[Redacted area]

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- On 28 March 1950, Director Guenther Hocke, acting on orders from Director Hans Albin of the Communist-controlled, Vienna export-import firm, "Intrac" Gesellschaft fuer Internationalen Warenaustausch und Grosshandel m.b.H., called on an official of an Austrian Ministry. Hocke explained the purpose of his visit was to advise this official of the contents of a letter, dated 9 March 1950, which Intrac had received from the East German Ministry of Industry, Machinery and Electrical Products Section, Leipzigerstrasse, Berlin.* In this letter the East German Ministry of Industry formally commissioned Intrac to organize the sale of East German machinery and electrical equipment to Austria on a compensation basis and directed Intrac officials to bring this proposal to the attention of Austrian industrialists.
- According to Hocke, there are approximately 800 factories manufacturing machinery in Eastern Germany. He believes that if this plan is promoted properly, Austria and Eastern Germany could exchange goods valued at 5,000,000 to 6,000,000 dollars per year. As an example of the reasonable prices of East German products, Hocke cited the current price of the R-42 locomotive which was manufactured for the German Army during the war and is now being sold from the Soviet Zone of Germany for 50,000 dollars. The same type of locomotive manufactured in Great Britain is being sold for 80,000 dollars.
- Hocke informed this official that in compliance with Albin's orders he had already called on Oswald Peterlunger, Chief of the Austrian State Police, and Ernst Kolb, Austrian Minister of Trade. Both of these men advised him they would refer the matter to the Austrian Foreign Office. Hocke quoted Sektionsrat Johann Augenthaler of the Trade Ministry as saying that although he is opposed to large-scale transactions with Eastern Germany he believes it would be inadvisable to reject these proposals completely and thereby annoy the Soviets. On the other hand, Josef Johan, director of the Creditanstalt Bankverein, informed Hocke he would welcome trade with Eastern Germany and would support this plan if Hocke obtained prior approval from Alois Vollgruber, secretary general of the Austrian Foreign Office. Hocke alleged he plans to confer with Vollgruber on 30 March and he also intends to call on Dr. Hans Lauda, president of the Austrian Industrialists League.

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CENTRAL INTELLIGENCE AGENCY



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4. Hocke again discussed his plans for establishing a quasi-official Austro-Soviet commercial agency. He claims Hans Albin is now prepared to turn over to this agency four percent of the five percent commission which Intrac normally derives from transactions with the Eastern Zone of Germany.

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- *  Comment:  Albin may have assigned Hocke, who has good connections in Austrian Government circles, the task of enlisting the support of Austrian Government officials because he does not wish to jeopardize Intrac's position further in unauthorized large-scale transactions with the Eastern Zone of Germany.

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