

INFORMATION REPORT

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CONFIDENTIAL

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SUBJECT Recent Developments in the A/O Avtovelo, Automotive and Fine Mechanics Department of USIA

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DATE OF INFO.

SUPPLEMENT TO REPORT

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[Redacted]

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THIS IS UNEVALUATED INFORMATION 50X1-HUM

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A/O Avtovelo Purchases

1. The A/O Avtovelo Sales and Purchasing Office is now working to supply raw materials for USIA factories for the second and third quarters of 1950, particularly for Steyr-Daimler-Puch, Austro-Fiat and Friedrich ~~W~~richmann's Nachfolger. A short time ago, a former USIA employee, Frau Maria Michl, Vienna XVII, Klopstockgasse 49, offered A/O Avtovelo immediate delivery from Graz of a type of sheet metal which has heretofore been very difficult to procure. A/O Avtovelo's Sales and Purchasing Office accepted Frau Michl's offer and on 27 February 1950 ordered a total of 246,284 kilograms of the following types of steel sheets at a cost of 3 schillings per kilogram:

- 19,756 kilograms, St. II, 1-2 mm
- 87,168 kilograms, St. III, 1.25-4 mm
- 6,116 kilograms, St. V, 1.5-3 mm
- 59,244 kilograms, St. VII, 0.75-3 mm
- 20,000 kilograms, St. VII Ia, 0.6-0.75 mm
- 54,000 kilograms, St. V-VII, 1-1.5 mm

Although A/O Avtovelo requested confirmation in the form of a receipt, to date, Frau Michl has not complied with this request nor has she delivered any steel.

2. Other purchases recently made for USIA firms supervised by A/O Avtovelo include:

- a. In addition to 65 complete sets of tires purchased from Semperit and about 50 from retail dealers, the Central Commercial Bureau of USIA has just arranged to import an unspecified number of Bata tires from Exico A.G., Zlin, Czechoslovakia.
- b. Three 1,000-kilogram shipments of leaf powder have been ordered for Hirttenberger Patronenfabrik from Czechoslovakia

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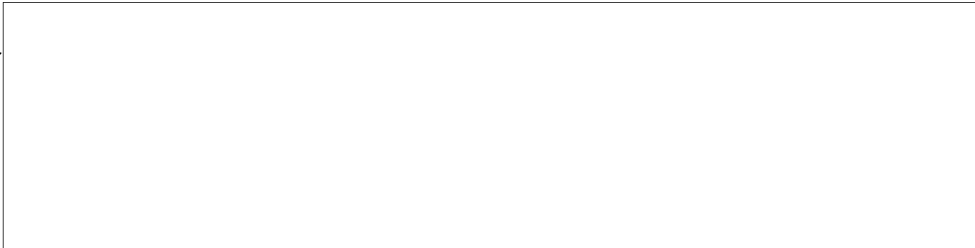
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- c. Peter Ginzler has placed orders with Schoeller-Bleckmann Stahlwerke A.G. for 210,000 schillings' worth of metal.
- d. Kromag A.G. has ordered about 76 tons of steel from Boehler Gebr. & Co. A.G. 50X1-HUM



Current A/O Avtovoelo Negotiations



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4. Slavexport-Importfj Vienna IX, Porzellangasse 8, has requested Avtovoelo's Sales and Purchasing Office to specify its prices on trucks and separate truck chassis which this firm is interested in purchasing [redacted] 50X1-HUM
 [redacted] As yet Avtovoelo has not responded to this inquiry. 50X1-HUM

5. Engr. Kominck of Kromag A.G. is trying to obtain high-speed steel (Schnellstahl) for the manufacture of twist drills. According to Kominck, USIA's practice of dismantling machinery from Austrian plants has made it impossible for Kromag to manufacture 10-mm twist drills and the larger sizes. [redacted] 50X1-HUM

[redacted] Kominck has asked that A/O Avtovoelo's Sales and Purchasing Office procure high-speed steel from Poldihütte in Czechoslovakia.*(2)

6. A/O Avtovoelo has received a request from Steyr-Daimler-Puch, Vienna X, for approximately 132 tons of steel sheets, St. VII, 0.8-2 mm, and St. V, 4 mm, which this firm requires for bus bodies to be delivered to Austro-Fiat by the end of the second and third quarters of 1950.*(3) The Sales and Purchasing Office may have some difficulty filling this request since Schmidhütte Krems is not able to supply this type of steel at the present time.

7. Austro-Fiat is now producing 30 to 35 trucks and 5 buses a month which USIA has allocated to the Austrian market. Both the Central Commercial Bureau of USIA and Avtovoelo's Sales and Purchasing Office are at present concerned with procurement of tires for these vehicles. (See paragraph 2 a above). Avtovoelo's Sales and Purchasing Office is now trying to build up a reserve stock of 280 complete sets of tires which it proposes to procure from Semperit and "Kotva", Import-Export G.m.b.H., Vienna I, rather than through the Central Commercial Bureau which makes a profit averaging 12 percent of the original price of all tires sold to A/O Avtovoelo.

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8. Dr. Rieder of Ernst Kohsen, Import u. Export, Vienna VI, has again approached Punin, chief bookkeeper of A/O Avtovelo, regarding the purchase of machinery from the Hirtenberger Patronenfabrik plant.* (4)

Current Production of Kromag A.G.

9. Kromag A.G. is now operating at full capacity to produce bicycle spare parts and seamless pipe. As a result, Avtovelo officials have cancelled Kromag's plans to manufacture 2,000 milk separators for Dipl.-Ing. Hitzinger & Co., Linz, Annagasse 2, and will probably transfer this order to Wiener Werkzeug- u. Werkzeugmaschinenfabrik, Ing. Frank & Co.

Foreign Trade and Banking

10. Engr. Dobias is scheduled to accompany Pshenichnikov, Soviet director of the A/O Avtovelo Sales and Purchasing Office, on a trip to Hungary, Bulgaria, and Rumania where they will study possibilities for expanding USIA's trade.* (5)

11. A/O Avtovelo was advised only recently that Soviet Military Bank, Vienna I, Trattnerhof 1, [redacted] to which USIA's foreign customers may make hard currency payments.* (6)

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*(1) [redacted] Comment: This firm is not listed in the 1950 Handels-Compass, the 1949 Industrie-Compass, or the 1949 Vienna telephone directory.

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*(2) [redacted] Comment: The Steirische Gusstahlwerke factory is located in Judenberg. [redacted] referring to Stahl u. Temperguss A.G., a USIA firm in Traisen, Lower Austria.

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*(3) [redacted] Comment: It is interesting to note that [redacted] the Soviets have installed new machinery in the Nibelungenwerke plant of Steyr-Daimler-Puch at St. Valentin to manufacture spare parts and repair old parts for Soviet tanks.

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*(5) [redacted] Comment: USIA is obviously contemplating opening negotiations for trade agreements with the satellite countries.

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