

CONFIDENTIAL

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

REPORT NO. [REDACTED]

CD NO.

File 25

COUNTRY Yugoslavia/Trieste/Czechoslovakia/Switzerland
SUBJECT Czech Trade with Yugoslavia Through Switzerland

DATE DISTR. 12 JUL 50
NO. OF PAGES 8

PLACE ACQUIRED 25X1A [REDACTED]
DATE OF INFO. [REDACTED]

NO. OF ENCLS. (LISTED BELOW)
SUPPLEMENT TO REPORT NO.

25X1X



- 25X1A 1. [REDACTED] Alexandre Just, a representative of the Swiss firm, Sola Ltd., Rue de la Rotisserie 6, Geneva, arrived in Trieste to try to interest the Yugoslav Government in Czech goods which had been ordered by the Yugoslav Government in 1946-1948 but had not been delivered after the Cominform rift. Inasmuch as these items had been ordered to fit specific Yugoslav needs and requirements, more than 70 percent of them proved to be useless to other nations and therefore could not be disposed of by the Czechs.
2. Because of the Cominform split, the goods could not be delivered to the Yugoslavs through normal commercial channels. Consequently, the Czechs offered them at a 25 to 30 percent reduction to Sola Ltd., which, in turn, hoped to interest the Yugoslav Government, through the auspices of Nicola Agic, current head of the Trieste Yugoslav Economic Delegation, in the purchase of the goods in return for Yugoslav raw materials, equitable compensation or currency.
3. Just also went to Trieste as the agent of W. Kuhn and Son, of Orpund near Biel, Switzerland, a firm manufacturing wood and circular saws, saws for the manufacture of costume jewelry, metal saws, wire saws, polishing machines and agricultural and garden tools. This firm had been working on large Yugoslav orders which had been partially filled and satisfactorily paid for by the Yugoslavs up to September 1949. After that time, the Yugoslavs had lacked the necessary hard currency and the quantity and value of Yugoslav exports to Switzerland had decreased sharply. Consequently, Kuhn and Son were unwilling to fill or accept further Yugoslav orders without concrete assurances of payment. Since September 1949, Kuhn and Son had completed for, but not delivered to, Yugoslavia equipment valued at 657,568 Swiss francs, and in January, February and March of 1950, had commenced work on equipment valued at an additional 700,000 Swiss francs.
4. To persuade Kuhn and Son to deliver the aforementioned merchandise, Belgrade proposed two methods of effecting payment:
- a. Through a three month draft guaranteed by the Yugoslav National Bank.
 - b. A compensation offer whereby the Yugoslavs would supply railroad cross-ties at 19 Swiss francs apiece, CIF Buchs.

CONFIDENTIAL

CLASSIFICATION

~~SECRET~~/CONTROL - U.S. OFFICIALS ONLY

STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NSRB									
ARMY	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> FBI									

Document No. 003
 No Change in Class.
 Declassified
 Class. Changed To: TS S C
 Auth.: HR 70-2
 By: 018

CONFIDENTIAL
~~SECRET/CONTROL~~ - U.S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

25X1A

- 2 -

5. This proposal was deemed unacceptable by Kuhn and Son because Swiss Banks refused to honor such drafts, considering the political risk too great. This second proposal was refused by Kuhn and Son on the grounds that they were not acquainted with that type of material, and the fact that the Union Railroads, the only Swiss buyer of cross-ties, had already dealt directly with the Yugoslavs in the matter. In addition, Kuhn and Son learned that the Swiss marked in cross-ties already is glutted by offers from Swiss firms.
6. In November of 1949, Kuhn's son visited Belgrade and unsuccessfully tried to negotiate a settlement. The Yugoslav Ministry of Forest Economy repeatedly emphasized the need for the ordered goods and was supported by statements made by Tehnopromet, the official purchaser of the ordered merchandise. Kuhn's son returned to Switzerland without taking action in the light of the lack of Yugoslav ready funds for payment. Upon learning of Just's proposed trip to Trieste to contact responsible Yugoslav authorities, Kuhn and Son commissioned him to discuss the matter there because they had heard that Tehnopromet was preparing new orders for 1950.
7. The goods formerly ordered by Yugoslavia, which are now being offered for sale to Sola Ltd., by Ferronet of Czechoslovakia, all CIF the Czech border, are listed below:
- a. 363 railroad car wheels, weighing 38,115 kilograms, ordered by Generalna Direkcija Zeleznica, Belgrade, order number 12461, dated 13 August 1948. Invoiced by Ferronet in Prague on 19 October 1949 as order number 66539, these wheels were manufactured by the Skoda Works at Pilsen at a value of \$10,588.35.
 - b. 52 streetcar wheels, weighing 8,402 kilograms, ordered by Gradski ElektriK Tramvaj, order number 1781/48, dated 26 July 1948. Invoiced by Ferronet in Prague on 19 October 1949 as order number 66457, these wheels were manufactured by the Skoda Works at Pilsen and valued at \$2,100.50.
 - c. 160 meters of rotary transmission roll chain, weighing 2,680 kilograms, ordered for Rudnab (Rudarski Nabavni Zavod - Mines Procurement Division).
 - d. 91,012 kilograms of steel-aluminum wire ordered by Tehnopromet for Biro za Inostrane Nabavke Elektroprivrede. Invoiced by Ferronet on 27 March 1950 as order number 69-519/22, the wire, to be loaded at Bohumin railroad station, was valued at \$88,827.71 and rolled on 77 reels valued at \$3,080, for a total of \$91,907.71. This amount is payable by irrevocable letter of credit with the Zivnostenska Banka, Department "M", Prague.
 - e. 173,680 kilograms of steel forgings, ordered by Biro za Inostrane Nabavke Elektroprivrede, Belgrade, order numbers 61622 and 62881. Invoiced by Ferronet in Prague on 19 October 1949 as order number 66846/Wu/Cy, and as work number 102130/1/22, these forgings are to be loaded at the railroad station at Vitkovice, priced at \$38,834.85. Breakdown of weights is as follows:
 - 1) 80 steel forgings weighing 4,000 kgs.
 - 2) 90 " " " 7,000 "
 - 3) 100 " " " 14,000 "
 - 4) 105 " " " 54,000 "
 - 5) 115 " " " 60,000 "
 - 6) 60 " " " 8,460 " size 65 x 5000 mm.
 - 7) 60 " " " 11,220 " size 75 x 5000 mm.
 - 8) 175 " " " 15,000 "

CONFIDENTIAL
~~SECRET/CONTROL~~ - U.S. OFFICIALS ONLY

~~CONFIDENTIAL~~~~SECRET~~/CONTROL - U. S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

25X1A

- 3 -

- f. 16 square rigging bars weighing 9,120 kilograms, ordered by Generalna Direkcija za Naftu i Plin (General Management for Oil and Gas). Invoiced by Ferromet in Prague on 14 October 1949 as order number 66838/Sba/Hk and as work number 21/102106/14F, the rigging bars are valued at \$17,347.20 payable by irrevocable, divisible letter of credit opened in favor of Ferromet with Zivnostenska Banka, Prague, payable against copy of the invoice and bill of lading. A description of the rigging bars follows:

16 square rigging bars, 3- $\frac{1}{2}$ " - 88.9 mm., length 38" - 11582 plus or minus 50 mm., reinforced at both ends, with right hand thread API 4- $\frac{1}{2}$ " on the top, drilled the entire length 50.8mm., plus or minus 0.8 mm., made from carbon steel normalized and annealed before working (sic).

- g. 13 shafts weighing 25,805 kilograms, built according to design number 727 Vzg, valued at \$7,566; 12 shafts weighing 28,500 kilograms design number 764 Vsp, valued at \$8,388; 2 regulating shafts weighing 10,700 kilograms, constructed according to design number 1060-2, valued at \$3,500; and 305 round iron bars, three to six meters in length, weighing 22,000 kilograms, valued at \$4,382.40 ordered by Biro za Inostrane Nabavke Elektroprivrede, Belgrade. Invoiced by Ferromet on 10 October 1949 in Prague as order number 66828/WU/Cy, and as work number 10207/1/22, these items are to be loaded at the railroad station at Vitkovice.

- h. 9 iron pots for melting lead weighing 117,540 kilograms with covers, ordered by Rudnab (Rudarski Nabavni Zavod). Invoiced by Ferromet in Prague on 27 April 1950 as order number 66748/Tk/Hra and as work number 101928-100862, Ferromet promised immediate delivery of three pots and covers from stock, two more pots and covers after nine months and then one pot and cover every six weeks thereafter. The description follows:

9 iron melting pots for melting lead, capacity 280 tons, electrically welded seams, diameter 4,115 mm, height 2,883 mm, thickness of plate 32 mm, cut plates 38 mm, rim plates 32 mm, total weight of nine pots 98,100 kilograms, price \$6,339 per pot.

9 pot covers, total weight for nine is 19,440 kilograms, 2,057.5 mm, radius 32 mm, thick, depth of rim about 623 mm, clean pressed with raw rims cut by autogen with an allowance of 10 mm, cost \$25.68 per cover.

- i. 2 rollers weighing 2,260 kilograms, constructed according to design number 1441, ordered by Glavna Uprava Brodogradnje (General Management of Shipyards). Invoiced by Ferromet in Prague on 19 October 1949 as order number 66681/Wu and work number 112-6466c, the rollers are valued at \$225.60 and are to be sent from the plant at Vitkovice, with delivery promised within two months after the order has been placed.

- j. 29 steel forgings weighing 39,710 kilograms ordered by Glavna Uprava Brodogradnje, order number 457/48/M i Py. Invoiced by Ferromet on 19 October 1949 as order number 66627/Wu/Cy and work number 101830/1/22, the forgings were made at the Vitkovice plant and were valued at \$9,399.80. Description of the forgings follows:

20 forgings, size 200 x 4,650 mm. weighing	23,000 kilograms,	\$5,600.80
3 " " 400 x 3,250 mm. "	9,630 "	2,109.00
6 " " 215 x 4,100 mm. "	7,080 "	1,690.00
	Total	\$9,399.80

~~CONFIDENTIAL~~~~SECRET~~/CONTROL - U. S. OFFICIALS ONLY

CONFIDENTIAL~~SECRET~~/CONTROL - U. S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

25X1A

- 4 -

- k. 1 motorboat propellor shaft weighing 235 kilograms ordered for Riba of Zagreb. Invoiced by Ferromet on 19 October 1949 as order number 66414/Wu and work number 101.996/1/22, the shaft was constructed by the plant at Vitkovice according to design number 425/47 and is valued at \$714.00.
- l. 1,285 pairs of Hungarian type railroad car axles weighing 51,608 kilograms, ordered by Tehnopromet, Belgrade.
- m. 8 half-hardened cylinders weighing 35,710 kilograms, ordered by Rudnab for the steel mills at Zenica. Invoiced by Ferromet on 14 October 1949 as order number 66288/Sba/Hk, these cylinders are valued at \$9,170 payable by an irrevocable, divisible letter of credit opened in favor of Ferromet with the Livnostenska Banka against the bill of lading and copy of the invoice. Description of the cylinders follows:

<u>Quantity</u>	<u>Half-hardened Cylinders</u>	<u>Weight kgs.</u>	<u>Value in US dollars</u>
1	640 x 1,400	3,850	\$ 977.90
3	640 x 1,000	8,450	2,146.30
3	558 x 1,400	8,710	2,212.30
1	960 x 2,200	14,700	3,833.70

- n. 75 rollers weighing 212,350 kilograms ordered by Rudnab, order number Jugoinvesticija A-1/I-3-4. Invoiced by Ferromet in Prague on 19 October 1949 as order number 66015, these rollers were made at the plant of Vitkovice and valued at \$41,453.69. Description by lot number follows:

<u>Quantity</u>	<u>Roller size (mm.)</u>	<u>Weight kgs.</u>	<u>Value in US dollars</u>
<u>Lot No. 1</u>			
5	282 x 500	1,550	
5	282 x 800	2,300	
4	285 x 500	1,320	
3	308 x 800	1,710	
2	310 x 800	1,140	
3	312 x 800	1,710	
1	385 x 800	900	
2	380 x 800	1,880	
	Total	12,510	\$3,407.72

Lot No. 2

8	390 x 1,000	8,960	\$2,225.66
---	-------------	-------	------------

Lot No. 3

2	315 x 500	860	
1	330 x 800	600	
1	340 x 800	600	
	Total	2,060	\$429.30

Lot No. 4

1	450 x 1,400	1,850	
2	476 x 1,400	4,040	
1	515 x 1,400	2,940	
4	525 x 1,400	11,760	
1	537 x 1,400	3,050	
	Total	23,640	\$3,980.98

CONFIDENTIAL~~SECRET~~/CONTROL - U. S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

25X1A

- 5 -

<u>Quantity</u>	<u>Roller size (mm.)</u>	<u>Weight kgs.</u>	<u>Value in US dollars</u>
<u>Lot No. 5</u>			
1	557 x 1,400	3,200	
3	565 x 1,400	9,900	
6	571 x 1,400	19,800	
	Total	32,900	\$5,540.36
<u>Lot No. 6</u>			
2	685 x 1,750	10,720	
3	688 x 1,750	17,400	
1	746 x 1,200	4,830	
1	758 x 1,200	4,900	
3	828 x 1,200	15,000	
	Total	52,850	\$11,013.94
<u>Lot No. 7</u>			
1	558 x 1,400	2,930	
2	650 x 1,400	9,240	
	Total	12,170	\$2,049.45
<u>Lot No. 8</u>			
1	795 x 2,200	9,700	
1	800 x 2,200	9,700	
2	860 x 2,200	22,000	
1	900 x 2,200	11,860	
1	950 x 2,200	14,000	
	Total	67,260	\$12,806.30

o. 36 square iron bars and 29 round iron bars, total weight 104,660 kilograms, ordered by Glavna Uprava Brodogradnje, Investicija, order number 63250. Invoiced by Ferromet in Frague on 19 October 1949 as order No. 67.044/Wu/Cy and work number 113678/1/22, these iron bars come from the plant at Vitkovice and are valued at \$23,227.96. A description follows:

<u>Quantity</u>	<u>Square bars Size (mm.)</u>	<u>Weight kgs.</u>	<u>Value in US dollars</u>
10	100 x 4,000	3,400	\$ 897.60
8	200 x 4,000	10,880	2,458.88
8	250 x 4,000	17,200	3,680.80
5	300 x 4,000	15,250	3,263.50
5	350 x 4,000	20,750	4,440.50
<u>Quantity</u>	<u>Round bars Size (mm.)</u>	<u>Weight kgs.</u>	<u>Value in US dollars</u>
10	150 x 4,000	6,000	\$1,584.00
7	200 x 4,000	7,490	1,692.74
7	250 x 4,000	11,690	2,641.94
5	300 x 4,000	12,000	2,568.00

- p. 6.5 metric tons of seamless steel drilling pipe, type 1, made from material with the strength of 55 to 56 kilograms per square millimeter, ordered by Tehnopromet in order number 402 dated 16 July 1947.
- q. 315 meters of seamless steel pipe weighing 12,750 kilograms, ordered by Generalna Direkcija Metalurgiske Industrije (General Management of the Metallurgical Industry) for the Djuro Djakovic factory at Slavonski Brod. Ordered on or about 6 June 1947.

~~CONFIDENTIAL~~~~SECRET/CONTROL~~ - U. S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

25X1A

- 6 -

- r. 1,834 meters of 38 millimeter seamless steel boiler pipe, made from special chrome-molybdenum steel, weighing 4,750 kilograms, ordered by Generalna Direkcija Metalurgiske Industrije for the Djure Djakovic factory at Slavonski Brod.
- s. 32 pieces of 41.5 millimeter seamless steel pipe, made from S.M. Flusstahl (sic), type Ct 35, weight 600 kilograms, ordered by Tehnopromet for the iron works at Vares, order No. 751/47.
- t. About 2,999 meters of seamless steel boiler pipe weighing 8,750 kilograms, about 1,102 meters of seamless steel pipe with smooth ends weighing 3,400 kilograms, and about 363 meters of seamless steel coiled pipe weighing 400 kilograms, ordered by Glavna Uprava Brodogradnje (General Management of Shipyards).
- u. 355 pieces of seamless steam pipe weighing 14,950 kilograms ordered by Jugoslovenska Linijska Plovidba (Yugoslav Ship Lines) at Rijeka.
- v. 107 meters of seamless steel pipe with smooth ends, weighing 3,780 kilograms, ordered by Generalna Direkcija Elektroprivrede, order No. N 3227/1, for the power station at Veliki Kostolac.
- w. 411 meters of seamless steel pipe weighing 2,055 kilograms ordered by Generalna Direkcija Elektroprivrede, order No. N 3227/1, for the power station at Zenica.
- x. 754 pieces of seamless boiler and exhaust pipe, strength of 35 to 43 kilograms per square millimeter, weighing 9,620 kilograms, ordered by Tehnopromet, Belgrade, order number 1574/R/U/III 2001-2009 dated 26 February 1948.
- y. 29 pieces of seamless steel pipe made from S. M. Flusstahl, according to the specifications of the certificate of Lloyd's Register of Shipping, London, weighing 6,903 kilograms, ordered by Tehnopromet, Belgrade, under the same order number as sub-para. x) above.
- z. 47,000 kilograms of normal length flat steel. Ordered by Tehnopromet, Belgrade, order No. 1815/RU/2/3/D dated 5 June 1948.
- aa. 10 drill collars weighing 3,600 kilograms ordered by Tehnopromet, Belgrade. Invoiced by Ferronet in Prague on 22 April 1950 as order No. 66840, work number 10207/1/22, these drill collars are valued at 261,500 Czech crowns, payable by irrevocable, divisible letter of credit, opened with Zivnosteskna Banka, Prague, against a copy of the invoice and the bill of lading. A description follows:
 - 3.5 inch F.H. a 20, length 6,100 mm., other details according to API (Table 4/447) with elevator mounting, nut thread on upper ends and pivot thread on other end; StC 60.61, annealed, including cast iron thread protectors (sic).
- 8. Before Just left Switzerland for Trieste, W. Kuhn and Son provided him with a list of saw blades made of first class Swedish chrome-nickel steel ordered by Tehnopromet under order number EB VI/5 E 6080/103. Kuhn stated the blades were ready for delivery and requested that Just discuss their disposal with appropriate Yugoslav officials in Trieste. A partial list follows:

~~CONFIDENTIAL~~~~SECRET/CONTROL~~ - U. S. OFFICIALS ONLY

CONFIDENTIAL

SECRET/CONTROL - U. S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

25X1A

- 7 -

<u>Quantity</u>	<u>Size in mm.</u>	<u>Cost per unit in Swiss francs</u>	<u>Total Cost</u>
50	1,050 x 140 x 1.6	11.53	576.50
35	1,200 x 120 x 1.6	11.15	390.25
45	1,200 x 140 x 1.6	12.45	560.25
50	1,250 x 140 x 1.6	14.25	712.50
30	1,300 x 130 x 1.6	12.85	385.50
200	1,300 x 140 x 1.6	14.25	2,850.00
30	1,300 x 150 x 1.8	15.60	468.00
60	1,300 x 160 x 1.8	16.25	975.00
60	1,300 x 140 x 1.8	14.95	897.00
40	1,350 x 150 x 1.8	16.95	678.00
50	1,350 x 160 x 1.8	18.30	915.00
70	1,400 x 130 x 1.8	15.20	1,064.00
60	1,400 x 140 x 1.8	16.25	975.00
100	1,400 x 160 x 1.8	18.30	1,830.00
50	1,450 x 140 x 1.8	17.60	880.00
170	1,500 x 140 x 1.8	17.60	2,992.00
100	1,300 x 160 x 1.8	19.65	1,965.00
30	1,550 x 130 x 1.8	18.30	549.00
20	1,550 x 160 x 1.8	21.05	421.00
20	1,600 x 140 x 1.8	18.95	379.00
10	1,650 x 160 x 2.2	25.10	251.00
20	1,700 x 160 x 1.8	22.35	447.00
20	1,800 x 140 x 2.0	23.05	461.00
10	1,900 x 160 x 2.0	27.10	271.00
20	2,000 x 160 x 2.0	29.15	583.00
250	1,200 x 140 x 1.6	12.45	3,112.50
200	1,250 x 140 x 1.6	14.25	2,850.00
350	1,300 x 140 x 1.6	14.25	4,987.50
150	1,350 x 140 x 1.6	15.60	2,340.00
540	1,400 x 150 x 1.8	16.95	9,153.00
325	1,450 x 150 x 1.8	18.30	5,947.50
600	1,500 x 150 x 1.8	18.30	10,980.00
150	1,535 x 160 x 2.0	22.40	3,360.00

9. Alexandre Just was born on 14 January 1880 in Ostrov, District of Piestany, Czechoslovakia. He holds Czech passport number 3628/170/49 issued 24 January 1949 by the Czech Embassy in Belgrade, valid until 24 January 1951. Just speaks fluent German and Hungarian, good Czech, Slovak, Serbo-Croat, and a little French.
10. During World War I, Just served in the Austro-Hungarian Army as a first lieutenant and, at that time, resided legally in Vienna. In 1934, he settled in Zagreb as a businessman and later, in the same capacity, went to Belgrade. In Zagreb, he resided at Gregorjanceva Ul. 35, telephone number 23-100.
11. After World War II, Just worked as special delegate and representative to Yugoslavia for the Czech Import-Export firm Centrokomise, Na Florenci 5, Prague II. In this capacity, he did large-scale business on a compensation and barter basis between Yugoslavia and Czechoslovakia and often traveled between the two countries at the expense of his employers. After the Cominform rift, Just returned to Czechoslovakia because he could no longer transact business for his firm with the Yugoslavs. For a time he lived with his daughter, Livia, who was studying at the University of Prague,

CONFIDENTIAL

SECRET/CONTROL - U. S. OFFICIALS ONLY

~~CONFIDENTIAL~~

~~SECRET/CONTROL~~ - U. S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

25X1A

- 8 -

until the political situation in Czechoslovakia became a menace to them. In 1949, he sent his daughter to Vienna and shortly thereafter he went to Switzerland, where he found employment with Sola Ltd., a financial and commercial firm owned and managed by a certain Keller, a Swiss citizen and a very wealthy man with a son in the Swiss diplomatic service.

12. A widower, Just has three daughters. The eldest daughter is married to a Russian engineer and currently lives with her husband in the USSR. The second daughter also married an engineer, a certain Hans Paul with whom she is now living at Joanelligasse 3, Vienna VI, telephone B-24161-2. The youngest daughter, Livia, studied in Prague until persuaded by her father to leave for Vienna. She currently is residing with her married sister, Mrs. Paul in Vienna.

~~CONFIDENTIAL~~

~~SECRET/CONTROL~~ - U. S. OFFICIALS ONLY