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INFORMATION REPORT

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COUNTRY
Austria 25X1A

REPORT NO. [REDACTED]

SUBJECT
Austrian Refineries

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1. No changes were recorded during the past four years in the outfitting, the capacity, or the ownership of Austrian refineries. The Soviets are at present operating five units out of seven in Austria. The two units remaining, under Austrian management, work under Soviet supervision and in complete dependence on the Soviet Mineral Oil Administration of Vienna.
2. The five refineries were taken over by the Soviets after the Potsdam Conference of 1945 turned over all German property in the Soviet area of occupation into Soviet hands. In the Austrian State Treaty talks from 1945 to 1954 the Soviets agreed to return but one unit - at Veessendorf - to the Austrians, and to retain the other four for a period of 25 years. The Voessendorf unit is estimated to have a capacity of 190 thousand metric tons/year; during 1954 almost 100% of this capacity was actually utilized.
3. Under the present State Treaty negotiations, the Soviets have agreed to turn all oil production, processing, and marketing companies now under Soviet ownership and management over to the Austrians, in return for an annual delivery of one million metric tons during the next 10 years. For this reparation (worth \$175 million to \$190 million in Central Europe) the Austrians will gain full control over the 1,400 thousand metric tons/year refining capacity now held by the Soviets, in addition to the two Austrian-managed units, which altogether have an annual capacity of 400 thousand metric tons. (These two units suffered most during the past 10 years, for every reduction in Soviet refining orders was imposed on these two refineries, which therefore utilized capacity only between 45 and 50%.)
4. After the probable conclusion of the State Treaty, Austria's oil industry, nationalized since 1945/1946, will face the problem of outfitting the outdated refineries. While no plans yet have been drawn up, difficulties are expected due to the Soviets' demand, in agreeing to let the Austrian oil industry become free, that foreign capital be excluded from the future financing of the industry.

References
40-57.4

124 Austria

TYPE ACT-DATE INFO-TFR-DATE AREA

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JUN 9 - 1955

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