

File 53

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	Switzerland/West Germany	REPORT NO.	<input type="text"/>	(b)(3)
SUBJECT	Diversion of German Ball Bearings	DATE DISTR.	11 March 1954	
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BY CABLE REFERENCES

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

SOURCE: (b)(1)
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1. Loewer (fnu) and Albert Brillard (b)(1)
submitted the following information on the diversion of West German ball (b)(3)
bearings:

- a. Marc Bloch of 41 quai Wilson, Geneva, is responsible for the sale of ball bearings valued at 11,000,000 Swiss francs from Kugelfischer, Schweinfurt, to the China National Import Export Corporation of East Berlin. The transaction had the financial backing and active support of the Union Bank of Switzerland and was handled at first by the bank's Geneva branch and later by the main office in Zurich.
- b. The value of that portion of the order which Kugelfischer already delivered to Pallas Oil & Trading, London, and which is still being held in England is 4,000,000 Swiss francs. Kugelfischer received a payment of 2,500,000 Swiss francs from the Union Bank of Switzerland in early December 1953.
- c. Bloch's active collaborators in this transaction are: Colonel Gilbert Guisan, Geneva, Francois Genoud of Switzerland and Paris, and Hans Rechenberg of Bad Toelz, formerly of Frankfurt.
- d. Maurice Gardien¹, lawyer, residing at 75 rue Richelieu, Paris, was recently brought into the deal by the Union Bank of Switzerland to arrange a new ostensible destination for the ball bearings held in England. He is alleged to have offered or paid 250,000 Swiss francs to the firm Labeco (Lauter) in Stockholm, to arrange for necessary import clearances in Sweden.

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- e. Cometal of 128 Boulevard Haussman, Paris, represented by Maurice Bracka, the owner of the firm Societe Getrace, 79 Champs Elysees, is attempting to take title to the goods held in England in order to obtain their release.
- f. The superintendence firm Bureau d'Etudes et de Recherches pour l'Industrie Moderne (BERIM), Paris, controlled the quality of the bearings on behalf of the Chinese buyers.
- g. Bleichroeder, Bing & Co., of London and 161 William Street, New York City, insured the shipment against all damages and loss by seizure from Schweinfurt to Rostock.
- h. The firm Roulement Geneve merely introduced Marc Bloch to Kugelfischer.
- i. In view of the direct negotiations between Bloch and Kugelfischer, and considering the method of payment, there is little doubt that Kugelfischer was aware of the final destination of the shipment. Bloch and Kugelfischer are anxious to ship the remainder of the order (7,000,000 Swiss francs) to Rostock.



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