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firm KLEIN, Gabelbergstrasse 22, Salzburg arranged a meeting between MOSEK and representatives of OROP who were in Salzburg on a business trip in July 1946. At this meeting a contract with OROP was discussed and MOSEK was assured that if he agreed to the contract that he would never have to worry about gasoline during periods when other dealers might find themselves in short supply. MOSEK was unable to conclude the contract, as he was already under contract with the Society Vacuum Co. in Vienna. MOSEK stated that during the conversation, the OROP representatives expressed interest in opening several filling stations and an oil storage dump in the western zones of Austria. According to the OROP representatives, Soviet authorities had given western zone oil companies permission to operate in the Soviet zone of Austria in exchange for permission for Soviet zone oil firms to buy or lease filling station sites for eventual operation in the western zones. In addition, the OROP representatives revealed that OROP had attempted to secure an oil storage area with rail facilities near the Salzburg Railway Station, but had not been able to do so in the face of opposition from Land Salzburg government officials and officials of the Construction Office. MOSEK stated that as of July 1946, OROP had signed a contract with only one firm in Land Salzburg. This was with the firm of RIEDEL Alois, Flainstrasse and St. Julianstrasse, Salzburg. According to MOSEK, RIEDEL is a known and active Communist in Salzburg, whose connection with OROP is the result of more than a mere interest in the oil business. MOSEK stated that he has heard nothing about OROP operations since July 1946.

b. KYFFNER Max Sr., Trade License Advisor at the District Government (Bezirksregierungsamt), born 29 November 1914 at Kruck, residing at Kruck 28, disclosed that he received only one request for information concerning an application for permission to make a contract with OROP for the operation of a filling station. This

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efforts. MARTENS asked for time to think over the proposal before making a decision. He contacted an old acquaintance, JUD Waldemar, a shareholder in the KLEIN Oil firm and asked his advice about the proposal. JUD advised MARTENS not to get involved with OROP as he might become involved in espionage activities. MARTENS took this advice and wrote FISCHL at the Hotel Astoria - Belvedere in Vienna that he could not accept the offer. MARTENS heard nothing more of the matter until the end of September 1947 when he was stopped on a street by FISCHL, who was accompanied by ALEXANDROV Col. and several Soviet officers from the Soviet Repatriation Mission in Salzburg. At this surprise meeting, FISCHL warned MARTENS never to reveal that he had been contacted by OROP unless he was willing to face the responsibility of reprisals against his relatives still living in Hungary and against his daughter, married to an Austrian doctor, living in the Soviet Sector of Vienna. MARTENS agreed not to discuss the matter and was left alone. In October or November 1947, MARTENS again accidentally met FISCHL and ALEXANDROV in Steyr and was again warned not to reveal the OROP offer. Since that time, MARTENS has avoided making business trips to the Soviet Zone of Austria. In August 1950 MARTENS realized that the KLEIN firm in Salzburg was involved with OROP, when JUD Waldemar asked him to obtain some information in Switzerland. JUD wanted MARTENS to ask WIEDERKIND (Inv) Dr., in Americh, about arranging to trade a quantity of pure Pennsylvania oil for a motor oil described as No. 4/8/8 which JUD said he had obtained from OROP. MARTENS contacted WIEDERKIND in Americh who told him that the trade would be arranged directly with the KLEIN firm in Salzburg. MARTENS stated that during October 1950, he received information through Shell Oil Co., sources that OROP planned to build a considerable oil reserve in the western zone of Austria and that the Vienna firm, Jupiter Mineralogisch-Handelsgesellschaft A.G., Ribartstrasse 2, Vienna I, would be the cover for OROP. MARTENS stated that he had not yet observed any indications of such developments. (AGOST's Note: Contact with MARTENS will be maintained and any additional information stemming from him will be reported.)

request was made by SCHMUCK Anton, born 16 March 1920 in Lefer, near Zell an der Rhenne, former resident at Lefer 25, who stated to Dr. WITTEBERGER that OROP had offered to supply him with the building materials for a filling station and repair shop if he would sign a contract with them. WITTEBERGER advised SCHMUCK not to proceed with his plans because, under Austrian law, OROP is not authorized to operate in the western zones of Austria (sic). SCHMUCK, who died on 25 September 1950 in a traffic accident at Lefer, discontinued his negotiations and to date, SCHMUCK's heirs have not reapplied for permission to operate a filling station.

9. MARTENS Oskar, born 1 June 1908 in Meserobyan, Hungary, residing at Mitterzell, former director of the Shell Oil Co. in Budapest, currently a salesman for the Stearns Vacuum Oil Co., Vienna, disclosed that MARTENS has had several contacts with OROP in the past. MARTENS stated that, in March 1947, he was approached by a representative (name unknown) of a Swiss relief organization "Freie Arbeiter" with a proposal that MARTENS take the job of storing and distributing OARE packages in Land Salzburg. MARTENS refused the offer, as the salary was too low, and in September 1947, the organization was dissolved and its property confiscated by the Swiss government on the grounds that the organization was a Communist front activity. In April or May of 1947, MARTENS was approached by the same person (name unknown) and asked to attend a meeting in Linz. At this meeting, held in a hotel room (name of hotel not remembered) in Linz, MARTENS was introduced to one FIEGL (fn), a Hungarian citizen, and one ALEXANDROV (fn), a colonel with the Soviet repatriation Mission. FIEGL convinced MARTENS that background checks had been made on him and his relatives who still lived in Hungary, and then told him that he had been selected as a candidate for a position with OROP because of his past experience as a manager and salesman for the Shell Oil Co. in Hungary. MARTENS was then offered a position which involved purchasing filling stations and filling station sites in the western zones of Austria, at a salary of three thousand Schilling a month, travel expenses, and a commission on all OROP products sold as a result of his

4. The Bezirkshauptmann of Bezirk Zell am See, GASTRIGER Franz Dr., disclosed that he was not aware of any transaction or property purchase made by OROF or an agent acting for OROF in this Bezirk. All applications for the approval of property sales or leases; applications for trade licenses; and applications for approval of business contracts are processed through the Bezirkshauptmannschaft before being submitted to the government of Land Salzburg for approval. GASTRIGER promised to notify this Sub-Detachment immediately should any OROF negotiation come to his attention.

5. Interviews with other persons engaged in the distribution and sale of petroleum products disclosed that during the period June to August 1950, they had been requested by their parent companies (MARTHA - SHELL - MOCCOY, etc.) to report any OROF activity in this area. The majority of the people interviewed, not having observed any activity on the part of OROF, are of the opinion that OROF's attempt to expand to the western zones of Austria has failed and that the expansion plans have been abandoned.

2. The following information concerning some of the persons mentioned in this report was obtained from Informant 2697, whose source was an well-informed individual concerning the petroleum commerce in Austria. (Evaluation: "C-3").

a. JUS Waldemar is known as an intelligent, shrewd businessman. It is not thought that he would be so rash as to deal directly with OROF. He is the head of a private association of oil dealers in Land Salzburg, Firl, and Voralberg which convened in Salzburg in September to consider, among other problems, methods of survival in the face of increasing economic pressure from OROF. He is not known by the members of the dealers association to be dealing with OROF.

b. Dr. WIENHART (fma), distributor of "Valvoline" in Zurich, Switzerland, is described as an influential businessman whose "Valvoline" business represents but a small portion of his varied interests. WIENHART is largely occupied with large-scale oil import-export deals with foreign countries.

c. KLEIN ~~alleged~~ of the KLEIN Oil Firm in Salzburg, is described as a dangerous and unscrupulous business rival. In September 1950, at a time when not a single service station in the city of Salzburg had any legal gasoline available, KLEIN is alleged to have had approximately three hundred thousand liters of illegal GROP gasoline to sell on the black market. KLEIN is described as appearing very affluent at a time when businesses comparable in size to his are earning a minimum or losing money while operating within the legal restrictions.

d. The Jupiter Mineralöl Handelsgesellschaft A.G., in Vienna, is capable of acting as a cover for GROP operations, in the opinion of Informant's source.

4. The files of this Sub-Detachment contain the following information concerning persons possibly identical to those mentioned in this report:

a. JUD (FNU), c/o KARNER, Vienna, is mentioned as connected with USA enterprise; caller, listed in GGG intercept 2/7/1972, dated 12 Oct 1949, who conversed with:

b. KLEIN Emil, Cappelbergerstrasse 38, Salzburg.
Text of message: (JUD) "I could get motor oil for 1.76. It's normal listerodorf stuff". (KLEIN) "Take a tank car."

c. SEIBEL Alois, born 24 March 1899 in An-Innerechwanitz, Bezirk Voestlaubruck, Land Upper Austria, residing at Aigherstrasse 31, Salzburg, mentioned in numerous reports dating from 5 August 1947 to 10 March 1950; current status: operates oil firm in Salzburg which is believed to be an undercover establishment for GROP.

d. GASTMEIER Franz, mentioned in numerous reports in connection with his duties as Bezirkshauptmann of Zell am See.

e. MUESE Josef, born 23 February 1915 in Pöll bei Schwab, Land Tyrol, mentioned in conjunction with an attempt to bribe local Austrian officials.

7. SCHMUEK (atom. born 16 March 1900, in Berlin, listed as NSDAP member from July 1936 to 27 April 1945.

8. Numerous MARTENS are listed, none of whom appeared identical to MARTENS Caesar of this report.

AGENT'S NOTES:

OROP has apparently not been successful in its attempts to operate in the Ennsirk Zell area. This Agent is of the opinion that JUD Waldemar is the key to OROP operations in East Salzburg. It is possible that he double-crossed MARTENS when he advised him to avoid contact with OROP and when, apparently contacted them himself. JUD, as head of the private oil dealers association, is in an excellent position to defeat the purposes of the association by revealing its plans to OROP officials and by misdirecting the efforts of the association on critical issues. Again, JUD may be playing both ends against the middle in an effort to make quick and easy profits, or his involvement with OROP may be in the nature of a reverse-twist boring from within operation. JUD's attempted trade of OROP-supplied No. 4/5/6 motor oil for "Valvoline" imported from Switzerland is clearly an illegal operation. The only three legal ways known to this Agent of importing or exporting petroleum products in Austria are through APP; through the large and licensed companies such as Shell or Socany; or through a purely limited and local arrangement whereby petroleum products may be shipped from Vornbirn to Switzerland and vice versa, but only for local consumption and not for distribution to other parts of Austria. This Agent is aware of the fact that OROP has tried to use the last-mentioned channel in the past without success. It is this Agent's opinion that the JUD-KLEIN partnership is probably the key to OROP transactions in the western zones.

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Special Agent, CIC

APPROVED:

MELVIN MEYER
Chief, Sub-Detachment "A"

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