

659 JW/MCB/...
ORIG :
UNIT : SR/3FI
EXT : 8054
DATE : 11 JUNE 1958

CLASSIFIED MESSAGE
SECRET

ROUTING			
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2	CE		
3	CA		
CABLE SERV.			
DEFERRED	XX	PRIORITY	INITIAL
ROUTINE		OPERATIONAL IMMEDIATE	INITIAL

TO : BORN FRANKFURT
FROM : DIRECTOR
CONF : SR 6
INFO : COP, FI, FI/OPS, FI/RQM 3, EE, S/C 2

*Do not
2) close
3) OA
4) DCI WEST*

OUT 87841
OUT 87841

TO BORN INFO FRAN CITE DIR

Krupp 201.

26390
26390

NO NIGHT ACTION

REIMWOOD

REF : BORN 7094 (IN 40085) - *ho file: int (APW), OA/CWEST*

SUGGEST FOLLOWING POINTS BE COVERED IF CIRCUMSTANCES PERMIT:

1. DURING THE VISIT WERE SOME OF THE PROBLEMS SOVS HAVE ENCOUNTERED IN THEIR INDUSTRIAL REORGANIZATION PROGRAM DISCUSSED? IF SO:
 - A. HOW IS THE SUPPLY PROBLEM BEING HANDLED?
 - B. UNDER THE REORGANIZATION PROGRAM WHICH ORGANIZATION AND AT WHAT LEVEL ARE COMMODITY PRICES DETERMINED?
 - C. WERE VISITORS ABLE TO GET ANY INDICATIONS AS TO SOV THINKING RE FUTURE DEVELOPMENTS OF REORGANIZATION PLAN?
2. WAS THERE ANY DISCUSSION ABOUT INVESTMENT PROBLEMS IN USSR? ANY SPECIFIC INDICATION THAT SOV OUTPUT GOALS ARE UNREALISTIC RELATION TO AVAILABLE FUNDS? ANY INDICATION AS TO WHICH SPECIFIC INDUSTRY MIGHT BE FACED WITH THIS PROBLEM?
3. WHAT WAS KRUPP IMPRESSION AS TO WHY SOVS WANTED TO BUY MACHINERY FOR PRODUCING ARTIFICIAL FIBRES? WHAT OTHER MACHINERY WERE SOVS INTERESTED IN PURCHASING?

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11 June 58

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

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UNIT :
EXT :
DATE :

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FROM : DIRECTOR
CONF :
INFO :

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	ROUTINE	OPERATIONAL IMMEDIATE	IN

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WHERE WOULD IT BE INSTALLED?

4. WHAT ARE SOVS OFFERING IN RETURN? RAW MATERIALS OR GOLD? IF FORMER WHAT MATERIALS? WHAT CREDIT TERMS WERE DISCUSSED? DID SOVS EXPECT THAT THESE BUSINESSMEN WOULD RETURN AND PRESSURE THEIR GOVT ON THE QUESTION OF CREDITS?

5. TO WHAT DEGREE ARE SOVS INSISTING UPON MOST TECHNOLOGICALLY ADVANCED MACHINERY AVAILABLE?

6. DID KEUPP OFFICIALS GET INTO PROBLEM OF AUTOMATION? WHAT IS SOV THINKING ON AUTOMATION? WHAT POLICIES MIGHT THEY ADOPT IN DEALING WITH AUTOMATION?

7. WHAT IS SCHEDULED COMPLETION DATE OF THE PLANT KEUPP IS TO EQUIP? PLANT LOCATION. WHAT SPECIFIC FIBER IS TO BE PRODUCED IN THIS PLANT? FOR WHAT END PRODUCT ARE THESE FIBERS INTENDED?

8. DID KEUPP OFFICIALS GET ANY IMPRESSION THAT THE SOVS ARE TRYING TO MODERNIZE THEIR CONSUMER GOODS INDUSTRIES?

9. DOES SOURCE FEEL THAT CURRENT SOV DRIVE FOR IMPORTS OF MACHINERY FOR PRODUCTION OF SYNTHETIC FIBERS AND PLASTICS IS LONG TERM AFFAIR OR WILL SUCH PURCHASES CEASE AS SOON AS BASIC MACHINES OBTAINED? WHAT ARE QUANTITIES OF RAW

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MATERIAL REQUIRED PER TON OF END PRODUCT?

10. DOES SOURCE KNOW WHAT PART OF SOV CEMENT PLANT EXPANSION WILL BE CONTRIBUTED BY FOREIGN SUPPLIERS. WHY HAS USSR SUPPLEMENTED DELIVERIES OF CEMENT PLANT EQUIPMENT TRADITIONALLY RECEIVED FROM E GERMANY WITH DELIVERIES FROM FRANCE AND WEST GERMANY?

11. WAS THERE ANY DISCUSSION ABOUT SUPPLYING TO SOVS FERROUS AND NONFERROUS METALLURGICAL MACHINERY? IF SO WHAT TYPES ARE SOVS INTERESTED IN? ARE THEY INTERESTED IN MACHINERY FOR ROLLING MILLS, FOR CLUSTER AND PLANETARY MILLS.

12. ANY MENTION MADE OF POSSIBILITY OF WEST GERMAN INVESTMENTS IN CHINA?

13. WHAT, IF ANY, POLICY RECOMMENDATIONS WILL BE MADE BY SOURCES TO FEDREP AS RESULT THESE TALKS.

14. IN REPLY PLEASE CITE ID 4477.

- END OF MESSAGE -

C/S COMMENT: "REQUESTED CABLE REQUIREMENTS ON [] [] INVITATION TO DINNER WITH DR. BEITZ"

SR/BQM (Coord. Draft - E. C.)

SR/COP/PI

EE/G
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EE/COP

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CSR/3

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