

INFORMATION REPORT

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COUNTRY

Austria (Russian Zone)

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SUBJECT

Activities at Optische Anstalt G.P. Goerz, Vienna

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Changes in Goerz Marketing and Purchasing Policies

- Goerz has lately been trying by every possible means to increase sales of optical instruments on the Austrian and foreign markets, even at prices below cost. Recently, for example, pocket lenses were sold for 15 schillings each, although their production cost is 20 schillings. This transaction brought forth protests from local dealers in optical supplies who have stocks of pocket lenses on hand, purchased for 45 schillings each, which they may be forced to sell at a loss as a result of underselling by Goerz. The new selling policy was inaugurated by Soviet Engineer Ludvichek, USIA-appointed sales manager for optical instruments at Goerz. Goerz employees believe that Ludvichek's policy results from a critical shortage of funds. It was generally known among employees that until the last minute there was no money available for the payment of January 1948 wages. The Soviet managers of Goerz have criticized Ludvichek's policy, which he himself attributes to USIA's urgent need for cash.
- A barter transaction which Ludvichek made with Czechoslovak firms is considered further proof of his poor management. According to this agreement, Czechoslovakia receives diopometers (Scheidtelbrechwertmesser) produced by Goerz in return for emery. This represents a loss for Goerz, however; for, although emery is indispensable in the production of lenses, the amount delivered has only half the value of the diopometers shipped to Czechoslovakia.
- Goerz eyeglass lenses are now sold on the Austrian market. Recently, a large number of inferior lenses, not acceptable to Austrian opticians, was shipped to Yugoslavia in exchange for jam and canned fruit. This plan was not successful, however, because the value of lenses delivered exceeded the value of canned fruit received, and it was necessary to offer the barter goods at a higher price than that which prevails for similar items on the Austrian market. The barter goods were offered for sale to Goerz employees who refused to pay the higher prices, and, as a consequence, a large quantity of Yugoslav jam and canned fruit is now stored at the Goerz plant.
- In late 1947 or early 1948, Walter Krummeich, USIA buyer assigned to Goerz, returned from Budapest where he contracted for a truck shipment of optical glass from the Budapest firm of Suesz. Suesz also returned to the Goerz plant in Vienna a blueprint machine (Blaupausemaschine) which had been seized from Goerz by the Soviets in 1945 and transferred to Budapest.

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Enlargement of the Electrical Instrument Division of Goerz

5. The electrical instrument division, directed by Engineer Herbert Gartler, has recently been expanded and strengthened and is the object of special attention from the plant management. New technical workers have been hired from the rival Vienna electrical firm of Norma Fabrik Elektrischer Messgeraete, G.m.b.H. in [REDACTED]. Comment: A Soviet campaign against Norma was previously reported. Laborers and technical workers of the electrical division are better paid but work overtime at night and on Saturdays and Sundays in order to meet production schedules. Increased activity of this division, at the expense of the optical departments, is said to be due to the critical need for electrical instruments in the USSR and to Soviet desire to control production in this industry throughout Austria.
6. The production schedule of the electrical division called for 150 voltmeters and 150 microscopes (Drehbankmikroskopen) to be completed by 1 January 1948. As of 3 January 1948, this schedule had almost been met.

Goerz Production

7. Schedule for 1948:

<u>Item</u>	<u>Amount to be Produced</u>	<u>Selling Price (each)</u>
Eyeglass lenses	30,000 per month compared with previous schedule of 20,000	Not stated

- 25X1A [REDACTED] Comment: Rudolf Lang, director of Goerz machine shops, knows that with present equipment it will be impossible to turn out this number of lenses, but he has been threatened with removal by the Soviet management if the new schedule is not met.)

Voltmeters	200 per month for first 3 months of 1948	Not stated
Dioptometers (Scheitelbrechwertmesser)	100 per month	3300 schillings
Glass-cutting machines	100 per month	1000 schillings
Cameras (types similar to the Leica)	40 before July 1948	4000 schillings
Surveyor's levels	50 per month	Not stated
Construction engineer's levels with mounts	200 per month	Not stated

- 25X1A [REDACTED] Comment: the construction engineer's levels are presumably intended for shipment to the USSR, since this instrument is not swivel-mounted and therefore can be used only in flat areas.)

Microscopes (Werkzeugmikroskopen)	150 for the year	Not stated
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- 25X1A [REDACTED] Comment: it is believed that this quota cannot be met because of the shortage of essential materials.)

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8. Items to be discontinued:

<u>Items</u>	<u>Estimated Supply on Hand</u>	<u>Selling Price</u>
Railroad track gauges (Gleislehren)	25 for Austrian Federal Railways	1400 schillings (planned selling price)
	20 for Soviet railways, larger width	4000 schillings (actual selling price)
Variometers (Variometer)	1000	Not stated
Laryngoscopes (Relaskopen)	1000	6000 schillings

25X1A [REDACTED] Comment: the latter two items were destined for sale in the USSR. There is not a large demand for them in Austria.)

Microscopes (Drehbank-mikroskopen)	150	1300 schillings
Infantry range-finders	None on hand. All available supplies were sent to the USSR by plane several months ago.	

Plant Administration and Personnel Changes

9. The number of Goerz employees has increased from 500 to 700. The personnel director, Stueckler, tries to hire only Communist Party members. In spite of the increased number of Communist employees, however, the shop council elections resulted in victory for the Socialists.
10. Engineer Anton Trachter (reported in [REDACTED] as Trachta), former Norma employee, was recently appointed director of planning for the optical division, as well as for the electrical division, despite objections from the shop committee. Trachter is not considered qualified for the job.
11. Appeals by the shop committee for higher wages met with negative response from the Soviet management.
12. The number of building guards has been increased, and only Communists are employed in this capacity. There was no apparent reason for increasing the number of guards.

Additional Information about Goerz Personnel

13. The following men are considered experts in their respective fields and as such are indispensable to plant operations. Some time ago, all were required to fill out personal history questionnaires to be used in considering their possible employment in the USSR. All of the experts, however, stated they would not leave Vienna. None is believed to be Communist.

Stefan Juki [REDACTED] Reported in [REDACTED] Born 26 May 1902 in Vienna.

Engineer Ignatz Pechan [REDACTED] Formerly employed by the Goerz plant in Berlin. Pechan is a timid man, about 64 years old, with an excellent knowledge of optical instruments. He is now employed in the scientific division.

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Werner

Specialist in etching scales, marks, and angles on telescope lenses. Since Werner was an active NSDAP member, the Soviet management has tried to find a replacement for him, but without success. Werner is said to utilize his own secret process. Although employed as a common laborer in the etching section, he actually directs the work of the department.

Walter Krummeich

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A professional mathematician, reported in [REDACTED] In January. Krummeich left for the Saar with his wife and child, and it is believed that he does not wish to return to Vienna. He was born 31 January 1910 in Engers (Rhineland), Germany.

Klaus Brandt

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Reported in [REDACTED]. As a German citizen and former NSDAP member, Brandt was at one time scheduled for repatriation to Germany, but because of his technical knowledge the Soviet management allowed him to stay at Goerz. Brandt's wife and child live in the American zone of Austria, and he has applied for Austrian citizenship. He was born 28 December 1896 in Berlin.

Heinrich Fischenberger

25X1A

Reported in [REDACTED] Born 8 June 1912 in Vienna.

14. Other Goerz personnel of interest:

Avetissov

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Reported in [REDACTED]. Said to be a skilled technician from the Caucasus who studied at Leningrad.

Lomanov

Formerly head of a division of USIA, Vienna I, Trattnerhof. Recently, Lomanov appeared at Goerz as a supervisor, but his duties are unknown.

Joseph Trinkl

25X1A

Reported in [REDACTED] as a buyer for Goerz. He has been removed from this position and transferred to USIA.

Grindel

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Reported in [REDACTED]. Although appointed by the Goerz management to act as assistant to Engineer Ludvichek, the latter refused to work with him.

Engineer Fraenkl

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Reported in [REDACTED]. Former Norma employee hired by Goerz for the electrical laboratory. Fraenkl has studied in Leningrad.

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