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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Architect of the United States. Next Review Date: 2008



Date: 19 MAY 1979
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1. Negotiations are now underway between Siemens Austria, the Austrian Government, and Ernst Siemens, concerning the future relationship between Siemens-Schuckert in Germany and the Siemens plants in Austria which were nationalized in 1945 by the Austrian Government. Ernst Siemens insists that the following stipulations be met as a condition to his surrendering the Siemens family shares in the non-USIA Austrian Siemens company to the Austrian Government and agreeing to its nationalization:
 - a. Siemens Austria is not to be amalgamated with any Austrian firm but is to be kept as a distinct and separate company within the framework of nationalization and retain the name Siemens-Schuckert.
 - b. Market areas are to be divided between the two companies. Siemens-Schuckert in Austria is to have the exclusive rights in Austria and the Balkans. Siemens-Schuckert Germany is to be given a monopoly to markets in the rest of the world.
 - c. Production will be regulated to prevent harmful competition between the two companies.
 - d. Patents belonging to Siemens Germany and now being used by Siemens Austria will continue to be used until a free patent interchange between the two companies can be arranged.

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Comment: Some patents belonging to Siemens Germany were not taken over by the Soviets, but have lapsed and are no longer protected. Siemens Austria is therefore anxious to arrange a patent interchange. Post-war patents registered by Siemens Austria are the property of the Austrian Government.)

2. Ernst Siemens has threatened that, in the event of a rejection of his proposal by the Austrian Government, he will establish a new firm in Austria in competition with Siemens Austria and sue Siemens Austria for illegal use of the trade name Siemens-Schuckert.

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~~CONFIDENTIAL~~ Comment: The consensus among the Siemens Austria staff is that these threats have sufficient foundation to induce the Austrian Government to accept Ernst Siemens' terms.)

3. Directors David and Zehetner of Siemens-Schuckert Austria are scheduled to go to Munich on 27 January 1949 to continue discussions with Ernst Siemens.

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