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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

COUNTRY Hungary

DATE: 25X1X6□

SUBJECT Russian Attempts to Take Over Manfred Weiss Concern

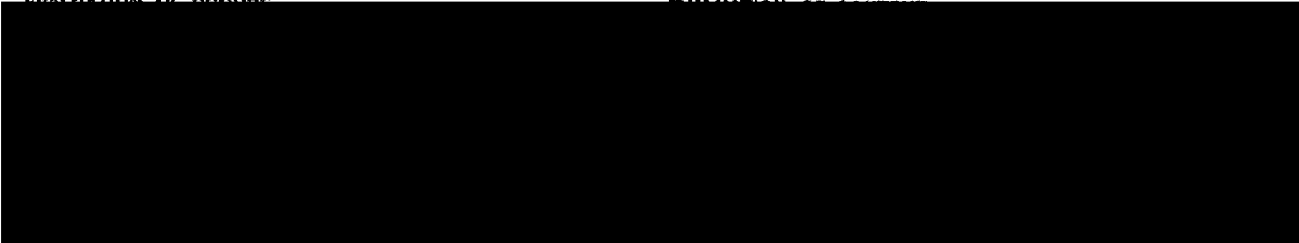
INFO. [REDACTED]

DIST. 28 January 1947

PAGES
SUPPLEMENT

ORIGIN [REDACTED] 25X1A6a 25X1X6

EVALUATION OF SOURCE



1. When the Russians discovered in December 1946 that the Duna airplane factory was financed chiefly by the Germans through the Hungarian war-time government, they entered a claim for ownership of Duna even though it is a subsidiary of the Hungarian Manfred Weiss concern.
2. In mid-January the Russians discovered that Duna had advanced the Manfred Weiss Iron and Steel Works about 50 million pengöcs for semi-finished products. Since the Duna books show no evidence of deliveries having been received, and since the Russians maintain that the entire Manfred Weiss concern is worth less than 50 million pengöcs, they are claiming that they consequently have a legal title to all of the Manfred Weiss firm.
3. A few months ago the Manfred Weiss holdings, including the canning and processing plants, the aluminum plants and the motor factories, were placed under Hungarian Government management and control, even though the nationalization law provided for state control of none but the heavy and machine industries.
4. With the Russians now clamoring for ownership, the Hungarian Government is trying to divorce as many subsidiaries as possible from the Manfred Weiss Iron and Steel Works, even if it means returning these subsidiaries to their original owners. They would like to go even further and return the entire concern at least nominally to the Weiss family to save it from the Russians. With this in mind, there is anxiety in Government circles lest \$4,000,000 worth of machinery arrive from the American zones of Austria and Germany. Formerly, the Government had sought to expedite the return of this machinery.
5. According to a member of the Weiss family who verified the above facts, members of his family in Switzerland were approached on 5 January by one of the present directors of the firm with an offer from the Russians. The offer sought to induce them to enter into a lease contract such as the Germans forced on them during the war. There was a flat refusal.
6. Ferenc Chorin, a member of the Weiss family, is now in or enroute to the United States to seek American aid for the Manfred Weiss firm.

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25X1A6a [REDACTED] comment: For earlier information on Chorin, see [REDACTED] distributed on 2 December 1946.)

SEE REVERSE FOR DECLASSIFICATION ACTION

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