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**INFORMATION REPORT**

[Redacted Box]

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COUNTRY Hungary

~~CONFIDENTIAL~~

DATE DISTR. 25 February 1948

SUBJECT Russian-Controlled Hemp and Jute Factory  
in Budapest 25X1A

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SUPPLEMENT TO  
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1. The Budapest factory of Kender, Jute és Textilipar, formerly belonged to the Austrian Hanf & Jute A.G. of Vienna, but through a decision of the Hungarian Reparations Commission it was declared to be 55 percent German property and was transferred to the Russians.
2. After negotiations between representatives of the Vienna firm and the Russians, a new corporation was established in Budapest on 15 September 1947 under the name of Kender Jute és Textilipar Pászvénytársaság, in which the Russians held 55 percent of the shares and the Vienna firm 45 percent.
3. The Russian interests are administered by a Russian office which controls all Russian-owned Hungarian textile firms, subordinated to the Commercial Representation of the USSR located in Budapest. The Russians nominated as directors the following Soviet functionaries:  
  
Skulanov, Sergei, age about 55, a textile expert.  
Afinogenov, Pavel, age about 40.  
Voitov, Valentin, age about 45, speaks excellent German, a Communist.
4. In October 1947 the Russians sold 400 tons Indian jute at the price of 400 dollars per ton to Kender, Jute és Textilipar. Their first suggestion was that instead of payment in dollars they wanted half of the finished product for re-export to the Soviet Union, but in December 1947 reversed their decision and now insist on full payment in dollars. Afinogenov is said to have boasted that the USSR has obtained very important allocations of jute in India.

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