

INTELLOFAX 4

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CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

INFORMATION REPORT

CD NO.

COUNTRY Czechoslovakia

DATE DISTR. 21 Nov. 1951

SUBJECT Liquidation of Companies Abroad  
Representing Czech Industry

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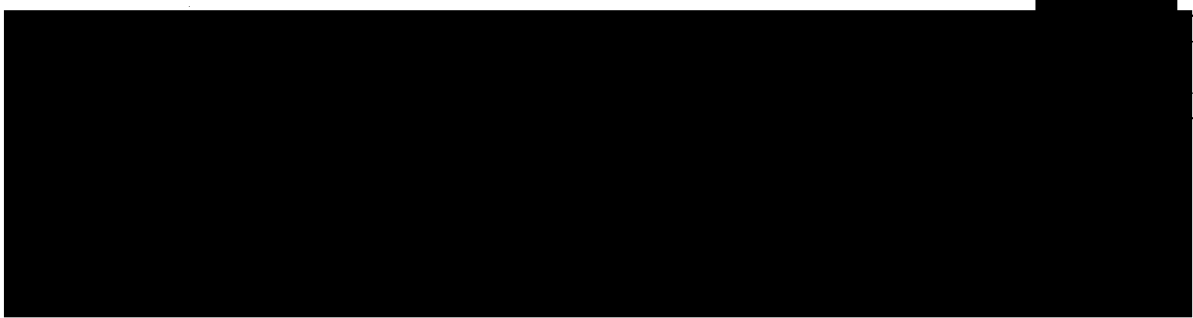
NO. OF ENCLS. (LISTED BELOW)

REFERENCE COPY

DATE OF INFO. 25X1A

SUPPLEMENT TO REPORT NO. 25X1A

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1. Czechoslovakia is intensifying its program of liquidating all companies abroad representing Czech industry, and is returning to a policy of maintaining a native of the country in question as representative of its interests, even though such a policy was opposed by the Communists in 1948 and 1949 as typically capitalistic.\* The Czechoslovak Government no longer wants to maintain capital partnerships in foreign countries. As a result of this foreign branches of Poldi Corporation have been almost entirely liquidated and capital belonging to the Czechoslovak Government, as the successor to the nationalized companies, is being brought to Czechoslovakia and exchanged against needed materials. The new policy seems to be in line with trade restrictions with the West and with Soviet commercial policy. It was probably initiated at the behest of the Soviet Union, which fears confiscation in the event of war.
2. The London office of Ferromet and the Amsterdam office of Pragonet have been closed. Attempts are being made to eliminate the capital partnership with Continentale Stahl Handels GmbH in Vienna. This is difficult since the majority of the capital is held by Austria. Jezbera went to Vienna and successfully negotiated the transfer of Czech assets from Continentale to Czechoslovakia.

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\* Comment: This confirms information reported in [REDACTED]. According to [REDACTED] an office of the Ministry of Foreign Trade would handle all import and export matters starting in January 1952.

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