

INFORMATION REPORT

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SUBJECT Hungarian Production for the Soviet Union

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THIS IS UNEVALUATED INFORMATION

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1. The Erag works and the Hoffherr-Schranz plant are alleged to be manufacturing a modernized version of the Russian T-34 tank. The tanks are being stored in Hungary for eventual Russian use. Both factories previously produced tractors and agricultural machinery.
 2. The Lampart works in Budapest are manufacturing land mines for the Soviet Army.
 3. The machine factory at Dios Gyor is producing machine tools (principally lathes, milling machines, and presses) for the USSR. Power shovels (Bodenverbesserungsmaschinen) capable of moving four tons of earth at one bite are also being manufactured here for the Russians.
 4. The Ganz shipyards have received a subvention of 2,000,000 forints for plant expansion upon the request of the Soviet Government. The yards are hard at work turning out vessels for the reparations account.
 5. The Wolfner leather works are producing military shoes and boots for the Soviet Army.
 6. The Havag factory in Budapest is building a sand casting installation for iron foundry work at a cost of 1,000,000 forints. The work is being done upon Russian orders.
 7. The new Siemens foundry, which was constructed upon orders received from the USSR, was completed in July 1949.
 8. The turbine works of the Lang machine factory are being enlarged at an expense of 8,600,000 forints. In addition to filling Russian reparations orders, the works will manufacture turbines for six new power plants. Within the next few years Hungary's power capacity is to be increased from 2.2 billion KW to 4.2 billion KW.
 9. The Standard telephone and radio works are under the strict supervision of a Russian control group headed by Colonel Petrovich and three other Soviet officers. Of the 4,100 workers employed at the plant, 98 percent have, under compulsion, joined the Hungarian Communist Party. Standard is currently producing the following items:

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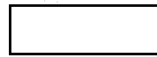
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
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CENTRAL INTELLIGENCE AGENCY

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- a. Telephone switchboards (Telefon-Automatenzentrale, System Western-Sund): 10-20 units of the large models per month; 90-100 of the smaller models. Production is exclusively for the Soviet Union.
- b. Field radio transmitters: 800 Type R3 field radio sets have been produced for the Bulgarian Army. In addition, 15-20 Fuge-10 transmitters are to be delivered every month to the Soviet Union until a total of 100 have been produced. The manufacture of the Fuge-10 sets was made possible by the confiscation by Hungarian customs officials of 25,000 radio tubes . The tubes were seized on Russian orders. Each Fuge-10 set employs 18 tubes.
- c. Telephone sets: 1,700 to 2,000 ordinary telephone sets are manufactured every month for delivery to the USSR.
- d. Radar equipment: The Standard installation at Ujpest is conducting experiments with radar equipment.
10. The Danzvia factory is being converted for the production of weapons and machine tools.
11. The Gira & Bessai factory at Pestszenterzsébet is being expanded to fill large Russian orders for industrial clocks (Industrie-Kontrolluhren) and alarm clocks. Ten thousand units must be manufactured by the end of 1949. A monthly production figure of 250 industrial control clocks (Block-Kontrolluhren) is being aimed at.
12. The Hungaria chemical factory in Budapest has been equipped with a new installation for the processing of fluorine. Some acts of sabotage were recently committed at the factory which caused production to fall off appreciably.
13. The following types of railroad cars are being manufactured in Hungary for the USSR.
- a. Two types of light freight cars with aluminum roofs. These cars are said to be more stable and railworthy than previous types.
- b. Refrigerator cars employing dry ice as a cooling agent. A prototype has already been constructed.
- c. Light four-axled passenger cars for 80 passengers, with steam and electric heating, rubberized flooring, and leather-upholstered seats.
- d. Three-axled passenger cars for curving stretches.

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