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COUNTRY Czechoslovakia

DATE: 25X1A6a

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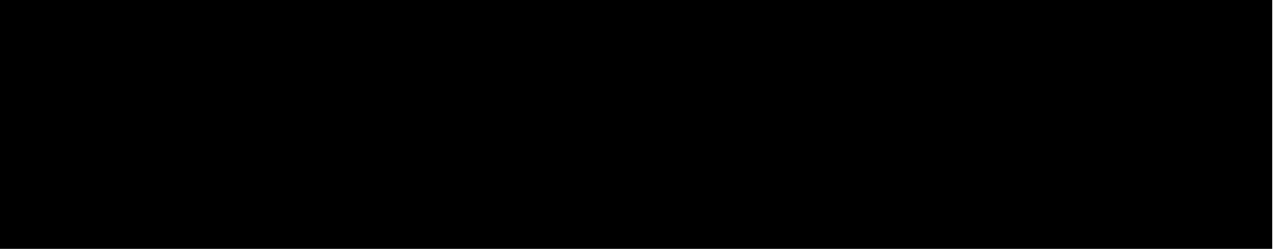
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SUPPLEMENT

SUBJECT Zbrojovka Plant at Strakonice

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ORIGIN
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1. The National Armaments Plant Zbrojovka at Strakonice, 110 km south of Prague, is currently engaged in variety production, mainly of consumer goods for exportation.
2. The Germans had 7,000 workers during the war who were producing small arms and heavy machine guns. Currently, there are 5,000 employees working in two shifts per day. The principal production is 125 cc light single cylinder motorcycle manufactured for export to the United States. The plant will ship 21,000 units to the United States as part of a larger contract divided among several Czechoslovak plants. The current motorcycle production is 1400 units per month. Other products include: 100,000 meters of bicycle chains per month, 5,000 meters of motorcycle chains per month; milling machines and lathes are on order, as well as various small arms, including 579 mm pistols and hunting rifles.
3. Although the security at the plant is controlled by the Ministry of National Defense, orders from the Czechoslovak army are not large. Policy in regard to armaments is being formulated in Prague with indications that the Zbrojovka plant at Brno, Setin, Jovazska Bystrica, and Uhersky Brod will get most of the work in the small arms field. The directors expect that the Strakonice plant will continue to produce 9 mm automatic pistols for the Czechoslovak Army. Recently it completed the repair of 5,000 German P-38 pistols for army use.
4. The general manager of the plant is Vaclav Skala, 35 years old, a former artillery engineer with Skoda; during the war he was employed at the underground factory in Dubnice, Slovakia; at present he is a member of the Communist Party and considered a protegé of Mr. Fabinger, chairman of the machine industry. Currently, Skala is very enthusiastic about business possibilities with the United States and attempts to make his plant successful in order to enhance his own chances to get a leading position in the Czechoslovak industry. The research director is an engineer Vozenilek, 43 years old, a metallurgist, a non-Communist, who has been in Strakonice for twelve years. Skala is seeking to send him to the United States on a study trip. The sales manager, engineer Sula, 46, is a National Socialist and sharply anti-Communist. He is leaving for the United States within a month to negotiate the delivery of motorcycles.

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CLASSIFICATION				CONTROL			
DSO	A DEP.	FBI	SPDF				
ADSO	FBK	FBV	SPDS				X
REC.	FBL	FBX	SPDT				
CONTROL	FBM	FBZ	SCD				
PLANS	FBP	FBQ	TRB				

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GENERAL INTELLIGENCE REPORT

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5. Skala, although a Communist, is dissatisfied with some aspects of the nationalization and centralization of the industry; for example he is displeased with the Central Sales Authority in the machine industry, because it reduces the initiative and increases the costs of distribution. He estimates that the costs of distribution on products are five and a half percent of the value of the product, whereas if he sold on his own initiative costs could be cut to three percent.

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SECRET CONTROL