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1. After the coup in 1948, when all agencies of the Czechoslovak government were taken over by the Communists, there were few changes in personnel in the Ministry of Foreign Trade. Evzen Loebl, as Vice-Minister, was given the responsibility for all trade policy and Eng Tucek remained head of the foreign exchange and currencies division. Loebl was arrested 25 November 1949, and there followed more changes in the personnel of the Ministry. In 1950 there was a thorough purge of the Ministry as far as personnel were concerned, but few people in the foreign exchange and currencies division were affected. Tucek, however, was "kicked upstairs" and put in charge of inspecting exports at the State Bank; Medved, who, unlike Tucek, was a Communist, replaced Tucek at the Ministry of Foreign Trade. After the purge in 1951, there were new employees in almost every branch of the Ministry.

[Redacted] the majority of these new people are completely incompetent; if it were not for the few old-timers left at the Ministry, it would be even nearer collapse.

2. [Redacted] from 1948 to 1950 the foreign trade of Czechoslovakia served primarily the purpose of enriching a few individuals under the leadership of Loebl. Loebl planted his own people in all the state monopolies and the various ministries as well as abroad. These hand-picked men included: Rudolf Margolius, Karel Benda, Jablonsky and Bitterman, all in the Ministry of Foreign Trade; Dr. Brieger and Placek with the Ministry of Food; Panek, Hering, Fried, and Prokop, all with the state monopoly company Merkuria. Other foreign trade monopoly companies, such as Centrokomise, Centrotex, Skloexport, were staffed primarily by personnel selected by Loebl. He was also influential in the selection of commercial attaches for the foreign service. During the period from 1948 to 1950, Loebl and his clique made several hundred million Kcs

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abroad, mostly in the "capitalist countries". There was open talk in Prague that this was with the knowledge of the Communist Party hierarchy which was given a sizeable portion for the propagation of Communist ideology throughout the world. [redacted] there must be millions of dollars on deposit in banks throughout the world, which, due to the loyalty which Loebl was accorded by his group, will be released only on his personal authorization. Because Czechoslovakia desperately needs foreign exchange credits, [redacted] Loebl is in a position to bargain with the government even though he is in prison. This is borne out by the fact that although he has been in prison since November 1949, his case has never been brought to court, nor has he been liquidated. [redacted] the Communist Government of Czechoslovakia is doing everything in its power to obtain control of these "frozen assets" without actually releasing Loebl. [redacted]

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1. [redacted] Comment. The statements above were made [redacted] more than a month before the opening of the trial of Evzen Loebl as a co-defendant of Rudolf Slansky in November 1952.

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