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- 1. Attached for your information is a sixteen-page [REDACTED] 25X1A
textile, synthetic fiber and fur industries. Although much of this
information is known, it is being forwarded for whatever interest it may
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CZECHOSLOVAK TEXTILE INDUSTRY.

25X1A

Besides machine and tannery industry the textile industry is the largest industrial branch in the CSR. Its production is so big because it was established for supplying the whole Austrian Empire with textile goods. After the dissolution of this monarchy it was obliged to look for new markets abroad and it remained the largest exporting industry even after the W.W.II. Only export of textile helps Czechoslovakia in acquiring foreign currency and although the exported products contain cca 50% raw-materials purchased for foreign currency, it has been up to the present one of the most important industries in the country.

The textile industry is located in several places in the CSR, mostly in montaneous parts of the country where it gradually developed from home work on looms. The good call of Czechoslovak textile industry abroad was based on the tradition of these home-working weavers whose craft was inherited from generation to generation and grew finally into large factory enterprises. One of the largest centers of the textile industry is the area of NACHOD (O51/G 93), i.e. from the ORLICE mountains in a nearly coherent stripe over the towns ERONOV (O51/G 94), POLICE (O51/H 04), TRUTNOV (P51/H 05), TRUTNOV (O51/G 74), DVUR KRALOVE (O51/G 73), MOSTEK (O51/M 09), PAKA (O51/G 53), JILEMNICE (O51/G 45), VYSOKE NAD JIZEROU, TANVALD (O51/G 36), over LIBEREC (O51/G 16), JABLONNE NAD JIZEROU (O51/F 96) as far as VARNSDORF (O51/F 87). In this region mostly cotton, flax and jute is being worked up. At LIBEREC it goes over to wool industry and ends at VARNSDORF with hosiery. At the time of full employment $\frac{1}{4}$ of all inhabitants worked with the textile industry. In this region, besides several immense spinning mills, a great number of weaveries, dying factories, factories for bleaching, dressing (upravny), for hackling flax as well as several printeries and plants producing carpets, knitted goods and stockings.

The second large textile area extends from HUMPOLEC (O50/M 53) and HLINSKO (O50/M 86) through JIHLAVA (O50/L 61) to Moravia and works mostly on wool.

Large wool industry is also located in BRNO and the Moravian area of cotton industry is concentrated in the vicinity of FRYDEK-MISTEK (Q50/O 67). Flax is being worked up in Moravia in the environs of BRUNTAL (P50/N 99) and goes over into silk industry at SUMPERK (P50/M 69), ZABREH (P50/N 58) and CERVENA VODA (P51/N 49) and continues into Bohemia through KYSERK, VALBERG (O51/H 00), RYCHNOV (O51/H 00) and DOBRUSKA (O51/G 92) where it is connected with the mentioned NACHOD area.

Further textile area, connected with that of KRKONOSE mountains (Riesengebirge) is the one extending from USTI NAD LABEM (N51/F 44) up to MOST (N51/F 13) and further through KRUSNE HORY mountains (Erzgebirge) and further through NEJDEK (N51/K 50), SLANY (N51/F 50) and reaches as far as KRASLICE (N51/K 30) and AS (N51/P 18). Production of feses is in STRAKONICE (N50/Q 49) and manufacture of hats from

SECRET

animal hair is in Moravia, near NOVY JICIN(P50/O 145). To these old textile centers were attached factories founded by the Bata firm in TRNEBEC(O50/M 90) and ZLIN(P50/O 21) where socks and stockings and shoe-laces are being produced, as well as cords for tires(kordy) and necessary textile for shoe production.

An old textile center in Slovakia is in RUZOMBEROK(Q50/C 99) and TRNCAVA(Pl9/T 58) and new Bata factories were founded at BATISOVCE near POPRAD(Q50/D 68) and at present, new textile factories are being built at LIPTOVSKY Sv.MIKULAS(Q50/D 19).

In order to acquire necessities for this large textile industry which employed in the whole Republic ca 600.000 people, large auxiliary industry gradually grew up, as production of textile machinery in LIBEREC area, at TYNISTE(O50/M 36) and in BRNO. Production of various necessities for the weaving and spinning industry is at JAROMER(O51/G 82) and at USTI NAD ORLICI(. The large chemical industry which besides basic chemical matters (lyes, acids, soda) produced colours and auxiliary textile substances was concentrated mainly at USTI NAD LABEM, PRAHA, VARNSDORF, HUMBURK(O51/F 76), MNISEK near LIBEREC, KOLIN(O51/M 38), NOVE MESTO NAD METUJI(O51/G 92) and OTASLAVICE near VYSKOV(P50/N 71). Production of artificial fibres for textile industry is at NERATOVICE (O51/F 80), LOVOSICE, BRATISLAVA and SENICE (Pl9/T 06) as well as in BATISOVCE.

In principle, all kinds of artificial silk are being produced in the CSR, artificial clip (striz), perlon at BATISOVCE and special textile glas-fibres (glas-clip - skelna striz) in the newly founded development enterprise Vertex at HRADEC KRALOVE (O51/G 71) with a branch plant at PRICHOVICE (or POLJENY?) near TANWALD.

Because the Czechoslovak textile industry, located from its major part in germanized area of CSR employed several Germans, it was in a rather difficult situation after 1945 because of lack of trained personnel in result of the banishment of Germans from the CSR. Several confiscated factories came into hands of national administrators, very often without any expert knowledge and after working for some time with permanent losses they had to be liquidated. After the February Communist Coup in 1948 and re-organization of national corporations, a large-scale liquidation of smaller enterprises took place, especially in Krusne Hory area (Erzgebirge). This was a damage for Czechoslovak textile industry as in this way several very specialized firms (for women dress clothes, hosiery and lacework) which worked nearly only for export, were liquidated. The national corporations, to which some of the medium-size factories were attached, also liquidated these factories and from tactical-political reasons they are making a large-scale moving of the equipment of these factories from one plant to another. The last stroke for the Czechoslovak textile was the order that 60% of all textile is to be liquidated and its buildings and employees

25X1A

- 3 -

are to be transferred to metallurgic industry. It can be presumed that after this re-organization of Czechoslovak textile industry will employ about 300,000 people but its capacity will still be sufficient for covering the whole Czechoslovak need and still about the half of the production will be able to be sold abroad.

The present Czechoslovak textile industry is administrated by the General Management of Textile Industry "Czechoslovak Textile Enterprises" (Ceskoslovenske textilni zavody - CTZ). Its manager general is Dr. Ivan HOLY (mentioned in the report on Czechoslovak Chemical Industry). The management is located in Prague, Na Porici 2h in the former building of the Supreme Price Bureau (Nejvyssi urad cenov) and lately it took over also the neighbouring building of the former Bank of Czechoslovak Legion (Banka cs.legi). It has a special section for each part and way of production. Together, it is an immense bureau with about 800 employees. The textile research institutes at BEMO and at DVUR KRALOVE are also subordinated to it. The CTZ supervises besides the primary textile industry also production of carpets, lacework, factory production of suits and dresses. Production of underwear, nationalized milliners and tailors, working up of fur and a special department of light metallurgic production. The different plants are united into national corporations with one leading basic enterprise each. There are very many of these national corporations, for instance: Czechoslovak Spinning Mills of Cotton, national corporation, Juta, national corporation (the basic enterprise is at DVUR KRALOVE), Tiba, national corporation (basic enterprise at DVUR KRALOVE), Czechoslovak Printing and Dying Plants, nat.corp. Production of SILK textiles is formed by the plants: Hedva, national corporation (at SEMPERK), Hnanp, nat.corp. (LIBEREC) and Silka, nat.corp., further Slonka, nat.corp. (at PRYDEK - MISTEK), Kelera, nat.corp. (LIBEREC), Vlnap, nat.corp. (at LIBEREC), Typna, nat.corp. (MACHOJ), Alois Jirasek Plants (BRNOV), Orban (at USTI NAD LABEM), Mira, nat.corp. (factory for production of knitted goods as jersey cloth and hand knitted goods) with seat at Prague XIV, Bozlen, national corporation (flax production) with seat at TRUMOV, Antonin Zapotocky Plants, national corporation (at BRNOV), Jama, nat. corp. (NOVE MESTO NAD METUJI), Kava, nat. corp. (production of fur goods) at KOLIN NAD LABEM, Lezka, national corporation (flax goods), Kotona, nat. corp., Plysan, national corporation (production of velvet and plush) with seat at HLAVNO, Chaga, national corporation, Puha, national corporation (at BRNOV), Slonka, nat. corp., Trank, nat. corp. (production of hat felt) with seat at NOVY JICHIN, Slas, nat. corp. (production of bandage material) with seat at NOVY BRNOV (51/0 11), Kobal tvornice, nat.corp. in Prague, Trank, nat. corp. (production of underwear), Trg, nat. corp. (sale of textile material), Chava, nat. corp. (production and sale of ready-made clothes), Slovenska textilni zavody (Slovak Textile Plants), nat. corp. (at KUCERKA - KYBAROZE) and several others.

Different national corporations have their plants dispersed all over the country. Some of them are combines (kombinaty) having their own spinning mills, weaving, dyeing plants and dressing plants. Some of them produce different kinds of goods, work with different fibres, whereas other national corporations are strictly specialized. Until September 1950 it has not been decided which plants are supposed to be liquidated - on the contrary, all tried to convince the respective authorities that the existence of the plants concerned is very important in order to preserve its further existence. As textile industry exported a great deal, new machines were purchased abroad in 1947 - 49, mostly in England and Switzerland. The installation of these machines has not been completed yet and that is one of the reasons for objections against liquidation of such plants. Especially the Slovak textile enterprises have been considerably enlarged after the W.W.II and equipped with new machinery so that they are the most modern ones in the whole country.

The joint-stock sale-trade company CENTROTEX has been entrusted with export of Czechoslovak textile goods and import of the necessary raw-materials, colours, chemical matters and machines. The seat of Centrotax is in Prague 'Alfa palace on Vaclavske namesti) and has a branch office in BRNO. Because export to the West is lower and lower the problem of acquiring necessary raw-material is becoming urgent. Czechoslovak textile industry receives from the eastern countries only Russian wool and cotton, of a very unequal quality but mostly of the worse qualities. The products made of these raw-materials are not suitable for export into the West countries. The best results in export up to the present had the national corporation JUTA which exported besides carpets and decoration material mostly covers made of jute. This enterprise is not able to exist without import of jute which comes exclusively from the West. A large problem is also import of colours for textile industry. They are in the majority imported from East Germany (the firm GEMA and GEMA), a smaller part from Austria (GEMA) - either directly or through re-export. Import of Swiss colours is performed on the basis of the Switzerland - Swiss commercial treaty and it represented approximately the sum of three to five millions Swiss francs and it was based on purchase of 100,000 Swiss franc worth of auxiliary substances from Switzerland. In spite of this treaty, there is a permanent lack of colours in the Czech part of the country in the result of the lack of auxiliary substances. The most serious shortage is the lack of auxiliary substances for the dyeing and finishing of wool, especially for the dyeing of wool. The import of auxiliary substances for the dyeing and finishing of wool is performed on the basis of the Switzerland - Swiss commercial treaty and it represented approximately the sum of three to five millions Swiss francs and it was based on purchase of 100,000 Swiss franc worth of auxiliary substances from Switzerland. In spite of this treaty, there is a permanent lack of colours in the Czech part of the country in the result of the lack of auxiliary substances. The most serious shortage is the lack of auxiliary substances for the dyeing and finishing of wool, especially for the dyeing of wool. The import of auxiliary substances for the dyeing and finishing of wool is performed on the basis of the Switzerland - Swiss commercial treaty and it represented approximately the sum of three to five millions Swiss francs and it was based on purchase of 100,000 Swiss franc worth of auxiliary substances from Switzerland.

- 5 -

which performs often import of comparatively large amounts of chemical matters on the basis of own compensation through Centrotex, often even though such material is produced in the CSR. Up to the present, it was absolutely unavoidable to import fixative matters for carbonylalkylalcohol colours (Tylosoe) and condensation products on the basis of ethylene oxide. The production of the last mentioned items has been started lately at KYBITVI (051/M 69) on a small scale (see special reports).

Quality of the Czechoslovak textiles after W.W.II was much lower than it used to be previously and it remains low even now. There are several reasons: First of all, the plants in the germanised areas were deprived of qualified workers because of the banishment of Germans. Besides that, several Czech foremen were discharged under the accusation of being "anti-social" (apocialove). The second reason was old and used up machine equipment, further, bad quality of after-war raw-material and lack of suitable colours and chemical matters. Lately, lowering of quality is caused by introduction of automatic looms type "Hrdina", served in a shock-worker way, i.e. one weaver serves 120 looms. As result of this, the number of faults on 100 meters of material is five times larger than before the war. Goods with faults in weaving or irregularly coloured goods are not suitable for export and therefore are being assigned to the so called "free market". It is characteristic that even in Darax where goods are being sold only for foreign currency or for gold, goods with smaller faults also appear.

Several plants are being headed by non-experts and experts are constantly being moved from one plant to another - or discharged from political reasons. Kind of production of plants is being changed without regard to suitability of machine equipment and skill of workers. In the plant at DVUR KRALOVE for instance, where formerly material for men's shirts (popline) used to be manufactured this production has been replaced by production of so called flimsy texture (ridge moliny) for print. The reason for this change was that the printing plants are located at DVUR KRALOVE and the fact that special looms and specially trained weavers are necessary for production of popline was not taken into consideration. The final decision concerning abolition of certain textile plants depends on the experts from metallurgic industry who chose first of all buildings suitable for the intended metallurgic production. Plants which were designed by them are being abolished without any further respects. It is not yet possible to determine what kind of production will be transferred to the abolished textile plants because the whole thing is being held top secret and it cannot be even judged from the kind of machinery sent to these plants. It makes the impression that only production of certain ~~parts~~ parts will take place in these newly established factories which most probably will be sent for mounting to the USSR.

- 3 -

Within the national corporation Mira, production of knitted goods, is a plant in Frags VIII, Sobotka into which important production of knitting needles has been transferred from CESKA KAMENICE. This kind of production used to be in German hands and after the war as well as the employees left for Germany it was necessary to cover the need of these articles somehow. This is done by smuggling knitting needles from Germany by special agents, under supervision of SMB somewhere near CHB (N51/P 37). In Czechoslovakia, knitting needles are being produced by the national corporation Igla at CESKE BUDJOVICE (O49/Q 96) but as the products are not perfect, the national corporation Igla established for its use a production which works up the semi-products of Igla. This production is headed by a former employee from CESKA KAMENICE, Jaroslav SEDLECKY, about 26 years old, a non-Communist and devoted democrat. As constructor, Josef SPIRAL, is employed there (who was lent by Igla), a formal Communist. He is supposed to instruct further workers. This plant constructs necessary machines for its use. SEDECKY, being an expert indispensable for the plant and therefore is being left in his leading position although he is an anti-Communist. Products of this plant are fully suitable and will replace the smuggled ones in the long run. There are disputes concerning this plant, because an effort is being exerted to separate it from Mira, to attach it to the metallic branch of industry and transfer it to BRNO where it is supposed to become part of the Metallurgic Research Institute. Really, this production is extremely important for knitting industry as the only source of suitable knitting needles, especially of the hollow needles, called "Interlock-needles".

The planned production of textile industry for 1950 has been from the beginning restricted by 20% by confidential internal orders. Plans of the different textile sections were several times changed in the course of the year. Because of the performed abolishing of the textile factories the capacity and production numbers are now without interest. It would be necessary to acquire new numbers for the present year in which also the new organization of textile industry will be contained.

Up to the present, the Czechoslovak textile industry has still considerable stores of the most necessary raw-materials - especially cotton, which is stored in large quantities in some spinning mills and which, according to the last reviews, was supposed to be able to cover all requests until the end of 1951. There was also a sufficient store of flax, wool, including Russian import (about 50,000 kg per quarter of a year) which would cover also the present consumption. The situation of raw supply is very critical. The stores would cover the required raw for about a quarter of a year and it was not clear whether it would be possible to acquire the planned quantities through import. Production of artificial fibres is being enlarged so that during the present year it should already cover fully

- 7 -

the planned requirements. Up to the present, some artificial silk is still being imported, mostly from Italy. In case of real need, Poland could be of help in this respect, as there also is a large production of artificial silk there.

Production of perlon, which up to the present has been reserved mostly for export, is to be doubled during the year 1951.

SECRET

TEXTILE INDUSTRY IN THE CSR:

Source estimates that a maximum of ten percent of the Czech textile production capacity is used for the output of military items such as clothing, parachutes, etc. Ten percent, source points out, is quite large when the total capacity, likewise considerable, of the CSR's textile production capacity is considered.

The Czech textile industry can never become entirely independent of the West. However, the Czech textile industry has secured independence of the West in so far as machinery is concerned for the next 20 to 30 years, according to source, by the acquisition of a machine park (sic) from western countries. A sufficient number of spinning machines have been secured from England over the past two years to meet CSR needs. The life span of a spinning machine is between 20 and 30 years, and spare parts for spinning machines are produced in the CSR.

Spinning, weaving, dressing, etc. machines used in the production of silk have been imported from England and the USA, so that Czech factories are now well supplied and will not require replacements for at least 20 years. Prior to 1945 textile dressing machines were imported from Germany, and afterwards from England. However, the CSR now has its own factory for the production of dressing machines at Liberec (051 G16). Although the Liberec product is not of as high a quality as the German and English machines, they are adequate. Other tools required by the textile industry are manufactured in the CSR.

Raw materials for the textile industry is another problem, however, and is the industry's weak point. Only two important items, cotton and linen, can be secured by the CSR in the East, both being imported from Russia. The Soviet cotton, however, can only be used in manufacturing rougher textiles. The main drawback is that Soviet cotton deliveries will be as a rule a mixture of several qualities, which in themselves, however, are not too bad, a mixture of long haired and short haired cotton, and are apt to be of varying shades of color. The CSR is, therefore, dependent on the West for the import of finer cotton.

Among the other critical raw materials of the textile industry are to be mentioned wool, mainly imported from Australia, jute secured from English from English firms (source does not know where it is purchased), sisal hemp from the English colonies, natural silk mostly imported via England and the USA although some is secured through France, dyes largely from Switzerland.

Other items needed as auxiliary substances by the textile industry such as impregnating, softening, equalizing agents, etc., have also been imported from the West, but they will eventually be replaced by substitutes produced in the CSR.

The stocks on hand of the above critical items which the CSR can only secure in the West are not large. If all western imports were completely stopped, these stocks could scarcely cover more than six months requirements.

SECRET

-2-

The Soviet Union is the principal consumer of exported textile goods from the CSR, and Russia now receives more Czech textile goods than makes up the total of Western imports from the CSR. The satellites also import some of the Czech textile production, but very little. Prior to WW-II Finland imported from two to four percent of the total of Czech exports; she is still importing Czech textile exports, and source believes it is at approximately the same rate. Switzerland has been the main Western customer for Czech textile exports, mostly by way of compensation. Other customers in the West are Holland, England, the USA, Canada, and North African states. Source is unable to specify the quantities imported by the above, nor can he report on the specific type of textiles imported by them. He asserts that most of the exporting of Czech textile products is handled by JUTA National Corporation which has its headquarters in Prague.

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VERTEX, NATIONAL CORPORATION AT HRADEC KRALOVE (051/G 71).

The seat of the management of the national corporation VERTEX is at HRADEC KRALOVE. The enterprise consists of a small factory at HRADEC KRALOVE and another factory in the vicinity of TAMNWALD (Polubny - 0 51/G 36) (?). In these factories fibres and tissue of glas are produced. This production was introduced in 1949 more-or-less as a test-production. The management was located at HRADEC KRALOVE most probably because there is the gla research institute there.

It is a completely new kind of production, a Czechoslovak unique product based on successful tests done with the glas fibre and glas tissue, called "glas clip" (skelna stris). The main raw-material for this product is glas. The product serves for production of fire-proof and special textile; resistant against heat, acids and lyes, against rotting etc.

Application of these glas-textiles is still tested. However, this product is already being delivered as tissue for production of decoration material, for production of special textile goods, for production of special military cloths (air-force and tank overalls, protecting against heat and blazing-up etc.). As fibre, this product is being delivered under the name Vertex for production of insulation electrotechnical covers of cables etc. Attempts are being made for use of Vertex as substitute of so called cord (kordy) for tires.

As far as the colored material is concerned, the colored glas is not being used in production of Vertex but only the produced fibres are dyed as it is usual with other textile goods. The other finishing process is also the same as with other textile goods.

The whole production is up to the present in the state of development and tests. The product is already a perfect material but its application for several other purposes is still being tested. In both these factories work is being done on looms. The factory at Hradec Kralove employes about 180 people and the factory in the vicinity of TAMNWALD (POLUBNY) - ? - about 100 persons.

SECRET

Artificial Fibres Production in the CSR:

New, modern methods of production of artificial fibres are being employed in the plant at BRATOVICE (051 P80). Artificial fibres are also being produced at several plants in the following places:

LOVOVICE

Dynanit-Nobel at BRATISLAVA (P49 X99)

Dynanit-Nobel at SENICE

Svit at BATISOVCE (Q50 D58)

The artificial fibre production of all these plants is based on cellulose. Silon, the Czechoslovak equivalent of Nylon produced by the Svit plant at BATISOVCE, is an amino fibre, which is especially used in manufacturing ~~the~~ stockings. Source asserts that Silon is rather better than Nylon in that it is more durable.

Viscose, a solution of cellulose nitrates, and Xantates of cellulose, cellulose dissolved in sulphide of carbon with caustic solutions, are the two fibres most produced in the CSR. Also manufactured are Acetylcellulose, which is cellulose combined with acetic esters, and cuprammonium silk, which is a solution of cellulose in ammonical copper oxide.

Because of a lack of wool and cotton, 30 percent to 80 percent artificial fibres are being introduced into textile goods being produced in the CSR. All four of the above products can be used as substitutes for wool after they are impregnated with albuminous substances such as casein solution. Cuprammonium silk is the best of them for this purpose, but all of them have the shortcomings of not being wrinkle-proof and having little or no nap, are too smooth.

In addition to Silon as mentioned above, Acetylcellulose and cuprammonium silk are also used especially for manufacturing stockings, although the Acetylcellulose has the drawback of being difficult to dye. Viscose has the two shortcomings of not being durable because its nitrates are subject to rapid decomposition and of being highly inflammable.

In addition to cellulose, the main raw material in the manufacture of these four substances, some woollen refuse is also utilized.

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Czechoslovak Fur Industry.

This branch of industry started in the CSR from very small beginnings about 30 years ago and its largest center in the CSR was KLIMKO (050/886) until 1940. During the World War II and especially after the large fur-production center at LEIPZIG had been bombed large orders for dressing furs for the German Army were given to the factories in Bohemia and Moravia. For this reason, the formerly small factories were considerably enlarged during the war, and after the war several new modern factories built up. The years 1946 and 1947 were golden years of Czechoslovak fur industry. Czechoslovakia was supposed to take over the important position of the former Leipzig fur industry. This supposition was supported by the fact that a great lot of fine raw-skins were imported to the CSR and products made of them exported to the Western countries.

The largest plant built at that time was at PORICI (051/094) near TRUTNOV, the owner of which was Ing. J. VIK, who formerly had his enterprises at CESKA SKALICE (051/083). According to the original projects, this plant was supposed to be the most modern one in Europe. It was supposed to be erected for the cost of 70,000,000 Kcs and was to employ 2000 people. It was incomprehensible that the owner started with realization of such a large project at the time of general nationalization, but it was said that the plant was being built with the agreement of the Minister of Industry LAUSMAN, who reportedly gave his assurance that the plant would not be nationalized. The necessary capital for this project was given partly by VIK who was allowed to use deposits bound in consequence of the currency reform in 1945 and further necessary funds were to be given by the Minister of Industry. Also J. KUDRNAC, owner of the nationalized rubber factory at MASHOV (051/048), took part on this enterprise.

This industry was not touched by the first nationalization. After the February 1948 coup, all the enterprises were given under national administration. In the majority, the national administrators were the former owners. The fur industry was attached as a separate section to the Czechoslovak Textile Enterprises and as enterprise manager of this section was nominated the former owner of the enterprise "Bratri Kromarova" in BRNO, Ing. Alois KROMAR, who was a devoted Communist and whose wife was chairman of the Women Council for Brno county. At the end of 1948, the national administrations were abolished and the whole section of industry was nationalized. (The national administrations were introduced according to the edict about complete nationalization of the fur industry.) A new manager was assigned to each enterprise and the former owners were transferred to the enterprise management the seat of which

- 2 -

at that time was in PRAGUE. J. VIK who was arrested immediately after February 1948 was released after a few months as indispensable and used the first opportunity to escape abroad. His former enterprise at PORICI was being built further, of course not in the formerly intended dimension. (It was formerly supposed to be an industrial center similar to ZLIN, including a social house, living houses for workers, play-grounds, etc.).

In the half of the year 1949 great disputes started between the Czechoslovak textile enterprises (GTZ) and the Czechoslovak Leather and Rubber Enterprises (GZKG) - former RATA on the question whether fur is to fall under the textile section (some experts stated that fur was a part of clothing) or under the leather section (some experts stated that the two branches of industry are very similar). The final result was that the national corporation was divided into two branches: The first-production - where those plants which are employed with dressing and dying of fur were attached - became part of the Leather and Rubber Enterprises, and those factories which make parts of clothing of fur were left with the textile enterprises. Those plants which were employed with both kinds of this production, were deprived of one part of it. This division of the fur industry was done under the strong influence of the General Manager of Leather and Rubber Enterprises Dr HOLY in the Party. He had special interest on the fur industry because of its prosperity and financial profits as well as of his personal dislike for Ing. KRCMAR.

There were altogether 12 of the first-production factories which were united under the name KOTOV, national corporation, factories for preparation, dying and dressing of fur. KOTOV was formed from the following plants: J. VIK, PORICI near TRUTNOV, J. VIK, CESKA SKALICE (80 employees), L. MORAVEC, PISEK (N50/Q69), "BOSTON", owner J. VANEK, BREZHRAD (051/070) near HRADEC KRALOVE (40 employees), J. HOLICKY, KUMRATICE (051/L87) near PRAGUE (100 employees), "LUSTRA", owner K. PISEK, PRAGUE VIII (60 employees), Ing. Josef HANUS, KLINSKO (60 employees), HRATSI KRUMAROV, BRNO (50 employees), PAWLOUSEK, BRNO (40 employees), JANDERA, BREZOVA near SVITAVY (P50/N26) (20 employees). The smaller dressing and dying work-shops, the center of which was at BRANDYS NAD LABEM (051/L99) and at STRAZNICE (P49/TO7) (about ten shops employing all of them about 120 people) were abolished immediately after nationalization.

The seat of the enterprise management of the national corporation KOTOV was located in the plant PORICI near TRUTNOV which was designed as the fundamental plant ("zakladni zavod") at the same time. This plant was partly finished at that time. Until 1st Fall 1950 the total cost amounted to 140,000,000 Kes. Also five living houses for workers were accomplished in the close vicinity of the factory.

- 3 -

The Czechoslovak Leather and Rubber Enterprises assigned immediately their people to the leading positions in the enterprise. They are no experts at all and know nothing about the production but they are devoted and indoctrinated G.P. members. As the enterprise manager one Jiri BOUBA was appointed, a former leather dresser who after 1945 was assigned liquidator into the textile industry. (Because he performed his task excellently he was rewarded by being assigned to the fur branch and after its successful abolishment he has been assigned section manager of glove-production where he again is in charge of abolishment of several factories). Fnu ZAJICEK was assigned technical manager. He is a Communist, an non-expert. Security Officer was fnu PAJIKET, a Communist, an unintelligent man. Chairman of the G.P. enterprise organization was Bretislav MAJOR, about 22 years old, skilled fur-dresser, a devoted Communist. As head of the cadre department was nominated the former dust-man J. ELAVATI, about 34 years old, a devoted Communist (an extremely unintelligent man). As the above mentioned technical manager does not understand the job, the former operational manager at CIESKA SKALICE, Dr. VRBACKY, a chemist and average expert (in 1950 he was held on jail for about a half a year for unknown reasons) was left in the enterprise as well as the former owner of the enterprise at ELINSKO, Ing. Josef HANUS, who is a good expert.

In consequence of the introduction of the BATA administration system into national corporation, which is in principle centralistic, a hypertrophy of the administrative organs resulted and thus abolishment of some plants necessarily had to take place. On the other hand, this abolishment was also ordered by "POP" (Industry, trade and finance - section of the G.P. Central Committee). "KOTOV" performed the abolishment so quickly that within one half a year only the basic enterprise at PORICI remained with its branch-plant at SKALICE. The liquidation was done in such a hurry that the machinery was transported from one abolished plant into another, the mounting of the machines there started and before this was finished, the abolishment of that plant was ordered again. This cause a great chaos whereby several parts of equipment and machinery were broken and the majority of machines were then given to scrap-material. A large part of this machinery was purchased after the war in the USA and in Sweden. As far as the buildings of the abolished plants were suitable, they were taken over by KOTV, national corporation for the use of metallurgical equipment. In Fall 1950 there were some negotiations as to the abolishment of the PORICI plant its buildings being suitable and large enough for metallurgical operation. There were great objections against this suggestion from part of the employees of KOTOV. Source does not know the results of these negotiations.

As to the imported material, furs were imported from Rumania, Siberian squirrels ("popalka"), smaller number of silver and arctic foxes, minks, caracul from Rumania (especially these were expensive furs arrived in very bad qualities) and sheep from Greece and Bulgaria. The imported raw-materials were purchased mostly under the

- 4 -

condition of 70% re-export. The auxiliary chemical matters are all of home origin, only aniline dyes have to be imported from Switzerland or USA.

Those plants dealing with tailoring the ready made furs were attached to the Czechoslovak textile enterprises. There were about six of them and the largest were: KRIZ, Prague, BERAN, Prague, TICNY, Kilsko, HRDY, Straznice, etc. The firm KRIZ erected a new modern plant after the WW II at STARY KOLIN (051/248). There also first-production was established which after the division of fur industry was abolished and only the tailoring of ready made furs was left there. This plant at STARY KOLIN became the basic enterprise of the national corporation "KARA" and also the management of the national corporation was located there. All former managers were deprived of their positions. As manager general was nominated Inu KVARNICKA, a devoted Communist and no expert. KARA abolished only the small and unimportant plants but the majority of plants were left and they still are under operation.

The last large export order came from Poland - for production of sheep fur-coats (most probably for the army). Further strips were made of coloured sheep fur (so called "velours") which were exported to America.

In result of removal of all experts from this branch of industry the quality of products is very bad and there are thousands' worth of goods which are for no use at all being completely spoiled. KOTOV, national corporation as first-production delivers its products to KARA, national corporation which prepares from them ready-made coats.

KARA, national corporation, sells its products to TEXTILIA, national corporation. Manager of the national corporation TEXTILIA is Rudolf SCHIFF, who lives in PRAGUE XII, Mradecka 22. He is a former employee of a fur-shop, an expert, who liquidated several fur-wholesales in Michalska street in PRAGUE (that was the center of the fur-trade). He is a devoted Communist of far-reaching influence in the KSC. He avoids Party functions but he is one behind the scenes who gives different instructions and advices. He is a Rumanian Jew by origin, who mysteriously was left in peace by the Germans at the time of the so called Protectorate. All his relatives are on important places in the nationalized industry. He is a typical capitalist in his private life (a luxurious flat and high living expenses).

The national corporation TEXTILIA distributes the fur-products among the sale-shops of TEP, national corporation. Therefrom it can be purchased by customers.

This whole selling chain is rather expensive so that the customer has to pay except an immense tax also the cost of all these transactions. For the home-market only products of home fur come in question, i.e. rabbits, a smaller number of sheep and eventually foxes. All better kinds of goods, as far as they are destined for the home-market,

ing purchased by employees of TEKHLIA and TEP. The workers
piece wages. Before the introduction of the State Catalogue
as they differed from 1000 to 35000 KOs in a fortnight
to the categories of work (skilled dyer - auxiliary labor).
to the nationalization the wages were higher from 50 to 100%
introduction of the State Catalogue of Wages the wages were de-
creased about 1/3 on the average. Only the salaries of technicians
remained unchanged by the Catalogue.