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Attached

is a rough, unedited report containing economic information on Yugoslavia.

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- To demonstrate the chaos reigning in the economic life of Tito's Yugoslavia because of the ~~inexpert~~ <sup>and non-specialized,</sup> direction of the Communist regime, the following examples are given:

In 1946,



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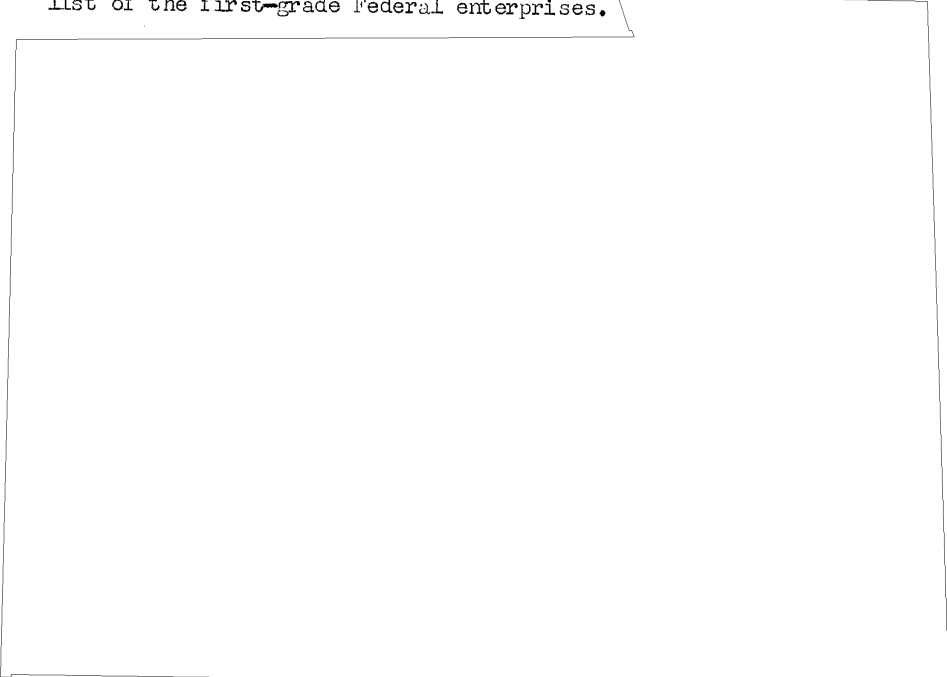
manufacturing electrical items (factory called "NORRIS")



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Said company (the former proprietors of which were the FUKS Brothers) produced the following items: electric ~~apparatus~~ <sup>apparatus,</sup> switches, electric stoves and furnaces, miscellaneous equipment and other articles indispensable to the population and building trades. For the ~~factory's~~ <sup>its</sup> production capacity, it was considered the most important ~~factory~~ <sup>factory</sup> in its field in YUGOSLAVIA, so much so that, in the period of nationalization, it was included in the list of the first-grade Federal enterprises.

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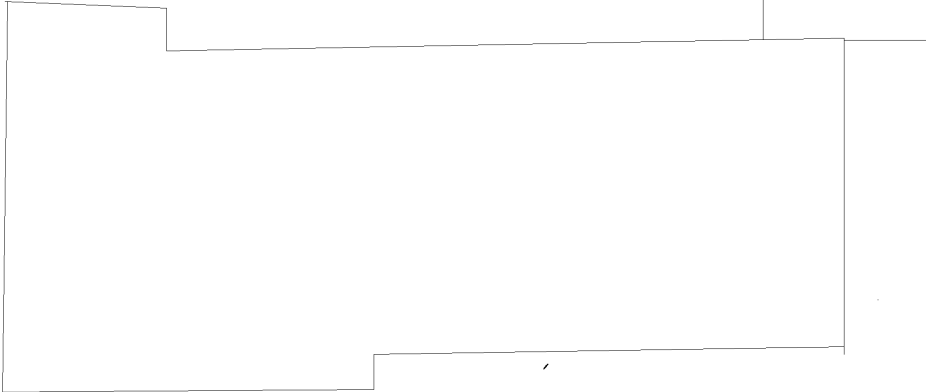
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Toward the end of 1947, the Noris factory was abolished. The bakelite presses were transferred to the NOV KABEL factory of Novi Sad; a ~~part~~<sup>large</sup> part of the machinery was ~~transferred~~<sup>transferred</sup> to the ISKRA factory of Kranj and the remainder went to the Rađe Koncar establishment. The qualified workers who were specialized in products of the NORIS factory were dismissed because many of them did not wish to work in the RAĐE KONCAR establishment which, from that time on was known by the name of "SING SING" because of the terror brought about by the Communists. In the RAĐE KONCAR factory, however, a unit was not established which would have been able to continue the NORIS production, but the workers were sent into various laboratories and production of the NORIS articles ceased, which had a telling effect on the building trades.

After 6 months, when the "Communist experts" noticed the damage they ~~had done~~<sup>had done,</sup> that is, destroying a factory with an idiotic decision, decided to salvage what they could: therefore, the order was given to gather all of the old machinists of the NORIS factory so as to establish a new establishment analagous to the one they had destroyed. Thus, in 1948, a new establishment arose in VRAPCE in the vicinity of ~~ZAGREB~~<sup>ZAGREB</sup>, called "TEP" (Tvornica Električnih Proizvoda = factory of electric products). The organization of this factory was entrusted to MESOVIC, former director of the NORIS. When the new products of this factory were put on the market, the entire Communist press received orders to write praiseworthy articles proclaiming a new victory

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in the "building of socialism", naturally making no allusion to the fact that the "TEP" was only that which had remained of the NORIS.

[redacted] a balance sheet of this inept Communist Administration, establish that only the transfer of machinery to

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the RADE KONCAR factory cost 2 million dinars not to speak of the enormous losses occasioned because of the suspension of 1 yr's work and of the immediate scarcity on the market of the necessary industrial articles. It should be added that the TEP produces

only 30 % of what NORIS <sup>used to</sup> produce. Besides, the warehouse of ~~scattered during the~~ *semifinished* products ~~of~~ NORIS, valued at about 5 million dinars, was ~~scattered during the~~ transfer ~~to~~ to the RADE KONCAR factory.

[redacted]

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the principal reason for the

Liquidation of said NORIS company was ~~the~~ the fact that in 1946 this company showed a balance <sup>a</sup> of 4 million dinars, ~~which was about~~ the same amount ~~as~~ the deficit shown that year by the RADE KONCAR factory; the experts of Tito, by destroying the NORIS, thought that they could hide from their superiors their incapacity and ignorance in the financial management of the firm.

The above-mentioned case is one of the typical cases in which one is able to note how an active company can be liquidated only to cover the mishandling and ineptitude of "director" SAFAREK, of Franj MAGIC, personnel director, of prof. DOLENC (~~all~~ three <sup>one after the other</sup> ~~sentenced~~) and of the business manager, STERN, (who tried and sentenced himself with his suicide), all Communist leaders of the RADE KONCAR factory.

another example is reported which is about machinery received from Germany and Hungary. This case ~~is~~ regards <sup>of</sup> millions ~~dollars~~ which the experts of Tito wasted on machinery which they allowed to

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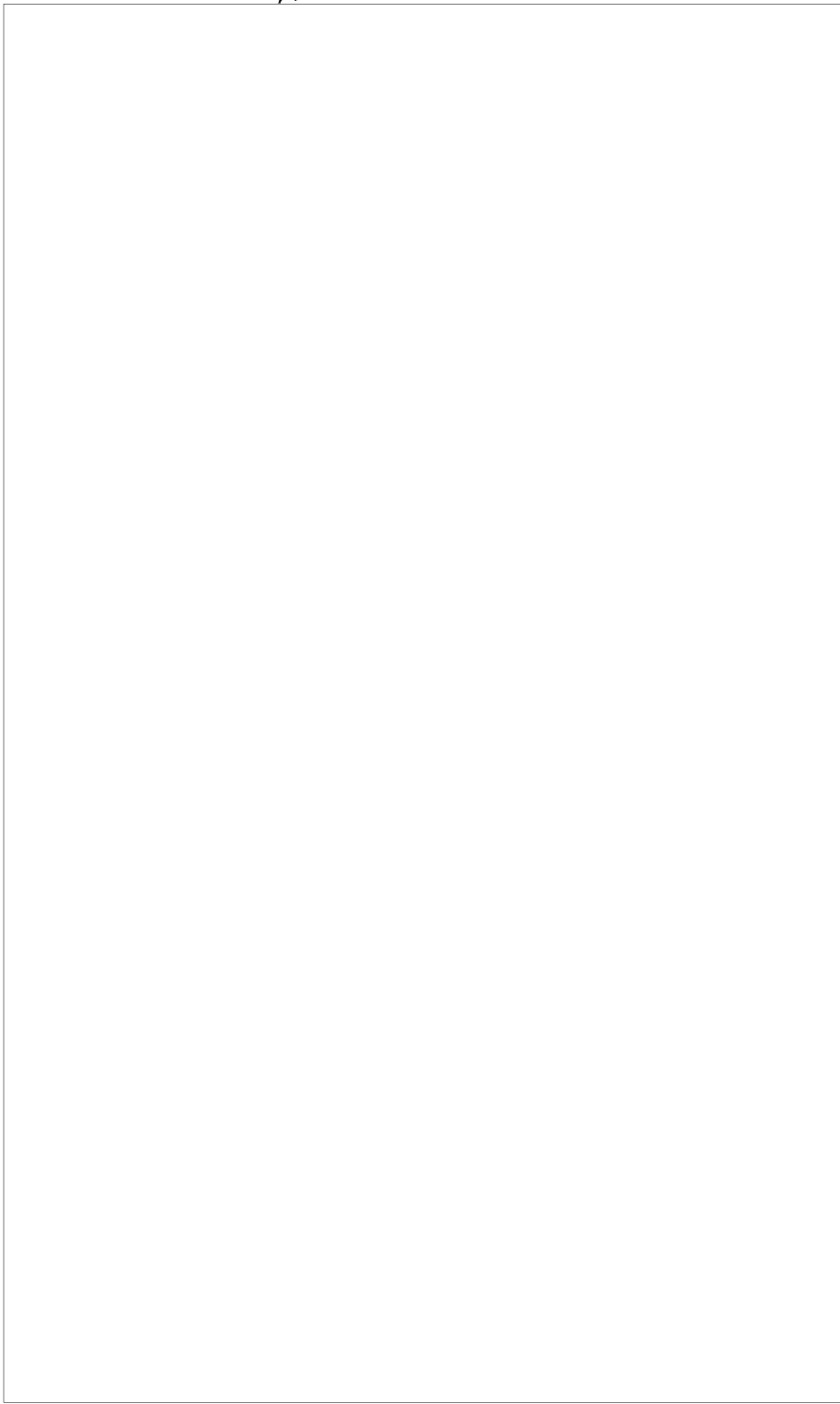
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lie in disuse and deteriorate so that <sup>now</sup> it is no longer in condition  
it  
to be used; ~~it is~~ rusted to such an extent that <sup>now</sup> it can only be  
used as junk iron.

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ion

For 3 and a half yrs one of Yugoslav's largest ammo factory, completely underground, has been under construction.

January of last yr, the assembly of the final machinery was begun.

The aforementioned factory was constructed at the base of the

"Bregana" Mountain near Samobor (Croatia) and specifically near the

~~road~~ which leads from Samobor to Brezice. Mount "Bregana" is situated

3 km N of Samobor.

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The entire territory ~~around~~ <sup>around</sup> above -mentioned mountain, within a radius of 8 km is under military jurisdiction and no one can approach without special permission from the military authorities.

The mentioned factory will produce mainly ammo for automatic weapons and especially ~~the~~ for antiaircraft defense.

About 3,000 workers are assigned to the construction of the factory. From the main Samabor-Brezice road there is a detour specially built which which leads to the above-mentioned mountain.

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