

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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1. The Rade Koncar Factory in Zagreb is a federal enterprise and is run by the Council for Heavy Industry in Belgrade. The factory produces electrical equipment of various kinds and it is supposed to be the best factory in this field in Yugoslavia. It receives contracts for installation of equipment in electric power stations all over the country. There are about 4,000 workers. 25X1
2. Presently the factory has no manager and is temporarily run by Vojno Kundic. A new manager will be appointed in a few months by the Council for Heavy Industry which is the competent authority in this case. In addition to the manager, there is an Administrative Committee composed of about 15 persons and a Workers' Council of about 100 persons. All the members of the Administrative Committee are political and not professional people. The factory has a secretary of the enterprise and secretaries of various sections who are at the same time also FCY (Federation of Communists of Yugoslavia) secretaries. The Party organization is divided into sections according to the sections existing in the factory. The Party secretaries are not professionally qualified people and do not do very much work for the factory.
3. Several sinecure positions, such as the military section, pre-military, service section, etc., exist in the factory and represent a burden for the factory budget and especially for the Wage and Salary Fund. Because of these positions, other employees receive lower salaries. The tendency now, however, is to abolish such sections.
4. The factory usually works at a profit. Up to 98 percent of the profit goes to the government in the form of tax and the remaining two percent goes to trade unions, workers' organizations, communal institutions, but not to the workers directly. Workers' ownership is only a farce.

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(Note: Washington distribution indicated by "X"; Field distribution by "#")

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5. Workers make an average of 7-9,000 dinars monthly, but sometimes also as little as 6,300 dinars. Engineers receive from 12-14,000 dinars monthly. No one can live on this salary, which is insufficient to cover expenses for food and quarters, not to mention clothing. Similar conditions exist in other enterprises and therefore the standard of living is very low. Disease has increased, especially tuberculosis. Prostitution, not as a profession but as a means for obtaining nylons, clothing, etc. is becoming more prevalent, although it is prohibited by the government. Theft has increased. The employees and workers steal various materials produced by the factories where they work and either sell them outside or use them themselves. People who work in a food factory stuff themselves with the food inside the factory and therefore do not need to eat outside; workers in a shoe factory steal leather and other things piece by piece and then make shoes at home to wear or sell. In Sisak, there was a case in which it was discovered that wire for electric stoves, which happened to be a very expensive item, was disappearing from the factory. Once the militia guard hut was overturned by a heavy truck and a large hole was found underneath, full of this wire. This case amused the workers because the militia was there for the specific purpose of preventing theft. Workers in electric equipment factories steal various kinds of equipment to make radios, electric stoves, etc. at home, either for their own use or for sale.

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