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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

25X1

COUNTRY	Czechoslovakia	REPORT	
SUBJECT	Miscellaneous Economic Information	DATE DISTR.	22 September 1953
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This is UNEVALUATED Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
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(FOR KEY SEE REVERSE)

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1. Production of Czechoslovak export goods of inferior quality has reached unprecedented proportions, allegedly amounting to 35 to 40% of all export orders. Such goods are sold for less than the cost of production and often less than the cost of the raw materials—raw materials which were obtained with difficulty and often paid for in hard currencies. Delivery contracts with the Soviet Union always have penalty clauses and the Soviets thus often get goods for next to nothing or, at best, pay the price of the raw materials.
2. The Czechoslovak State Transport Corporation¹ has credited large amounts of money in fares to organizations such as the Czechoslovak Youth Organization and the Czechoslovak-Soviet Friendship League², etc., and is unable to demand payment from them because these organizations are backed by the Communist Party and are thus politically privileged.
3. There is a considerable shortage of scrap iron and iron ore, and these commodities must be paid for in foreign and hard currencies, which also are difficult to obtain. Consequently, scrap metal collecting centers have been set up in many places; there are two very large collection centers in Kladno. One of these ordered a huge press for handling the scrap but it arrived, disassembled, at the wrong depot in Kladno by mistake, and since no one there knew anything about it the parts were just crushed into scrap iron for the collecting drive.
4. The Czechoslovak currency in circulation as of the beginning of 1953 was estimated at 70 billion Kcs., but the actual figure prior to the currency reform is believed to have been about 110 billion Kcs., instead.
5. Circuses in Czechoslovakia are State-operated. In 1952, their deficit amounted to 37 million Kcs.

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25 YEAR RE-REVIEW

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1.  Comment. Probably Czechoslovak State Automobile Transportation 25X1
(Ceskoslovenska statni automobilova doprava) is meant.
2.  Comment. Possibly identical with the Czechoslovak-Soviet Institute 25X1
(Ceskoslovenske-Sovietsky institut).

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