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Federal agents examine arms seized at the Erquiaga Co., City of Industry, Calif.

# Gun Firm Denies Sale To 'Private Armies'

By Stratford C. Jones

INDUSTRY, Calif., March 27 (AP)—Machine guns and records of their manufacture seized at an arms factory were held for examination today by Federal, state and local authorities who believe they were destined for use by extremist groups. The plant operator denies it.

The 373 weapons, 100,000 rounds of ammunition and three silencers used for testing the guns were confiscated at the Erquiaga Arms Co. yesterday by 30 officers armed with a search warrant.

Said State Attorney Gen. Thomas Lynch:

"Speed was necessary in this raid, since our office has definite information that some of these illegal weapons were intended for private armies in California."

A spokesman for the Attorney General's office later identified the "private armies" as—among others—the Minutemen and Rangers.

"This talk of our making guns for private armies is a lot of hogwash," Lowell Knudson, head of Knudson Mfg. Co. and operator of the Erquiaga Arms Co. told newsmen.

"We have a purchase order from the Costa Rica government for 500 automatic machine pistols, which we are filling.

"We are licensed by the Internal Revenue Service and working with the approval of the U.S. State Department in making these machine guns, which we understand are to be used by Cubans in fighting Castro," Knudson said.

Sheriff's Lt. E. D. Villines, who led the raid, acknowledged that the firm has a Federal license to make the machine guns, but said it

lacks State authorization for manufacture, possession, sale or transportation of such weapons. On these grounds, Citrus Municipal Court issued the search warrant.

A spokesman for the Attorney General's office said the Minutemen and Rangers, for whom they believe the arms were destined, are similar groups—volunteer armies who train in guerrilla warfare.