

LL/B
7 July
X - 4712

CZECHOSLOVAKIA

FINANCE

Money

POPULATION

Dissatisfaction

Happenings During The Monetary Reform

SOURCE HAMBURG: Confidential source.

DATE OF OBSERVATION: Current period.

EVAL. COMMENT: Both first paras are UNCONFIRMED here. The statement in the second sentence of para 3 does not seem to be true, as the workers had not yet been paid by June 30, and this fact was very thoroughly exploited by Programming. The last para is confirmed by press and Monitorings.

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The couple KUBIN from MACHNIN near LIBEREC went on the day of the monetary reform to the exchange office with 180,000 Kcs on hand. Both are pensioners with a monthly income of about 4,000 Kcs. Their money was taken away and they were on the spot arrested. Their present stay is up to the present unknown.

TUCEK Frantisek, tailor in HRADEK nad NISOU, brought a sum to the exchange office on the day of the monetary reform which was even higher than that of the abovementioned couple. He was several times screened but afterwards released as it was known that he was a Party member.

The first rate of exchange of 1:50 raised considerable discontent among the Czech population. On 15 June, however, the authorities paid their employees already at the rate of exchange of 1:5. In the meantime they promised all employees and workers that the money market would soon be normalized. This normalization, in connection with a general raise of all incomes is said to come into force about 1 July. It is presumed, that these promises were made to quiet the Czech population.

In the meantime the food-market was normalized.

The shops offer more and better goods than previously. The people spent their first money in good food. The DAREX-shop in PRAGUE has been closed and will be re-opened in the near future as a luxury magazine.

End.