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COUNTRY: CZECHOSLOVAKIA/POLAND/HUNGARY Mandatory Review

Case # NLJ 97-155

DATE OF INFO.

Document # 50

DISTR. JANUARY 1964

SUBJECT

IMPENDING ANNOUNCEMENT OF DRASTIC AUSTERITY PROGRAM

1.5(c)
3.4(b)(1)

PLACE & DATE ACQ.

REF IN

SOURCE AND APPRAISAL:

FIELD REPORT NO.

TO ARMY STAFF COMM: EXCLUSIVE FOR ACSI, GENERAL DOLEMAN; NAVY DNI, ADMIR TAYLOR AIR FORCE AFCIN, GENERAL THOMAS; TO DIA: EXCLUSIVE FOR GENERAL CARROLL.

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TO NSA: EXCLUSIVE FOR GENERAL BLAKE

TO FBI: FOR MR. S. J. PAPICH

1. [REDACTED]

[REDACTED] THERE WILL BE A "SENSATIONAL DEVELOPMENT" IN THE KSC CENTRAL COMMITTEE BEFORE THE END OF JANUARY 1964. IT WILL TAKE THE FORM OF AN ANNOUNCEMENT OF A DRASTIC AUSTERITY PROGRAM, WHICH KSC OFFICIALS FEAR MAY AROUSE A VIOLENT PUBLIC REACTION. THE PROGRAM WAS CONSIDERED BY THE KSC PRESIDUM ON 7 JANUARY 1964 AND WILL BE SUBMITTED FOR FINAL ACCEPTANCE TO THE NEXT CENTRAL COMMITTEE PLENUM ON 21 JANUARY 1964. THE NEW PARTY COMMISSION ON STANDARD OF

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8 SEP 1997

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LIVING HAS SUBMITTED ALTERNATE PROPOSALS. [REDACTED]

COMMENT:

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A KSC PLENUM IS SCHEDULED FOR JANUARY 1964.

2. UNDER THE PROPOSED PROGRAM, CONSUMER GOODS WILL BE MORE EXPENSIVE, RENTS WILL BE HIGHER, ELECTRICITY WILL COST MORE, AND PENSIONS WILL BE LOWER. THE MAXIMUM PENSION, WHICH IS NOW 1600 CROWNS, WILL PROBABLY BE LOWERED TO 1400 CROWNS.

3. THE POPULAR REACTION TO THIS AUSTERITY PROGRAM IS EXPECTED TO BE VERY SEVERE, AND DEMANDS FOR FAR-REACHING POLITICAL CHANGES ARE EXPECTED TO MOUNT. [REDACTED]

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5. WITHIN THE SOVIET BLOC, ECONOMIC DIFFICULTIES ARE NOT CONFINED TO CZECHOSLOVAKIA, WHERE THE SUPPLY SITUATION IS FELT TO BE FAIRLY SECURE FOR ABOUT SIX MORE MONTHS. IN POLAND AND HUNGARY, ON THE OTHER HAND, THE SUPPLY SITUATION IS ASSURED ONLY THROUGH THE MONTH OF FEBRUARY 1964. [REDACTED]

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[REDACTED]

6. FIELD DISSEM: NONE.

END OF MESSAGE

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