

TELEGRAM INFORMATION REPORT TELEGRAM

CENTRAL INTELLIGENCE AGENCY

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CLASSIFICATION — DISSEMINATION CONTROLS

~~SECRET~~/NO FOREIGN DISSEM/CONTROLLED DISSEM/NO DISSEM ABROAD

COUNTRY CZECHOSLOVAKIA

REPORT NO. CIA Statute

SUBJECT DEEPENING SHORTAGE OF FOREIGN EXCHANGE

DATE DISTR. 19 SEPTEMBER 1963

PRECEDENCE ROUTINE

DATE OF INFO. LATE AUGUST TO MID-SEPTEMBER 1963

REFERENCES IN
CIA Statute

PLACE & DATE ACQ. 50X1, CIA Statute (18 SEPTEMBER 1963)

APPRAISAL 2 (EXCEPT AS NOTED)

FIELD REPORT NO.

THIS IS UNEVALUATED INFORMATION. SOURCE GRADINGS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

SOURCE BLOC OFFICIAL (B) WITH HIGH-LEVEL CONTACTS IN THE CZECHOSLOVAK PARTY AND GOVERNMENT IN PRAGUE.

1. THE FOREIGN CURRENCY SHORTAGE IN CZECHOSLOVAKIA HAS REACHED SERIOUS PROPORTIONS. AMONG ITS CAUSES ARE THE HEAVY COMMITMENTS IN AID TO DEVELOPING COUNTRIES AND THE CURRENT INABILITY OF CZECHOSLOVAKIA TO FULFILL EXPORT DELIVERIES BECAUSE OF REJECTIONS ON QUALITATIVE GROUNDS.
2. THE REGIME APPARENTLY HOPES TO SOLVE ITS FOREIGN EXCHANGE PROBLEM, AT LEAST PARTIALLY, BY OBTAINING A LOAN FROM THE UNITED STATES. THE VISIT OF U.S. SECRETARY OF COMMERCE LUTHER HODGES TO THE BRNO FAIR HAS GENERATED EXTREME INTEREST ALONG THIS LINE.
3. IN LATE AUGUST 1963, A DISCUSSION TOOK PLACE IN PRAGUE BETWEEN REPRESENTATIVES OF THE MINISTRIES OF FOREIGN AFFAIRS AND INTERIOR AND OF CEDOK, THE OFFICIAL TRAVEL

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GROUP 1
Excluded from automatic
downgrading and
declassification

STATE/INR	DIA	ARMY/ACSI	NAVY	AIR	JCS	SECDEF	NSA	NIC	AID	USIA	OCI	ONE	OCR	ORR	OSI	DD
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BUREAU, CONCERNING THE ROLE OF FOREIGN TOURISTS IN THE FOREIGN EXCHANGE PICTURE. CEDOK SHARPLY CRITICIZED THE FOREIGN MINISTRY FOR ITS RIGID POLICY TOWARD FOREIGN APPLICANTS FOR VISAS TO VISIT CZECHOSLOVAKIA. ACCORDING TO CEDOK, THE FREQUENT DENIAL OF VISAS TO FOREIGN APPLICANTS WAS SERIOUSLY AFFECTING CEDOK'S ABILITY TO FULFILL ITS FOREIGN CURRENCY PLAN. THE FOREIGN MINISTRY PROMISED TO RELAX ITS POLICY TO A POINT WHERE VISA DENIALS WOULD BE THE EXCEPTION RATHER THAN THE RULE. (HEADQUARTERS COMMENT: ACCORDING TO REFERENCE, FROM A SOURCE OF EQUALLY HIGH RELIABILITY AND POSSIBLY SUPERIOR ACCESS, PROCESSING OF VISAS IS NOW THE RESPONSIBILITY OF THE MINISTRY OF THE INTERIOR, NOT THE FOREIGN MINISTRY. NEWS OF THIS CHANGE, WHICH POSSIBLY OCCURRED AS EARLY AS THE SPRING OF 1963, MAY HAVE BEEN WITHHELD FROM CEDOK AND WORKING-LEVEL OFFICIALS OF BOTH MINISTRIES. THE INFORMATION PRESENTED HERE CAME FROM AN INFORMANT WHO IS ON THE WORKING LEVEL IN A DIPLOMATIC MISSION. CLARIFICATION OF THIS POINT IS BEING SOUGHT.)

4. FIELD DISSEM: NONE.

END OF MESSAGE