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THE CZECHOSLOVAK PARTY THESES AND BEYOND (1)

Summary: This paper contains a brief appraisal of the Czechoslovak Party's Theses for the forthcoming, 13th Congress. On the New Economic Model, they contain nothing substantively new, but neither do they presage any change in the economic direction. The reasons for implementation delay -- if that is what it is -- can be attributed in equal measure to economic and Party considerations. On the social front, the Theses do not grapple effectively with the indifference and estrangement of the population to their government. The Theses, while appearing to encourage an increase of the powers of representative bodies, give short shrift to the fundamental causes of the people's indifference to the Party's economic and social policies. The Theses support the conclusion that the CSSR is becoming the ally, rather than the ideological sycophant, of the Soviet Union. And the Czechoslovak conditions for normalization of relations with West Germany are less stringent than they have previously been.

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It was the ambition of the 12th Party Congress in 1962 that the 13th should be the turning point in the evolution of the Communist society. Its preparatory document -- the equivalent of the present Theses -- concluded with the Hebraic aspiration that "we shall do everything to enable the present generation in our country to live in Communism." (2) In the honeymoon, directly after the transition to socialism had been promulgated in 1960, Czechoslovakia was judged by its rulers capable of attaining its

- 1) Hajek and Niznansky, "The 13th CPCS Congress -- A Preview," EERA Background, 7 January 1966, provides summary material on the Theses and the discussion which is to precede the Congress, as well as the agenda of the Congress itself.
- 2) "On the Prospects for the Development of Our Socialist Society," Rude Pravo, August 14, 1962. This document is henceforward referred to as Prospects.

economic objectives in the transformation of the Socialist society to the Communist. The 12th Congress was indeed a hiatus, but one where the obstacles on the road to Communism increased, rather than diminished. That Congress was followed by a period of economic stagnation and social difficulty, and the result has been the indefinite postponement of the achievement of Communism.

The attainment of the final plateau is now believed to extend over a "relatively long period," (3) for the transition from the outmoded extensive economic development pattern of the past to intensive development, consistent with Czechoslovakia's limited economic potential, presumes a period of complicated change and long duration. The Theses for the forthcoming Congress attribute the difficult transition period in part to the continuing struggle between the two predominant economic systems. However, in the documents preceeding the 12th Party Congress, the coming of Communism was not posited directly upon the state of external relations -- the victory of socialism over capitalism -- but rather upon the attainment of domestic economic and social objectives. Therefore, one cannot take this contention seriously; one must view the faltering pace as a consequence of internal dislocations.

These are not economic alone. It is probable that the intervening years have exposed difficulties in the transformation of social relations. The unification of the interests of the population and the state has not been achieved; in fact, there is evidence which indicates that there is an estrangement between the state and the population which has tended to widen rather than narrow. The 1962 Party document said: "The mission of ideological work is to educate the working people as active builders of a new Communist society." This work has not, apparently, been successful, for much more than the earlier document, is the 1965 Theses a call to energize society, to recapture the dynamic spirit of revolutionary zeal under the banner of the working class. This is a very strong theme throughout the Theses and in the recent speeches of the leading Party functionaries as well. For instance, in his speech to the National Assembly in November 1965, Premier Lenart proclaimed the principle of "collective work," the coalescence of the whole of society in the spirit of vitality in the realization of the New System of the Management.

In every sense, the 1965 Party Theses are more frank -- though less coherent and organized -- than the 1962 Prospects. The tasks undertaken by the 12th Congress were complicated and of "a long-term nature." In preparation for the 13th Congress, the Party demands the mobilization of all the forces of the Party and

3) "Czechoslovak Party Congress Theses," Rude Pravo, December 23, 1965

the population in overcoming "inertia and customary routine." Notwithstanding all the best intentions, the Theses admit: "We have not fully succeeded in this respect. We have not always arrived in time at the right conclusions and steps and, in addition, the results of the Party's efforts sometimes have been adversely affected by insufficient consistency and in the realization of adopted measures." (4) Thus, with evolving new methods for the management of the economy, the Party is simultaneously seeking a modus vivendi in adjusting the Party and people to the new methods.

Whither NEM?

In retrospect, the Prospects of 1962 represent a primary recognition that the then system of management and extensive development had proved failures in guaranteeing the uninterrupted growth of the national economy. By 1962, it was apparent that the possibilities for extensive development had been exhausted, and that the economy had been overcommitted in power, raw materials, manpower, and investments. "The main reason for the present shortcomings is the impairment of the proportions and insufficient efficiency, due to the low standard of management and planning and to the nonfulfillment of planned targets." (5) It was then recognized that the economy was overextended, that it was distributing more than it created, that the pressure on investment was great, although much capital capacity was underexploited. During the years 1962-63, national income growth was negative. These conditions, the Theses admit, have not been successfully ameliorated. The value of National Income in 1964 was stagnant, at the level of 1961, while the income in the wages and salaries of the population had grown by several billion crowns. (Novotny, in his New Year's address, answered the critics claiming retrogression in the standard of living by stating that it had grown, though by very little. In fact due to the growth of the population, the standard of living has probably stagnated in the last few years, if not actually fallen.) The Theses state that a qualitative increase in the standard of living has not been forthcoming, as a result of the insufficient growth in productivity. The Theses compare the productivity growth rate unfavorably with that of the capitalist nations; therefore, although Novotny may be correct in stating that, quantitatively, the standard of living is higher, the gap between the standards of living of the CSSR and its capitalist neighbors has widened.

The Theses admit no success in the restoration of the lost economic "proportions."

- 4) Congress Theses, Paragraph 2
- 5) Prospects

We continue to produce at high costs and in little quantity in relation to the extent of our production assets. The costs for the mere renewal of the economy therefore limit the opportunities of development. We must re-invest more and more of the production results in reproduction of the production process, and the partial meeting of all other needs of society is getting smaller and smaller.

At the same time, the pressure for more and greater money for investment in social consumption is increasing.

Whatever other reasons may then exist for delaying the implementation of the NEM, a partial improvement of the fundamental economic situation is not among them. The Theses hardly boast of even partial success in reestablishing balances between production and consumption, and investment and return. As has been recently noted by several Czechoslovak economic officials, (6) the NEM will not be fully introduced into the economy in all its aspects until after 1970. The Theses support this line in stating that it will be impossible to carry out full rationalization within the context of the next five-year plan in the industrial and consumer sectors; they shall be fully implemented only in the succeeding plan.

Although, of all the measures envisioned, only the creation of the new system of incentives has been fully carried out, yet the theses -- and even the authors who foresee a ten year implementation time schedule -- yield no substantive change in the essence of the reform measures. The economy will be guided by long-term perspective planning. A flexible price system -- "the most urgent task" -- will respond to changes in demand more fully, utilizing changes in world prices to stimulate output and make production results more competitive on the international market. In responding to world prices, production will also be linked with foreign trade activity. Parts of the engineering industry will be specifically geared to the demands of the international market. The planned management of foreign trade will be improved and competition and enterprise initiative in this sector will be encouraged. One objective will be to "increase direct responsibility of enterprises for the results achieved in exports and imports." (7)

Goods on the consumer market will be increased in quantity,

6) Toman in Hospodarsky Noviny, 22.12.65; Reznicek in Rude Pravo, 22.12.65, and Kovacik in Praca, 21.12.65 have all called attention to the gradual realization of NEM, extending over the period of the next two Five Year Plans.

7) Theses, Paragraph 13

and their quality elevated by stimulating competition among domestic industries, as well as by the import of foreign goods. It is foreseen that the prices of some goods will rise in the effort to bring the prices of goods in line with their production costs. Hopefully, the upward pressure on prices, resulting from the sellers' market and the reservoir of unused consumer income, will be eased by the introduction of foreign goods; however, the extent of these imports is not detailed by the Theses.

The Theses do not foreshadow any restriction of enterprise independence as outlined in previous measures. (8) They will be materially responsible for losses encountered through poor quality goods, through excess investment demands, and unjustified increases of salaries. A share of investment money will be supplied by the enterprises themselves for modernization and renewal of capital, and the rest will have to be bought from the State Bank at interest. Unprofitable factories or production lines will be closed, and the unemployment resulting therefrom shifted to more profitable branches or lines. However, no mention is made of institutionalizing labor exchanges or retraining programs.

The low level of technology and the gross demands on raw materials produce, according to the Theses, a cycle of economic hardship; manpower is drained from the land, services and non-productive branches suffer, producing in turn low quality services and pressure for ever greater food and raw material imports. The solution lies in raising the level of technology, the harnessing of science to the demands of production, and exploitation of raw materials to the utmost in the production of goods representing the greatest utilization of raw materials. With direct bearing on its position vis-à-vis the Soviet Union, the Theses suggest a reduction of raw material imports, especially of iron ores. Investment must be shifted from branches with a long-term amortization perspective into lines in which amortization is rapid.

While it appears that the Theses do not hedge on the substantive changes envisioned by the reforms as they have been understood to date, they seem to be pursuing contradictory aims. On the one hand, the economic program is to be geared to long-term perspectives, guaranteeing the restoration of the "dynamic balance" in an integrated way, not by isolated and uncoordinated steps. Yet it appears that the reforms, as they are being introduced on 1 January, are piecemeal and partial. And although the Theses

- 8) See Lenart's speech to the National Assembly for a description of the structural and organizational measures of the NEM, uses of economic levers, and incentives, etc., 10.11.65 or EERA Background "Czechoslovak Premier on Economic Reform," by S. Riveles, 26 November 1965.

considers the measures a "first phase;" yet no type of phasing is apparent, and no schedule has been published.

Still, in comparison with the Party document published in Rude Pravo in October 1964, (9) the Theses represent no backtracking in the extent of their proposed structural and organizational transformations. One would be at a loss to find any departure from the objectives of this original document, although one might question the fact that, in the intervening 15 months, the Party has not found it necessary to modify either its objectives or the methods proposed for attaining them. This might indicate either the essential viability and far-sightedness of the reforms or the Party's reluctance to seek constantly improved means of development. Thus, the extent question remains the implementation timetable.

It has been reported (10) that opposition in the higher Party leadership, among unqualified Party functionaries, and even among the workers has been so strong that implementation has been temporized from its full initiation as of 1 January 1966. The Theses admit that realization has been hampered by the vestiges of old habits of management and add that the overlapping of the old and the new systems has obstructed, to some extent, introduction of the NEM. One can, of course, object that, if overlapping were a problem, the solution might be implementation full blown and across the board. Yet this view clashes with the obvious importance and priority of planning.

Regarding the timetable, even the most sanguine of the Party documents is rather ambiguous on this crucial issue. The October 1964 document states that the principles of the new system will be approved before the end of the year (1964), "so that their verification and gradual introduction into practical use may commence. They are to become fully effective in our economy only in 1966, i.e. simultaneously with the first steps in the realization of the long-term plan for 1966-1970."

Later:

If uniformity in dealing with the objective problems of our national economy is emphasized, along with the perfection of the

- 9) "About the Proposed Principles of the Improved Planned Direction of the National Economy," Rude Pravo, 17.10.64. Following the economic discussions of the preceding year, this was the first official document indicating the intent and course of reform and the determination of the regime to carry reform through.
- 10) Viktor Meier, Neue Zuercher Zeitung, 30.12.65

system of its management, the demand that the prospective plan for the years of 1966 to 1970 should already be compiled in the new way and that those compiling it should take into consideration the new aspects even before the whole system will be fully operative must also belong to the most important premises. And this for the simple reason that the period of the Five-Year Plan itself will already coincide with the working of the new system of management. Still, we do stress that a gradual process is involved, in the course of which many a thing will have to be re-examined." However, the term "gradual" does not mean that there is no time limit for it -- above all its start brooks no delay. (11)

If one can distill the quintessence of these two ambiguous quotations with regard to the Party's real intentions and determination to carry through reform, one finds that, from the outset, the new system has been bound up with the Fourth Five Year Plan and that the reforms are directed at facilitating the targets of that plan.

In the 1962 Prospects is stated the requirement for a "new way of planning operations... We recommend giving up attempts to adjust the Third Five Year Plan and to work out a one year plan for 1963 and a seven year plan for 1964-1970." The Theses acknowledge the failure in working out the seven year plan and state that work on the five year plan has encountered difficulties -- "the room for drafting the Fourth Five Year Plan, too, has been narrowed." The economy has been guided by single year plans since 1962. Thus the success which the state achieves in overcoming the difficulties encountered in plan compilation will certainly have direct bearing on the course of reform and especially on the implementation timetable. It would be hard to imagine a reform that is not piecemeal being introduced without benefit of integration with the plan, considering that planning is a vital facet of the NEM. Admittedly, this is only the economic side of the coin. As mentioned above, the introduction of the NEM has been made more difficult by the remnants of the old way of economic thinking, by the retrogressive and obstinate attitude of the old Party guard. The apposite role of the Party then is highly pertinent to the future. The relevant passages of the Theses regarding the participation of the Party in economic questions is in the spirit of "one step back, one step forward"; they do not lack detail so much as specification. Thus, on the one side, the Party is not to be narrowed and channeled into purely organizational participation, nor should it yield any of its decision-making power. "A political approach to the solution of economic problems must be the main

(11) "About the Proposed Principles..." Rude Pravo, loc.cit.

characteristic of the Party organizations' activities in the production sphere." (12)

Yet interference in economic work is not to be countenanced. Its control functions will be delimited to "seeing to it" that development proceeds according to the plan and in the spirit of Party policy.

The discussion of the cadre question reveals the familiar formulation placing political maturity ahead of professional skill. But the first requisite for cadre membership is "a sincere and tested loyalty to the socialist republic; a distinct conscientious determination to contribute in the best possible manner to the development of our society must be the fundamental prerequisite in any case." (13) All things being equal, the test of qualifications, judged on an objective basis, determines fitness for cadre work.

To strengthen and consolidate the core of workers in the Party, while simultaneously admitting greater numbers of the intelligentsia, is also a stated objective.

The Party can hardly be expected to relinquish control, in fact, it would be more reasonable to assume that supervision would be strengthened in order that state ownership and direction of the means of production will not degenerate into economic spontaneity (which the Party condemns equally with administrative interference). In addition to broadening its qualified cadres, the Party would seem to be opening the door to the group of economic professionals, marginally loyal to the line, if for no other reason than to insure their supervision and adherence to the policy of the Party.

The Retreat from "Democratic Centralism"

The burden of emphasis of the 1962 Prospects which, while paying some regard to "one-sided" misinterpretations of the "centralism" part of the "democratic centralism" formula, represents a reorientation of the National Committees away from administration of their own particular local interests. The Prospects pay great attention to the parochial tendencies of the committees and their preoccupation with local interests, to the neglect of national interests.

(12) Theses, Paragraph 28.

(13) Compare this aspect of patriotism with the following from the 1962 Prospects: "Love of country is inseparably connected with loyal friendship with the Soviet Union and the countries of the Socialist camp, of which we are a firm part."

The most evident effects of the subsequent continued centralization of power was, as F. Zdobina complained in Rude Pravo, the gradually diminishing quality of local services and transport, the depletion of financial resources and the lessening participation of the population in the organs of local government. (14)

The Theses submit measures for the amelioration of the financial and organizational shortcomings through a system of increased independence and attention to local interests. Zdobina states that parochialism is not sufficient justification for the power transferal, considering the obvious malfunctioning of local transport and neglect of local industries. Legal and financial measures are proposed for the strengthening of local self-government, aimed at decreasing Prague interference in essentially regional interests. The National Committees' role will be enhanced by responsibility for planning, budgeting, and finance. "It will be necessary to achieve maximum self-efficiency in financial resources, particularly of town and local National Committees." They will receive funds from social organizations, cooperative farms, and production cooperatives to consolidate their material resources and provide a broader avenue for the resolution of specifically local service and production problems.

The estrangement between the interest of the people and the state is immediately apparent in these amelioration propositions, and perhaps the most significant indication of this is not so much the deterioration of the material position of the National Committees as the weakening of the population participation in the committees provided as forums for their views. Thus, the Theses propose the extension and strengthening of "social management" -- read self-government. A new word has also crept into the vocabulary, that of "representative organs," absent from the discussions of 1962. These organs, located on the local and enterprise level, shall resolve the discrepancies between partial interests and national policy and develop "democratic bonds between the elected state organs and the people." Though the context covers national committees and trade unions, mention of increased responsibility for the National Assembly is conspicuously absent.

The document forewarns against the interpretation of the democratization process as a purpose in itself, thus strengthening the conclusion that the Party has not yet discovered the proper ingredients for maintaining control, on the one hand, and unifying the state and population on the other. This completely disproves the Theses' contention that those views are false which pretend "the existence of artificial barriers between the citizen and the

(14) F. Zdobina, Rude Pravo, "How Authority Shifts" 20.12.65, CS Press Survey No.1740

socialist state with its institutions, enlarging the shortcomings of the individual in the realization of socialist democracy, and attacking socialist philosophy and our system in general." (15)

The Social Cul-de-Sac

The tentative steps toward a democratization of society -- though not democracy for its own sake -- may be seen in the light of the problem of social relations within Czechoslovakia. This issue includes not only the reconciliation of partial local interests, but also the friction and differential development of the two acknowledged classes of the population, i.e., the workers and the cooperative farmers, and also (though it is unmentioned by the Theses), the unresolved distinctions between these groupings and the intelligentsia. The purpose of uniting these groups is described as a process of drawing together comprising a series of steps which cannot be accelerated out of a systematic progression. And although, according to the Theses, the class struggle in Czechoslovakia has lost its economic basis, nevertheless, "... we must not lose sight of the existence of classes which, although they are not antagonistic and are gradually drawing closer..., pass through a complicated process of differentiation in which there also become apparent differences of interest whose satisfaction must be taken into account."

"Social economic differences" have arisen between the workers and the cooperative farmers which must be overcome through the improvement of agriculture, elevating the standard of living in the countryside to the level of the cities.

Though the economic basis for the class struggle has disappeared, the formation of a "socialist way of life" has not yet been completed. And the Party discovers that the automatic functioning of socialist production does not guarantee that extreme tendencies will not distort the character of socialist relations among people.

The problem encountered by the Party in educating the people in the spirit of collectivism, dynamic unity, and initiative must be seen as integral with the statement quoted above, that no barriers exist between the government and the people. Indifference among the population has been exhibited in all phases of state and Party policy. Suspicion has been registered by the workers with regard to the New Economic Model. Julius Strinka, a young Slovak philosopher, has testified that, in the absence of any institutionalized modes for criticism and opposition, personal responsibility

(15) Theses, paragraph 20

(16) Theses, paragraph 3

becomes disperse. (17) Milan Machovec, a member of the teaching staff of Charles University's Philosophical Faculty, in an article on the collapse of atheistic propaganda, has attacked the lack of conviction and morality among the population, taking as a paradigm for emulation the religious man. (18) The tension between the man and his system, attesting to the existence of alienation from the aims of socialism, is broached by Blazek as well. (19) The call to arms, then for unity, dynamism, and initiative in all spheres of activity contends with great odds and would appear to have little prospect of success, not exceeding, as it does, the rather strict limitations of purpose and methods. The continuation of the "apologetic" point of view -- as Strinka calls it -- the failure to pass beyond the boundaries of the existing forms of socialism, prevent the state from looking outside of the old methods, in which it has ideological and material vested interests.

Foreign Policy

The measure of Czechoslovak independence from the Soviet Union is revealed in a comparison of the attitude displayed by the 1962 Prospects and the 1965 Theses respectively. The Theses disparage all attempts to sow dissent between the CSSR and the guarantor and the protector of Czechoslovak sovereignty -- the Soviet Union. The document looks forward to the deepening of economic cooperation and refers to the USSR as the "foundation stone" of her foreign policy. But this political orientation toward the east must be distinguished from loyalty to Soviet Party doctrine. The Prospects illuminate this distinction in the following manner: "The Soviet Communist Party Program, adopted by the 22nd Congress is regarded by us as our own program, because it points out the fundamental features of our own future." Later, the same document holds up the Soviet Congress program as the standard for the education of the new socialist man.

One cannot, of course, underestimate the force of the political alliance, because it is determined by the regime's valuation of its position vis-à-vis West Germany. Still, there are distinct indications that Soviet Party methods and doctrine shall be applied with great circumspection into Czechoslovak conditions. And the sole reference to Soviet theoretical primacy is the statement that "her Communist construction is, for us, the source of many experiences."

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- (17) Julius Strinka, Kulturny Zivot, Reticent Dogmatism and Revolutionary Dialectics, 26.11.65.
- (18) Milan Machovec, Osvetova Prace, Where does the Promethean Front Lead, No.26, 1965.
- (19) V.Blazek, Literarni Noviny, Is it Only in the People? 20.11.65.

In a certain sense, the concept of Czechoslovakia's unique application of Communism is taken for granted; the Theses appear to accept it as a given, without justifying it in any particular theoretical way. The Theses say that Communism within Czechoslovakia's own specific conditions in no way impairs the community of interest within the whole international socialist movement. On the contrary, the specific conditions within which a country functions can only encourage greater cooperation, consultation, clarification, and compromise.

The Federal Republic is once more attacked for its "militaristic" and "revanchist" policies, but it appears that Czechoslovakia is disposed toward a normalization of relations. The conditions for such a normalization seem no longer to include a definitive renunciation of the Munich Agreement or the independent status of Berlin. The Theses specifically refer only to the existence of two German states; this is a departure from a policy visible as late as September of last year. (19) And it has been remarked (20) that it is no longer Czechoslovakia which is stipulating the conditions, stating only that normalization can be achieved if West Germany imposes no "unfriendly conditions or limitations."

Conclusion

To sum up briefly, one can say that the Theses should not be dismissed off hand as a footling document, and, although it is true that it contains nothing abruptly new, yet the hint of trends before only barely apprehended find confirmation there. In the fields of economics and foreign policy, the Theses indicate that the determination to carry out the NEM has not substantially wavered that unquestioning loyalty and submission to the Soviet Union on all fronts will not continue. The parts of the Theses dealing with social relations do, however, seem unrealistic. It appears that the Party has not understood the dislocations and friction that its own line has created, and it has not reacted to the problem with any great measure of imagination.

S. Riveles

(19) Sedivy, "Our Foreign Policies," Veda a Zivot No.9, 1965;
CS Press Survey No.1703

(20) Hajek and Niznansky, op.cit.