

MUNICH, MAY 31 (EERA/LN AND S.R.)--- CZECHOSLOVAK PRESIDENT AND FIRST SECRETARY ANTONIN NOVOTNY OPENED THE 13TH CONGRESS OF THE COMMUNIST PARTY OF CZECHOSLOVAKIA WITH A REVIEW OF THE TASKS FACING THE REPUBLIC DURING THE NEXT FOUR YEARS. HE ADDRESSED OVER 1,500 DOMESTIC DELEGATES AND A SIZEABLE GROUP OF GUESTS REPRESENTING SOME 80 COMMUNIST AND WORKERS' PARTIES. NOVOTNY SPOKE FOR THREE AND HALF HOURS ON ALL ASPECTS OF INTERNAL AND EXTERNAL POLICY AND, AS WAS ANTICIPATED, ECONOMIC AFFAIRS OCCUPIED THE BULK OF HIS ATTENTION.

EARLIER IN A WELCOMING ADDRESS, NOVOTNY GREETED THE ASSEMBLED DELEGATES AND WELL-WISHERS. HE ENUMERATED THE REPRESENTATION OF THE GUESTS FROM ABROAD IN ALPHABETICAL ORDER, EXCEPT FOR THE ELEVEN RULING COMMUNIST PARTIES IN ATTENDANCE, WHICH, OF COURSE, CAME FIRST. HE INITIATED HIS WELCOME WITH A GREETING TO THE SOVIET DELEGATION LED BY SECRETARY-GENERAL LEONID BREZHNEV. IN SECOND PLACE, NOVOTNY WELCOMED WALTER ULBRICHT, FIRST SECRETARY OF THE SED AND FOLLOWED WITH GREETINGS TO DELEGATES FROM POLAND, HUNGARY, BULGARIA, RUMANIA, YUGOSLAVIA, MONGOLIA, NORTH VIET NAM, SOUTH VIET NAM, (A SYMBOLIC GESTURE), NORTH KOREA, AND CUBA.

ULBRICHT'S PRESENCE AS THE ONLY OTHER PARTY CHIEF BESIDES BREZHNEV WOULD WARRANT HIS SECOND PLACE. OF THE BLOC DELEGATIONS IN ATTENDANCE, IT IS, PERHAPS, NOTEWORTHY THAT THE RUMANIANS OCCUPIED THE LAST PROTOCOL POSITIONS. AT THE LAST CONGRESS IN DECEMBER 1962, SHE HAD BEEN PLACED ABOVE HUNGARY AND BULGARIA.

ECONOMY:

IN REVIEWING THE ECONOMIC ACHIEVEMENTS OF CZECHOSLOVAKIA DURING THE PAST FOUR YEARS, NOVOTNY ADMITTED AGAIN WHAT HAD BEEN CONFESSED SO OFTEN-- THAT THE ECONOMY HAD STAGNATED. THE SECOND HALF OF 1964 HAD, HOWEVER, WITNESSED A GRADUAL BUT SLOW RETURN TO ECONOMIC GROWTH.

HE REITERATED THE CLAIM OF MANY LIBERAL ECONOMISTS THAT A CYCLICAL UPSWING IN THE ECONOMY WOULD NOT SOLVE THE BASIC DISPROPORTIONS OF THE SYSTEM. IN SPITE OF A MARGINAL IMPROVEMENT, A "DECISIVE TURN" HAD NOT BEEN ACHIEVED. NOVOTNY THEN LAUNCHED INTO WHAT WAS FOR HIM A STRONG ENDORSEMENT OF ECONOMIC REFORM. HE MUST HAVE DISAPPOINTED THE MANY CONSERVATIVE APPARATCHIKS WHO HAD HOPED THAT AN AMELIORATION OF THE ECONOMIC SITUATION IN SOME SMALL DEGREE WOULD MOVE THE LEADERSHIP TO MODIFY THE NEW ECONOMIC MODEL, AS HAD BEEN THE CASE WITH THE REFORMS OF THE LATE FIFTIES.

BUT, AS A RESULT OF NOVOTNY'S REMARKS, IT CAN BE CONSIDERED THAT THE JANUARY AND APRIL PLENA OF THE CENTRAL COMMITTEE THIS YEAR HAVE THE HIGHEST CONFIRMATION. THE JANUARY SESSION ACCELERATED THE RE-CALCULATION OF THE WHOLESALE PRICE SYSTEM AND PROMISED INTRODUCTION IN JANUARY 1967.

ON THE BASIS OF MORE REALISTIC SUPPLY PRICES, THE APRIL PLENUM RESOLVED A NUMBER OF STEPS THAT WOULD LEAD TO AN ACCELERATED IMPLEMENTATION OF THE NEM AS A WHOLE.

THE MOST FAR-SIGHTED CZECHOSLOVAK ECONOMISTS HAD LONG CONSIDERED THE WHOLESALE PRICE SYSTEM AS THE CORE OF THE ECONOMIC REFORMS BECAUSE THE PRINCIPLE OF PROFIT MAXIMIZATION COULD NOT BE MADE PRACTICABLE UNTIL PRICES WERE ADJUSTED TO COVER PRODUCTION COSTS AND CONSUMER DEMAND. NOVOTNY ACKNOWLEDGED THAT THE "ACCELERATION OF THE IMPLEMENTATION OF THE PERFECTED SYSTEM (OF MANAGEMENT) IS DEPENDENT ON THE SOLUTION OF PRICE PROBLEMS." (MORE)

HE CRITICIZED THE TENDENCY OF MONOPOLISTIC ENTERPRISES TO INCREASE PROFITS BY FORCING A RISE IN PRICES. HOWEVER, HE PLACED THE BURDEN OF CONTROL UPON THE ORGANS OF THE CENTRAL AUTHORITIES, IGNORING ANY MENTION OF COMPETITION AMONG FACTORIES. BY WAY OF CONTRAST, THE JUST CONCLUDED PLENUM OF THE HUNGARIAN CENTRAL COMMITTEE HAS EMPHASIZED THE ROLE WHICH "SOCIALIST COMPETITION" PLAYS IN NEUTRALIZING MONOPOLISTIC FORCES.

DESPITE NOVOTNY'S ENDORSEMENT OF THE ACCELERATION OF THE NEM, HE HAS NOT SUDDENLY BECOME A GENUINE REFORMER. HE REPEATEDLY WARNED OF OPINIONS FROM BOTH THE RIGHT AND THE LEFT WHICH MIGHT DISTORT THE CONSIDERED AND PROPER COURSE OF REFORM. HE IS AT PAINS TO STRESS THAT THE PARTY ENVISAGES A BALANCED ECONOMIC PROGRAM WHICH WOULD NOT UPSET ITS POWER, AND HE SEEMS TO BEEN ALL TOO AWARE THAT FORCES MIGHT BE SET IN MOTION WHICH LATER MIGHT NOT BE COMPATIBLE WITH THE MAINTENANCE OF PARTY CONTROL.

NOVOTNY COMPLAINED THAT NEITHER ENTERPRISES NOR THE CENTRAL ORGANS HAVE YET GRASPED THE ESSENCE OF THE NEM, A TELLING INDICATION OF THE SLUGGISH PUBLICITY GIVEN TO THIS FUNDAMENTAL MEASURE.

UNCERTAINTY AND INDECISION OVER THE NEM MAY WELL HAVE BEEN AN IMPORTANT REASON FOR A HUMILIATING FAILURE IN THE ECONOMIC FIELD: "ALTHOUGH, ACCORDING TO NOVOTNY, "WORK ON THE PREPARATION OF THE FOURTH 5-YEAR PLAN HAS CLAIMED MUCH EFFORT, IT IS STILL IMPOSSIBLE TO PRESENT THE CONGRESS WITH A COMPLETELY BALANCED PLAN."

IN TERMS WHICH CAN ONLY BE DESCRIBED AS HOPEFUL, NOVOTNY SAID THAT, IN COMPARISON WITH 1965, PERSONAL CONSUMPTION IS PLANNED TO RISE 17-18 PER CENT AND SOCIAL CONSUMPTION BY 19-20 PER CENT BY 1970, BUT THIS ONLY ON CONDITION THAT NATIONAL INCOME REGISTERS AN AVERAGE GROWTH RATE OF 4.4 - 4.8 PER CENT A YEAR.

HE IS UNDOUBTEDLY AWARE THAT THE GROWTH RATE DURING 1965 WAS ONLY 2.5 PER CENT, AND THEREFORE APPEARS TO HAVE LARGE RESERVATIONS ABOUT THE POSSIBILITIES OF ATTAINING THESE PLANNED OBJECTIVES. ON THE OTHER HAND, THE PROJECTED GROWTH OF LABOR PRODUCTIVITY (4.4-4.8 PER CENT) WOULD SEEM REALISTIC SINCE LAST YEAR'S RATE OF PRODUCTIVITY INCREASE WAS 6.2 PER CENT.

INDUSTRIAL PRODUCTION IS PLANNED TO GROW AT THE RATE OF 5.6 - 6 PER CENT PER YEAR. IN 1965 THE INDUSTRIAL SECTOR GREW AT THE RATE OF 7.9 PER CENT, BUT THIS PACE WAS ACHIEVED THROUGH THE EXPLOITATION OF UNDECLARED MATERIAL RESERVES.

NOVOTNY STATED THAT DURING THE 5-YEAR-PLAN, THE STATE WOULD ALLOCATE 40 BILLION KCS TO CENTRAL INVESTMENT, MAINLY IN THE ENGINEERING AND BUILDING CONSTRUCTION INDUSTRIES. AT THE BOTTOM OF THE LIST OF INVESTMENT PRIORITIES STAND THE FOOD AND CONSUMER GOODS INDUSTRIES. THUS, OF THE TWO COMPETING ECONOMIC SCHOOLS OF THOUGHT, THE STATE PLANNING COMMISSION APPEARS TO HAVE WON OUT OVER THE ACADEMY OF SCIENCES. THE FORMER ACCEPTS IN PRINCIPLE THE NEM, WHILE PLACING EMPHASIS UPON THE DEVELOPMENT OF THE PRODUCER INDUSTRIES.

THE LATTER, HEADED ABOVE ALL BY OTA SIK, MAINTAINS THAT DEVELOPMENT OF THE CONSUMER INDUSTRIES REPRESENTS THE MOST DIRECT PATH TO RENEWED ECONOMIC GROWTH AND A HIGHER STANDARD OF LIVING. IT WOULD EVEN ARGUE THAT IT IS AN ESSENTIAL COMPLEMENT TO THE INTRODUCTION OF NEM.

REFLECTING UPON ITS FAILURE IN THE PAST TO INSURE AGRICULTURAL GROWTH, THE PARTY HAS SET A VERY MODERATE GOAL FOR THE NEXT FIVE YEARS. IT HOPES THAT BY 1970, THE AGRICULTURAL SECTOR WILL HAVE YIELDED A 15 PER CENT GROWTH. THE COLLAPSE OF CEREAL PRODUCTION DURING 1965, WHICH REGISTERED A 10 PER CENT DECLINE, HAS FORCED THE PARTY TO BE VERY CAUTIOUS IN DETERMINING DEFINITE TARGETS.

(MORE)

YET, NOVOTNY COULD ONLY REPEAT THE OLD FORMULAE FOR ACHIEVING AGRICULTURAL SELF-SUFFICIENCY. THE PARTY HAS NOT YET BROKEN WITH ITS PAST IN THIS SPHERE, AS IT HAS WITH THE INDUSTRIAL SECTOR, AND AGRICULTURE REMAINS A NEGLECTED PROBLEM. THE RADICAL SOLUTION OF WHICH HAS NOT YET BEEN UNDERTAKEN.

CULTURE

NOVOTNY'S REMARKS ON THE CZECHOSLOVAK CULTURAL SCENE WERE FAR HARSHER THAN ANYTHING WHICH HAS BEEN SAID BY A MEMBER OF THE HIGH LEADERSHIP IN THE PAST FEW MONTHS. THERE WAS NOTHING REFORMIST IN THIS SECTION OF HIS SPEECH! WITHOUT NAMING THE NAMES, NOVOTNY ACCUSED THE CULTURAL PERIODICALS IN BULK OF INTRODUCING BOURGEOIS ATTITUDES INTO SOCIETY AND OF PRODUCING "DESTRUCTIVE ATTITUDE OF YOUTH TO THE VALUES OF SOCIETY."

HE ACCUSED THEM OF A WHOLE RANGE OF TRANSGRESSIONS, FROM DISSEMINATING POLITICALLY AND IDEOLOGICALLY DOUBTFUL VIEWS TO SPREADING OUTRIGHT ANTI-PARTY OPINIONS.

THE SPECIAL RESOLUTION ON CULTURE, WHICH HENDRYCH ANNOUNCED FIRST AT THE SLOVAK PARTY CONGRESS, WILL UNDERTAKE TO DEFINE THE LONG RANGE TASKS AND OBJECTIVES OF THE COMMUNICATIONS MEDIA. NOVOTNY ALSO STATED THAT THE CONGRESS WOULD PROPOSE A NEW PUBLICATIONS LAW WHICH WOULD "DEEPEN THE DEMOCRATIC FUNCTION OF THE PRESS IN THE FORMATION OF PUBLIC OPINION." IN VIEW OF HIS STRINGENT ATTITUDE, ANY PROPOSAL FOR THE "DEMOCRATIZATION" OF THE PRESS CONTAINS A RATHER OMINOUS RING. THE PARTY WILL PROBABLY ATTEMPT TO FORCE THE INTELLECTUAL COMMUNITY TO MEND ITS REVISIONIST WAYS UNDER THE THREAT OF GREATER ADMINISTRATIVE CONTROL.

ALL THE MAIN SPEAKERS AT THE PRECEDING SLOVAK CONGRESS HELD EARLIER IN MAY, IN PARTICULAR ALEXANDER DUBCEK, THE FIRST SECRETARY OF THE SCP, REPUDIATED ADMINISTRATIVE INTERVENTION IN CULTURAL AFFAIRS AND WERE IN GENERAL MUCH MORE RESTRAINED IN THEIR COMMENTS ON THIS SECTOR. NOVOTNY DID NOT SPECIFY THE METHODS BY WHICH IT IS INTENDED TO REFORM THE ARTISTS; JUDGEMENT WILL THEREFORE HAVE NO WAIT UPON THE FINAL RESOLUTION ON CULTURE AND PERHAPS ON THE WAY THE RESOLUTION IS IMPLEMENTED.

INTERNATIONAL AFFAIRS

FROM NOVOTNY'S SPEECH ONE COULD NOT DOUBT THE ALLEGIENCE OF THE CSCP TO THE POLICIES OF THE SOVIET PARTY IN THE INTERNATIONAL COMMUNIST MOVEMENT. HE HAD PLACED THE CZECHOSLOVAK PARTY FIRMLY ON THE SIDE OF THE WARSAW PACT AND COMECON. NOVOTNY ANSWERED THE CRITICS OF THE WARSAW PACT -- NOTABLY RUMANIA -- IN STATING THAT THE UNITY OF ITS MEMBERS MUST BE ACCOMPANIED BY THE STRENGTHENING OF ITS DEFENSIVE POTENTIAL. BY PROCLAIMING THAT THE ARMED FORCES OF THE SOVIET UNION REPRESENT THE "CORE OF THE MILITARY CAPACITIES OF THE SOCIALIST CAMP", NOVOTNY OFFICIALLY SECONDED THE SOVIET PROPOSALS FOR A MORE CENTRALIZED MILITARY APPARATUS. HE HAS ALSO IMPLIED THAT THE DOMINANT POSITION OF THE SOVIET ARMY IN THE PACT CARRY SUPERIOR POLITICAL WEIGHT. HE OMITTED TO MENTION THAT THE MILITARY PARTNERS NEGOTIATE ON TERMS OF EQUALITY.

(MORE)

IN THE MATERIAL AVAILABLE, BROADCAST IN EXCERPTED FORM BY RADIO PRAGUE, THERE IS NO MENTION OF WEST GERMANY. ONE MUST EXPECT THAT THE COMPLETE TEXT OF HIS SPEECH WILL REPEAT THE NEO-REVANCHIST CHARGES AGAINST THE FEDERAL REPUBLIC. NEVERTHELESS, THE ABSENCE OF ANY MENTION BY RADIO PRAGUE CANNOT BE REGARDED AS A CHANCE OMISSION. ANY INDICATION OF A REASSESSMENT OF PRAGUE'S ATTITUDE TOWARD BONN MUST, HOWEVER, AWAIT THE FULL PUBLICATION OF NOVOTNY'S SPEECH. SIMILARLY, IN HIS REVIEW OF INTRA-BLOC AFFAIRS, NOVOTNY IS NOT REPORTED TO HAVE REFERRED TO CHINA -- AGAIN, IN ITS OWN WAY, A SIGNIFICANT OMISSION.

OTHER THEMES

NOVOTNY CONFIRMED THE PREVIOUS RESOLUTIONS OF THE CENTRAL COMMITTEE ON THE ISSUE OF THE NATIONAL COMMITTEES. CZECHOSLOVAKIA, HE SAID, IS IN THE PROCESS OF PASSING FROM A DICTATORSHIP OF THE PROLETARIAT TO AN ALL PEOPLE'S STATE. HE ENDORSED THE PASSING OF A SPECIAL RESOLUTION AIMED AT STRENGTHENING THE NATIONAL COMMITTEES, ESPECIALLY THE LOCAL AND MUNICIPAL COMMITTEES. THE MINISTRY OF THE INTERIOR WILL BE RESPONSIBLE FOR THE FORMATION OF A SPECIAL DEPARTMENT WHICH WILL ENSURE THAT THE JURISDICTION OF THE COMMITTEES WILL NOT BE ENCROACHED UPON BY HIGHER ADMINISTRATIVE BODIES.

STILL, EVEN IN THE TRANSITION TO AN ALL PEOPLE'S STATE, THE SOCIETY WILL EVIDENTLY PRESERVE ITS CLASS STRUCTURE. ALTHOUGH NOVOTNY ADMITTED THAT "DIVERSITY OF PARTIAL INTERESTS OF CLASSES AND STRATA IS UNAVOIDABLE," THE WORKING CLASS WILL REMAIN THE VANGUARD CLASS WITH THE PARTY AT ITS HEAD. THE CP WILL STRENGTHEN THE ALLIANCE AMONG THE WORKERS CLASS, THE FARMERS, AND THE INTELLIGENSIA AND WILL DEEPEN ITS LEADING MISSION. NOVOTNY IMPLIED THAT SOCIETY HAS NOT SUFFICIENTLY RESPONDED TO IDEOLOGICAL EDUCATION, AND THE INSTRUCTION OF YOUTH IN THE PRINCIPLES OF MARXISM-LENINISM IS REGARDED AS A FUNDAMENTAL TASK.

(NOVOTNY HAS REPEATED THE PARTY'S POSITION WITH REGARD TO THE REHABILITATION PROCESS INITIATED BY THE 12TH CONGRESS IN 1962. LESS THAN A YEAR AFTER THE LAST CONGRESS, THE PARTY ANNOUNCED THAT ALL THOSE UNJUSTLY CONDEMNED HAD BEEN EXONERATED AND ALL VIOLATED NORMS OF PARTY BEHAVIOUR HAD BEEN RE-ESTABLISHED. THE THESES FOR THE 13TH CONGRESS MADE THE SAME STATEMENT, AND NOW NOVOTNY HAS EXPRESSED THE SAME ATTITUDE AGAIN. THUS, THE CONCLUSION OF THE INVESTIGATIONS HAS BEEN FORMALIZED ALTHOUGH THE ISSUE, ESPECIALLY AMONG YOUTH, IS CERTAINLY NOT DEAD.

CONCLUSION

ON BALANCE, NOVOTNY SAID EVERYTHING HE WAS EXPECTED TO. HIS CONFIRMATION OF THE ACCELERATION OF REFORM IMPLEMENTATION MERELY REPEATS THE DECISIONS OF THE PRECEDING PLENA. ONLY THE 5-YEAR PLAN OBJECTIVES ARE NEWLY REVEALED IF ONLY IN PART. HIS SHARP ATTITUDE TOWARD THE CULTURAL PERIODICALS WAS PERHAPS STRONGER THAN ANTICIPATED, BUT SINCE THE AVAILABLE MATERIAL MAKES NO REFERENCE TO ANY SPECIFIC PUNITIVE MEASURES, IT IS CONCEIVABLE THAT HIS STRONG WORDS ARE INTENDED AS A STERN WARNING OF FUTURE ACTION IF THE INTELLECTUALS DO NOT ANSWER FOR THE PARTY LINE. IN INTRA-BLOC POLITICS, THE CZECHOSLOVAK POSITION IS STRONG ON THE SIDE OF THE CPSU IN OPPOSITION TO RUMANIAN DISSIDENCE.

AS A FINAL WORD, ONE CAN SAY THAT THE CPCS HAS ENTERED WITH FULL FORCE UPON ECONOMIC REFORM, AND NOVOTNY HAS CONFIRMED THIS CONCLUSION. ALTHOUGH THE DIRECTION OF THE NEM HAS NOT ACHIEVED DULL CONSENSUS AMONG ALL FUNCTIONARIES. THE PARTY THEREFORE IS ENDORSE-
AVORING TO KEEP THE INTELLECTUALS UNDER CONTROL IN ORDER TO PREVENT ANY EROSION OF ITS POWER AT A TIME WHEN MOST ITS STRENGTH WILL BE ENGAGED IN RE-CONSTRUCTING THE ECONOMY.