1. The characteristics of the crisis in the Czechoslovak Communist Party are the following: it is caused by excessive economic demands by the Soviets, but is not directed against Moscow, still acting as the supreme arbiter in the internal affairs of the Czechoslovak Communist Party; the Soviet demands were accepted by Gottwald, but cannot be met; as a result, the radical Sovietization of Czechoslovakia may be expected in the not too distant future.

2. In addition to the four groups existing in the Czechoslovak Communist leadership since 25 February 1948, that is, the pro-Moscow group, the Nationalist group, the Pan-Slav group and the Trotskyist group, a further division occurred in 1949 and 1950 because of the fundamental rift in the Russian Communist leadership, culminating in the internal dissension in the Politburo during the Korean crisis. This split is still influencing the policy of the Soviet Union and is dividing all the other Communist Parties and their leaders, especially the Czechoslovak Communist leaders, into two principal categories:

   a. Realists, who believe that capitalism will only collapse after a new military defeat and who, therefore, believe that war is inevitable. The Realists put military victory, achieved at the propitious moment—in any event before the West has rearmed—as a condition which must precede the World Revolution.

   b. Opportunists, who believe that Western rearmament is accelerating the financial bankruptcy and economic disintegration of the West, and will achieve the aims of the World Revolution without war, especially if continued and ruthless Communist pressure is exercised on capitalism everywhere, at every opportunity.

3. President Klement Gottwald and the Czechoslovak Communist Government headed by Antonin Zapotocky, who on 25 February 1948 took over all political power in Czechoslovakia, unanimously and vehemently shared the views of the Opportunists of the Politburo. At the beginning, however, they were somewhat inclined also to share the views of the Nationalist school of the Czechoslovak Communist Party, which wanted to transform Czechoslovakia into a model Western Communist State in Europe. The Opportunists have been gradually induced to associate further with the Nationalist school as a result of the dualism and separation which has developed in the Czechoslovak Communist leadership.
Duality in the governing apparatus of Czechoslovakia results from the interference and personal ambition of Rudolf Slansky, former Secretary-General and leader of the pro-Moscow group of the Czechoslovak Communist Party, who wanted to replace Zapotocky as head of the government and was aided by the Soviet Ambassador in Prague, Mikhail Silin. Separatism in Slovakia has resulted from the opposition of the Slovak Communist leaders Husak, Clementis, Novomesky, Okoli, Smidke and a large majority in the Slovak Communist Party, against interference by Prague in Slovak matters.

4. Hindered by the increasing attacks of Slansky and his followers (Geminder, Frank and Kedler), and almost paralyzed in its activities by the dangerously growing Slovak separatism of the Husak group, the Czechoslovak Communist leaders, Gottwald and Zapotocky, have been forced to accept the Soviet demands for 23 percent increases over 1958 in Czechoslovak industrialization in view of the need of the total war potential of the Soviet bloc, and 35 percent over 1956 in Czechoslovak production, in view of the need of the total economic potential of the Soviet bloc.

5. Obliged to comply with the Soviet requests, the Gottwald-Zapotocky leadership was immediately faced with the difficult and delicate task of forcing the Czechoslovak working class to accept unpopular measures in the form of harder work, more severe restrictions, less pay and fewer social benefits. With this program, they risked a further deterioration of their positions, already undermined by Slansky’s intrigues and by the opposition of Slovak separatists. The existing tension in the Central Committee of the Czechoslovak Communist Party increased dangerously after a split in the Gottwald-Zapotocky leadership when Vilima Siroky, a personal enemy and rival of Dr. Vlado Clementis in both foreign and Slovak internal affairs, with the support of Slansky and in opposition to Gottwald, insisted on Clementis’ imprisonment and trial. As a result, a general crisis seized the whole Communist movement in Czechoslovakia and brought about a near state of anarchy. This crisis culminated during the crucial months of the winter of 1950-1951 in a disastrous drop in production in Czechoslovakia. As a result of the open support given to Slansky’s aspirations by Mikhail Silin, the Soviet Ambassador in Prague, Gottwald tendered his resignation, silently followed by Zapotocky. After long and difficult negotiations, the Kremlin recommended a compromise which would give a free hand to Gottwald and Zapotocky in unifying the Communist leadership in Czechoslovakia, but under the pledge of increasing production, terminate the policy of Slovak separatism, and pursue all deviationists regardless of their positions in the Government or in the Party.

6. This final decision was made by Valerian Zorin, Soviet Deputy Minister of Foreign Affairs, who, as Soviet ambassador to Czechoslovakia, successfully directed Gottwald’s tactical moves against Dr. Eduard Beneš in February 1920, and recently exercised supreme control over Czechoslovak affairs in Moscow. Because of this proposal for the purging of all deviationists, Gottwald was forced to accept the imprisonment of his personal friend, Dr. Vlado Clementis, whose arrest made it possible to crush the entire powerful Husak group in the Slovak Communist Party, and, for the time being, to end the era of Slovak separatism. During the period of purges which followed, Gottwald and Slansky eliminated the Trotskyites, Titoists and Nationalists as deviationists, each of them trying to eliminate as many of the other’s supporters as possible, until, at the end of the summer of 1951, a new intervention by Zorin became necessary. On 6 September 1951, a final settlement of the Czechoslovak Communist crisis was reached on the following terms:

a. Slansky's position as Secretary of the Party, a state within a state, was abolished and Slansky was made Deputy Prime Minister.

b. A temporary "truce" in further purges was established, and all radicals allowed by being placed in subordinate positions.
c. Zapotocky was given time to reorganize production, especially in the vital mining district of Moravská Ostrava.

d. Julius Duris, a docile and obedient Slovak, was sent to Bratislava as chairman of the puppet Slovak Deputy Government (Sbor Povereniku).

e. In the re-shuffle of the Government, weak and inefficient administrators (General Svoboda, Evzen Erban) were replaced by more efficient organizers (Racicik, Nepomuck, Havlinka).

7. The Kremlin's acceptance of all the measures taken by the Gottwald-Zapotocky leadership on 6-7 September 1951 allowed the present Czechoslovak Government to strengthen its authority, especially in Slovakia, and also inside the Party to the detriment of Slansky's pro-Moscow group, which is now practically pushed aside. This success, however, is only temporary and conditional. A noticeable improvement in Czechoslovak production is expected by the Soviet Government in the next months, and the new Soviet Ambassador in Prague, Anatol Lavrentiev, has received strict instructions to watch all moves made by the Czechoslovak Government in that direction.

8. In case of failure by the present Czechoslovak Communist leadership, which was given full power and also full personal responsibility, the following measures will take place in Czechoslovakia:

a. Gottwald, ill, will be invited to Moscow and will be replaced in Prague as President of the Czechoslovak Republic by Zdenek Najedly, 73-year-old Minister of Education, doyen of the Party.

b. Zapotocky will be given a subordinate appointment and will be replaced as Prime Minister by Rudolf Slansky with Zdenek Fierlinger as his Deputy.

c. Slansky will be given special dictatorial powers in Slovakia with Stefan Bastovansky as his Deputy.

d. Soviet Marshal Koniev will take over the command of the Czechoslovak Army.

e. All nationalists will be eliminated from the Party in a sweeping purge.

f. A new repression of class enemies will be brutally organized and will be accompanied by the mass deportation of unreliable elements.

g. A state of general alertness will be proclaimed giving special emergency powers to the government in economic (labor) matters.

h. The Sovietization of Czechoslovakia will be completed.

9. Because of the practical impossibility of any Czechoslovak Government complying with the excessive Soviet goals in industrialization and production, a new and serious crisis in the Communist leadership of Czechoslovakia may be expected very shortly, on condition, of course, that no important international events interfere with that expected development.