SITUATION IN CZECHOSLOVAKIA

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#### INTRODUCTION

The USSR, having applied all but the final touches to its Eastern European Satellites, appears to be preparing for a final assault against Czechoslovakia. With the exception of Finland, Czechoslovakia is the only country bordering on the USSR which has thus far escaped the full Soviet treatment. Czechoslovakia has considerable independence in the conduct of its internal affairs; the individual still has a measure of personal freedom and a freely operating parliamentary government rules the country.

The extent to which Czechoslovskia can resist the expected Soviet onslaught will have important repercussions throughout Europe and may be a barometer of the future trend of US-USSR relations. The course of events in Czechoslovakia which will determine whether a Socialist state can function successfully in post-war Europe without falling prey to the Communists, may forecast the trend in Western Europe. Failure of the USSR to mould Czechoslovakia completely into the Soviet pattern would be a severe strategic and ideological blow to the Krenlin and would increase the will to resist of the non-Communists in Western Europe. Conversely, if Czechoslovakia "goes", the USSE will have taken another significant westward step which will further demonstrate the unlikelihood that a working compromise with the Communists can be achieved in Europe. Moreover, a Communist Czechoslovakia would further curtail trade between Eastern and Western Europe, materially increasing the need for US aid to the European OO Document No. recovery program. 11.355+

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#### The Present Political Balance

The present National Front Government in Czechoploviki (Mas SEE REVERSE FOR DECLASSIFICATION ACTION

established in March 1945, and in May 1946 free national elections were held. Five parties of major importance emerged: Communist (114 seats in Parliament). Social Democrate (37), National Socialists (55), Peoples (46), and Slovak Democrats (43). The Communists became the strongest single party, and together with the Social Democrate gave the Leftists a clim parliamentary majority over the moderate parties. All parties agreed upon the broad principles of the government's domestic program, including extensive nationalization of industry, but lively controversy developed over the application of these principles. The Communists have adhered until recently to parliamentary rules in their disagreements with the moderates and during the first year and a half under the present government, neither side gained any significant advantage over the other. The Czechoslovak government's foreign policy, however, has been more subservient to the Kremlin than its domestic policy. Committed to a 20-year alliance with the USSR and nearly surrounded by Soviet-occupied areas. Czechoslovakia has been forced for security reasons to follow the USSR's foreign policy line.

#### Elements of Communist Strength

The Czechoslovak Communist Party emerged from World War II with power and popular support second only to Yugoslavia in Eastern Europe. In addition to the Premiership, the key ministries of Interior, Information and Finance, and the Under Secretaryship for Foreign Affairs are held by Communists, who also control the Security Folice and many local governing bodies in Bohemia and have. Woravia. Communist infiltration and effective control of the Army has been achieved through close collaboration with the USSR, a promotion policy favoring

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officers trained in the USSR and the appointment of top officials sympathetic to the Soviet Union. Moreover, the Communist Party wields effective control over labor through its domination of ROH, the national trade union organization. Supplementing these tangible levers for gaining control of the government, the Communists have exploited the constant threat implicit in the presence of Soviet troops nearly encircling Czechoslovakia. On the propaganda front, too, the Communists have had a powerful weapon in their ability to point to the Soviet Union as Czechoslovakia's chief protection against a resurgent Germany.

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### Elements of Non-Communist Strength

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Despite the Czechoslovak Communists: apparent power to follow the lead of their colleagues in Bastern Europe, the non-Communists today are as strong - and in some respects stronger - than they were two years ago. The explanation for the Communists' failure to take advantage of their position is found in a combination of internal and external factors which have forced the USSR to treat Czechoslovakia with considerably more circumspection then it has the other Eastern European countries.

The political climate in Czechoslovakia militates against the establishment of a Communist state. In comparison with the people of other countries in Eastern Europe, the Czechoslovaks are politically mature and strongly imbued with Western ideals of democracy. They posses a high standard of living and a love for individual freedom. While many Czechoslovaks favor friendly relations with the USSR, and are sympathetic with theoretical communism, they instinctively resist totalitarian authority and police-state techniques. They are a practical people adept at resolving political crises by negotiation and compromise and thug better able to deal with the Communists than some of their more mercurial.

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and devious Eastern neighbors. Moreover, Czechoslovak nationalism is highly developed and deeply entrenched. The average Czechoslovak Communist is loyal first to his country and secondly to Moscow to a degree not found in any other Eastern European country. Conversely, there are few Moscow-trained prewar Communists in Czechoslovakia.

Political factors, therefore, place Czechoslovakia in a category different from that of the other nations bordering on the USSR. The economic consequence of complete subjugation to the Communists would further intensify political resistance. Rapid integration of the highly industrialized Gzechoslovak economy with that of the USSR and the imposition of the drastic controls necessary for complete communisation of the economy would: (1) reduce Czechoslovak trade with the West upon which Czechoslovakia is completely. dependent for many raw materials and machinery; (2) further diminish economic productivity by provoking widespread economic sabotage; (3) result in a considerably lower standard of living throughout the country. The USSR's immediate post-war need for Czechoslovak industrial products has been in part responsible for its present "soft" policy. An all-out drive for power by the Communists, therefore, would indicate that the USSR had sacrificed economic for political considerations.

Since the country's liberation, the Communist Party has steadily lost popular support. Events in Eastern Europe have demonstrated to non-Communists in Czechoalovakia that, regardless of national interests, the Communist Party is merely an agent of the Kremlin. Even in Czechoslovakia, the Communists have tipped their hand sufficiently to make the moderates detect the guiding hand of the Kremlin and stiffen their anti-Communist stand accordingly.

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Consequently, a Communist coup would be more difficult now than it would have been two years ago and would probably require the support of Soviet troops. By providing such support, the USSE would risk grave international complications.

#### RECENT COMMUNIST ACTIVITY

Soviet efforts to take over Czechoslovakia, reflected in an increase of Communist activity, accelerated markedly after Czechoslovakia embarrassed the USSR by its initial acceptance of the invitation to participate in the Paris Conference on the European recovery program. The USSR's flagrant interference in Czechoslovak affairs by forbidding Czechoslovak acceptance indicated that the USSR is ready to force its satellites to sacrifice economic benefits for compliance with the Kremlin's foreign policy. Recent Communist activity further suggests that the USSR is no longer content with partial control of the country and may be contemplating the use of extra-legal methods to seize absolute control. Since July, the political atmosphere has remained tense as a result of security police arrests, violent attacks by the Communists on the Slovak Democratic as well as the National Socialist parties, and a series of Communist-inspired cabinet crises threatening the National Front.

#### Security Police Arrests

Arrests by the Communist-controlled National Security Corps (SNB) have increased during recent weeks and taken on a different character. Originally organized on a volunteer basis in 1945 to round up collaborators and investigate the German minority, the SNB soon came under the control of the Communist Minister of Interior and was given a legal basis in July 1947. Although

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potentially a convenient means of political coercion, open criticism by non-Communists of the SNB's methods of operation and its predominately Communist staff have largely restricted it to its recognized functions such as criminal investigation, customs control, air patrol and passport supervision. In September and October, however, SNB officials uncovered in Slovakia two alleged plots against the state, and rounded up several hundred people of whom 237 are now being held for trial. They also raided the Prague office of Deputy Prime Minister, Jan Ursiny, a Slovak Democrat, and subsequently arrested four of his subordinates. The SNB is now reportedly concentrating its efforts on securing evidence for treason trials against the state, with particular emphasis on connection between Gzechoslovaks and US intelligence representatives. This activity, if energetically pursued, may be an attempt to emulate the highly effective "treason" trials used by the Communists in other Eastern European countries.

## Attacks on Slovak Democratic Party

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The Slovak Democratic Party, organized only in Slovakia, is the focal point of Communist activity against the opposition. The Party is a logical choice as the Communists' first target because of its vulnerability and its dominant position in Slovakia (61.5 per cent of the votes in 1946). Outspokenly conservative, and supported by the Catholic Church, the Slovak Democrats have not given whole-hearted support to the Government's program and have opposed any curtailment of Slovakian autonomy. The Communists are exploiting the Slovak Democratic Party's lack of homogeneity which results from the strong antagonism between its Protestant and Catholic adherents. The Party has also

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become a refuge for rightist elements in Slovakia, many of whom had questionable connections with Tiso's pro-German regime during the war.

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Despite this vulnerability, recent Communist efforts to oust the Slovak Democrate from their majority position in Slovakia have failed. The Communist attack began with a vituperative press campaign against the Slovak Democrate. This was followed by the arrest of several Slovak Democratic Leaders on charges of sedition. The attack culminated with a demand that the Slovak Board of Commissioners be purged and reorganized in order to give the Communists and Communist-dominated groups effective control of the Council. These elaborate preparations, including veiled threats of further police action, did not intimidate the Slovak Democrate, or the Czech-moderate parties which railied to their support. The resulting purge of several "reactionaries" from the ranks of the Social Democratic Party actually strengthened the Party's ability to resist Communist attacks. The failure of the Communists to gain control of the Slovak provincial government indicates that the Communists must use more ruthless tastics to gain control in Slovakia.

### Attacks on the National Front

The Communists have not confined their attacks to the Slovak Democrats. During the past months they have pursued a policy apparently designed to undermine the unity of the National Front government, characterized by attacks upon the other parties and by deliberately engineered cabinet crizes.

The National Socialist Party has been bitterly attacked. Because it is the largest non-Communist party within the National Front and has taken an increasingly firm anti-Communist stand, the National Socialist Party is the greatest obstacle to Communist aspirations. Moreover, since the elections the

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Party has gained new adherents, principally disillusioned Communists, rightwing Social Democrate, and some members of the Peoples Party who became disheartened by their party's weak role in the National Front. The National Socialists are non-Marxist and stand far to the right of the Social Democrats and the Communists. They advocate moderate socialism within the framework of Gzechoslovakian nationalism and cooperation with both the East and the West in the interests of national security. The Communists accuse the National Socialists of harboring collaborationists and demand a purge of the party. They also assert that the National Socialist Party is not socialist but is in fact becoming the spokesman for the traditional capitalist order. A recent Communist outburst accused the National Socialists of "defending the interests of millionaires, big landowners, black marketeers, and collaborators" as well as "boosting foreign reaction against the interest of <u>Czechoslovakian</u> national indépendence."

The Communists have also broken the National Front post-war honeymoon by a series of deliberately instigated cabinet crises. In addition to their attempt to gain control of the Slovak government — a battle which was actually waged among the major parties in Prague — the Communists nearly split the coalition Government over two issues.

The first crisis developed out of a Communist proposal for a millionaire's tax to provide funds for farmers who had suffered losses from las' summer's drought. In the face of solid opposition by all non-Communist parties, the Communists launched a smear campaign against all Ministers who had voted against the proposal. So vicious was the attack that Foreign Minister Jan Masaryk, who normally remains aloof from domestic issues, published a special Declassified and Approved For Release 2013/04/10 : CIA-RDP78-01617A003000210001-4

statement identifying himself as a millionaire and recording his vote with the eleven other Cabinet Ministers who had voted against the Communists. The Communists threatened to call a general strike of all industrial workers to force acceptance of their proposal. Lausman, then Social Democratic Minister of Industry, submitted his resignation in protest against Communist party interference in nationalized enterprises and the irresponsible provocation of strikes.

About a week after the millionaire tax proposal, the National Front was again threatened when three leaders of the Social Democratic Party, without the knowledge of the Social Democratic Party executive body, signed a pact with the Communists reaffirming the "socialist bloc" within the National Front. The pact came as a complete surprise to most of the Social Democratic party leaders. The party Executive approved the pact on the ground that having been signed it could not be disavowed, but emphasized that the pact did not constitute a merger between the Communists and the Social Democrate. Moderate Social Democrats, however, were strongly opposed and the National Socialists refused to join the bloc. The Communist Prime Minister, Klement Gottwald, undoubtedly brought great pressure to bear on the three Social Democrate to sign the pact. The Communists hoped by this maneurer to (1) force continued adherence of the Social Democrats to the Communist program and forestall efforts by right-wing. Social Democrats to steer a more independent course; and (2) embarrass the National Socialists by forcing them to choose butterne a more leftist policy to face the accusation or be accused of deserting the cause of the working man as represented by the united Communist and Social Democratic parties. The maneuver, however, boomeranged, since at a subsequent Social Democratic Congress control of the party was wrested from its left-wing elements. Moreover, the prestige of the

National Socialists actually increased as a result of their denouncement of this flagrant Communist attempt to split the National Front.

#### CONCLUSION

Increased Communist activity during the past few months was designed partially as a trial balloon in preparation for the national elections scheduled for May 1948. In addition to strengthening their pre-electoral position, the Communists hoped to test the strength of their opposition. The reaction to these maneuvers has shown that a Communist electoral victory in May is by no means certain. It has also demonstrated conclusively that stronger measures will be necessary if the Communists are to obtain concessions by intimidating the Moderates.

Faced with this strong opposition and the necessity for a victory in May, the Communists must now determine their future course. They can work toward their goal either by campaigning for a legal victory in a free election or by intensifying their attacks on the non-Communists in the hope of achieving victory through extra-legal measures. The ultimate decision, however, concerning future tactics of the Gzechoslovak Communists, will be made in Moscow.

It appears unlikely at the present time that the Krealin will order an early Communist coup. The risk involved outweight the immediate advantages to be gained. Such a coup, in addition to endangering Czechoslovakia's important economic contributions to the USSE, would probably necessitate the use of Soviet troops to rescue the Communists. This the USSE is not yet ready to do in view of possible UN action. Moreover, the USSE will await the result of the present crises in France and Italy. If these two countries fall to the Communists, there is no need for haste in Czechoslovakia. On the other hand,

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if the London CRM Meeting results in a stalemate, if the European recovery program shows signs of succeeding and if partition of Germany and Austria becomes imminent, then the USSR may feel it necessary to seal the situation in Grechos lovakia in order to avoid a potential Western salient in an otherwise Communist Eastern Europe.

Pending these developments, the Communists in Czechoslovakia will make vigorous attempts to insure victory in the May elections. As a result of their recent rebuff, they will probably begin the campaign with apparent sincerity in the hope of winning popular support. Maximum political capital will be made of such developments as the recent Soviet offer of grain. As the campaign nears its close, however, the Communists can be expected to resort to more ruthless tactics. Attempts will be made to intimidate the non-Communist leaders, "espionnage" or "treason" trials will be instituted, secret police activity will be increased and every form of pressure will be applied in order to gain governmental controls which will make victory certain. If by May, the Communists are still not confident of victory at the polls, they may find some excuse for postponement of the elections.