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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
24 December 1963

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INTELLIGENCE MEMORANDUM

SUBJECT: Political Crisis in Czechoslovakia

Summary

The tense Czechoslovak political situation appears this week to have reached an acute stage. Recent, unusual high-level meetings have included Czechoslovak and Slovak central committee plenums, a gathering of top government leaders, and, apparently, a meeting of senior military officers; the press has failed to mention President Novotny in connection with any of these meetings. Growing concern over the state of public order has also been in evidence during the past few days. A confrontation between Novotny and his many opponents may thus be in progress.

The Soviet leaders, who have become directly involved in the leadership crisis in Czechoslovakia, may try to keep Novotny in office with the understanding that he would continue to alter his policies in a liberal direction. We believe, however, that such a solution will be no more successful than similar attempts in the past, and that, as was necessary in Hungary in 1956, the Soviets eventually will have to acquiesce in his removal and replacement. The replacement will have to be someone more in tune with the anti-Stalinist feelings in the party and among the populace, and someone who will deal effectively with the grievances of the Slovaks.

Whether or not the Soviets decide to support Novotny's replacement in 1964, we believe that a marked if gradual change in the policy orientation of the Czech regime is likely and that its policies will become (as they already show signs of becoming) more liberal, flexible, and independently inclined than in the past. The economic system is likely to evolve gradually in a liberal direction. We expect that externally the regime will encourage better relations with the West, and make efforts to improve the quality of its products to make them more marketable in the West.

Such developments are certain to complicate Moscow's problems of authority in the bloc.

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1. The curious visit to Czechoslovakia of Brezhnev, the Number Two man in the Soviet Presidium, during the course of an important Soviet central committee plenum, and so soon after Czech leader Novotny had taken a delegation to the USSR, is the latest in a series of developments suggesting that a leadership crisis has come to a head in Czechoslovakia. The unusual circumstances of Brezhnev's visit indicate that the Soviets have become directly involved and are seriously concerned with finding a solution.

The Background

2. Much of Novotny's present problem has been of his own making--especially his heavy-handed treatment of the issue of de-Stalinization. Behind this was his fear that if the latter were allowed to go too far, it would very likely affect him and many of his closest associates, who were deeply involved in Czechoslovakia's own Stalinist purge in 1951-54. Novotny's clumsy response to Khrushchev's de-Stalinization speech at the 22nd Soviet Party Congress was an attempt to blame his popular predecessor, the late Klement Gottwald, for Stalinist crimes in Czechoslovakia. This attempt misfired and caused much resentment among the party rank and file, who held Gottwald in high regard. This action and Novotny's purge of a popular rival in the party, Rudolph Barak, together with dissatisfaction with the condition of the economy, almost cost Novotny his position in 1962, but with Soviet support he managed to survive a crucial party plenum in March.

3. Novotny's position again came under fire in 1963, as a result of a train of events set in motion at the Czechoslovak party congress in December 1962. At that time a party commission was appointed to investigate the Stalinist trials in Czechoslovakia.*

*Such a commission established in 1954, under the chairmanship of Rudolph Barak, has led to the release of many victims of the Slansky trials, but not their exoneration.

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The result was the rehabilitation of many victims of the Slansky trials, most notably those involved in the trials of "Slovak Nationalists."

4. These rehabilitations added strong stimulus to a lively political and intellectual ferment which was already under way, especially in Slovakia. Much repressed nationalist resentment was released, interviews with the rehabilitated victims were carried in the press, and Slovak publications became quite outspoken in demands for rejection of Stalinist practices, and for punishment of those responsible for Stalinist injustices, including those on the highest level in Prague. A public attack on Premier Siroky for his role in the 1954 trials of "Slovak Nationalists" was carried in the Slovak party organ, Bratislava Pravda, in June.

5. This revival of nationalist feeling in Slovakia and cultural ferment was accompanied by increasing criticism of the leadership's economic policy and of the economic system itself. Czechoslovakia, once considered a model satellite which had sustained a very high growth rate in an economy which was already industrially advanced, during 1961-63 experienced a rapid deterioration of its economic situation. Agricultural production and living conditions stagnated, investments fell, and--of crucial importance to the regime--industrial growth first slowed down and then, in 1963, stopped altogether. A reduced rate of growth was inevitable in any case, but the extent of the decline and the difficulty of the needed readjustment were caused by over-optimistic aggressive policies of which Novotny had been the chief architect.

6. As a result of growing economic difficulties, the regime was forced to abandon the Five Year Plan for 1961-65 and has been unable to devise a coherent plan even for 1963 alone. Recent economic failures, uncertainty over economic goals, and the lack of strong and confident guidance have damaged the morale of economic managers, workers, and party members. Criticism of the leadership's "dogmatic" economic policies and of its inept handling of current economic problems has been widespread. This criticism has been especially strong in Slovakia, where the economic slowdown has been most marked and

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the regime's attempts to cut inefficient production most resented. Meanwhile the failure to improve living conditions and shortages of meat and dairy products have caused considerable public dissatisfaction.

7. Throwing the unpopular Slovak party leader, Bacilek, to the wolves in May was ineffectual in containing the pressures from liberal and Slovak elements in the party. Eventually, in September, Novotny was forced to remove his closest associate, Premier Siroky, in a major reshuffle of party and government organs, and to replace him as premier with a popular 40-year-old Slovak untarnished by Stalinism or the Stalinist purges. Only shortly before this, Novotny had endorsed Siroky in public. Several other Slovaks were brought into party and state administration at the same time, along with young Czechs of more liberal outlook. Some attempt was made to preserve the old look; a number of Novotny retainers kept important party and government positions. However, it was especially significant that one of the chief rehabilitated victims of the "Slovak Nationalist" trials, Laco Novomesky, appeared as a member of a party central committee commission on cultural matters. Only four months earlier Novotny had publicly declared that although Novomesky had been juridically rehabilitated, he was still considered guilty of crimes against the party. His appearance on a party central committee commission thus was a particularly ignominious concession forced on Novotny, and bespoke the general anti-Novotny nature of the September reshuffle.*

8. These events and the Brezhnev visit suggest that the weakness of Novotny's position and the serious condition of the economy have reached the point where the Soviets have had to involve themselves directly in an attempt to resolve the leadership crisis. The public statements concerning the visit suggest that the Soviets may be trying to keep Novotny in office and to seek reconciliation between him and his opponents. However, we believe that such

*Not long after his release, Novomesky in a public interview in Slovakia demanded further retribution for the crimes against the Slovak Communists.

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a solution will be no more successful than similar attempts in the past, and that, as was necessary in Hungary in 1956, the Soviets eventually will have to acquiesce in the removal of the top man. We believe that if existing problems are to be solved, it will be necessary for the Czech leadership to make a clean break with the past--something which cannot be done under the leadership of Novotny. Such a solution will not be easy for the Soviets in these heady days of Leninism, sovereignty, and "equal rights for socialist states," and the Soviets would doubtless want a respectable period of time to elapse to avoid the appearance of blatant interference in Czechoslovakia's internal affairs.

Probable Nature and Orientation of a
Successor Regime

9. In choosing a successor to Novotny, the Soviets would be concerned to find a man or a combination of men who would symbolize a clean break with the past and would also be reasonably acceptable to the liberals in the party, especially the Slovaks. Jiri Hendrych, who has long held a position of authority in the regime, is a top contender for Novotny's position who could be used in combination with other key appointments to provide an element of stability. On the other hand, the Soviets could choose Rudolph Barak, who was purged by Novotny early in 1962 because he was becoming too powerful a contender for Novotny's position. Barak had gained some popularity in the party in 1954, when he was instrumental in causing the release from prison of many victims of the Stalinist trials, but the extent of his current support in the party is uncertain. Another possibility would be Party Secretary Drahomir Kolder, a younger man now popular in the party because of his recent role in correcting past Stalinist abuses and his advocacy of liberal policies.

10. Whatever alternative Moscow chooses, we believe that a successor would have to break with the Stalinist past and adopt more liberal policies. The fundamental nature and urgency of the economic problems in Czechoslovakia will force Novotny's successors to search actively for effective reforms. The chances are small that anything as drastic as the introduction of partial market socialism, decollectivization in agriculture, or a large redirection of

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trade toward the West will occur in the near future. However, an evolution of the economic system in a liberal direction, with increasing reliance on economic incentives at the expense of direct orders, is quite likely. It is also probable that strong efforts will be devoted to making Czechoslovak exports more salable on Western markets, as well as better suited to current Soviet needs.

11. Having come to power on an anti-Stalinist and anti-"doctrinaire" platform, Novotny's successors are likely to follow more liberal practices in internal policy. For that matter, Novotny himself already has been forced by strong pressures in the party to liberalize his policies to some degree. As has occurred in other satellites, the powers of the police will probably be curbed. Debate in artistic and literary circles will continue to be tolerated--perhaps even encouraged. Last summer the cultural thaw in Czechoslovakia was so intense that Western observers were moved to speculate on the parallels with Poland and Hungary in 1955-56. The debate continues in the party press, especially in Slovakia, and has become so widespread in some fields (e.g., economics) that the regime apparently no longer feels able to oppose it directly. Thus, the regime may still find, as did Poland and Hungary in 1956, that spontaneous intellectual ferment, if encouraged from above, can easily get out of hand.

12. There is another force present in Czechoslovakia with which both the Soviets and a successor regime will have to contend--the revival of Slovak nationalism. In the intensity of its fervor, it resembles in some respects the burst of Polish nationalism which preceded and accompanied the events of October 1956. Both were spurred by an accumulated sense of grievance, caused by genuine injustices suffered in the era of Stalin. They differ importantly, however, in that the Polish nationalism of October 1956 was anti-Russian in its direction, while Slovak nationalism is directed mainly against its traditional target--the Czechs. In this respect, the factor of Slovak nationalism, in an ethnically and historically divided country, now is unique in Eastern Europe.

13. The strong clerical nationalism and separatist inclinations of the Slovaks have long provided

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a factor susceptible to exploitation (as under Hitler) against the Czechs. The Communist regime attempted to neutralize this factor by pretending that the country was being run jointly by Czechs and Slovaks, when in fact it was being run, as in the past, by Prague. In playing this game, however, the regime permitted the creation of parallel government and party structures in both parts of the country, with the result that a Slovak administrative apparatus and a distinct and separate party organization was created. In fact, part of the present trouble started when the Prague regime suppressed a mildly nationalistically inclined administration in Slovakia. Rehabilitation of the victims of this repression has resulted in a re-"Slovakization" of the party structure in Bratislava. Communist party members are leading the Slovak fight for redress of wrongs to the Slovaks and for liberalization of internal policy. Novotny has tried to deal with the problem by bringing many Slovaks into the joint party and government administration in Prague. The problem, however, is far from solution, and a successor regime would somehow have to placate the strong autonomist desire of the Slovaks--Communists and non-Communists alike--without causing the break-up of the country.

Implications for the Bloc

14. For all these reasons we believe that a successor regime in Czechoslovakia would be likely to follow a more liberal and practical course in internal policy and also likely to encourage contacts and closer ties with the West--both tendencies which Novotny had, until recently, long resisted. Such a regime, if it were successful in neutralizing the Slovak problem, probably would be more independent of mind and less disposed to look to Moscow for guidance. Gradually, it would probably adopt internal policies somewhat akin to those of Kadar. It might even look to Yugoslavia for inspiration in solving some of its problems.

15. Such developments almost certainly would have an effect in East Germany, where the Ulbricht regime has previously shown considerable apprehension over the possible spread to the GDR of the intellectual ferment in Czechoslovakia. The downfall of Novotny could easily cause demands among East German youth, intellectuals and party members for a similar

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removal of Ulbricht. Ulbricht is vulnerable to much of the same criticism as is Novotny--e.g., rigidity and unrealism in economic policy, and Stalinist policies in the party--although, like Novotny, he has been forced to modify his policies. Nonetheless, the presence of Soviet forces makes the position of the Pankow regime far different from that of Prague, and, as in the past, the Soviets would be likely to support Ulbricht in any measures necessary to achieve the firm suppression of dissent and controversy in the GDR.

16. For the Soviets, the instability of the Czechoslovak regime, the continued intellectual ferment, the strong force of revived Slovak nationalism, and the poor condition of the Czechoslovak economy already constitute serious problems. Moreover, the Soviets have other problems in Eastern Europe, not to mention elsewhere in the Communist movement. The most notable of these is the deterioration of their authority and control over the satellite regimes, as exemplified by the recent independent behavior of Rumania. The replacement of the Novotny leadership by an anti-Stalinist regime in Czechoslovakia, which perforce would be less dependent on Moscow than its predecessor, can only complicate these problems further.

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