

CZECHOSLOVAK NEWSLETTER

PUBLISHED BY THE COUNCIL OF FREE CZECHOSLOVAKIA

420 East 71st Street, New York, N.Y. 10021

Vol. VII, No. 5 (68)

May 1982

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NO TRIAL PLANNED?

During his visit to Vienna the Czechoslovak minister of foreign affairs, Bohuslav Chňoupek, stated on May 7 that his country "had no plans to bring to trial" the prominent dissidents arrested and held for varying periods in connection with the detention of French nationals and their van on the Czechoslovak-Austrian border in April 1981 (Czechoslovak Newsletter, Vol. VI, Nos. 5/6 and 9, 1981, and Vol. VII, Nos. 2/3 and 4, 1982). Mr. Chňoupek went to Vienna to prepare the visit by the president and first secretary, Gustav Husák, planned for later this year. His scheduled visit was cancelled following the affair involving the return to Czechoslovakia of Dr. Josef Hodic, a spy posing as a political emigre (Czechoslovak Newsletter, Vol. VI, No. 7/8, 1981). The foreign minister also noted that Rudolf Batták, the sociologist, who is serving a seven-and-a-half-year prison sentence (*ibid.*), would be pardoned if he rather than his family petitioned it and that he would be allowed to emigrate to the West (France expressed its willingness to receive him). The Czechoslovak government is anxious that Husák's visit not be postponed again. Only three members of the group are still being held: Milan Šimečka, Jiří Ruml, and Ján Mlynárik.

Letter to the President of the Republic

Miroslav Kusý, Ph.D., professor of philosophy, of Bratislava, one of the above-mentioned dissidents, sent a letter dated December 31, 1981, to President Gustav Husák pleading for Milan Šimečka, one of the three still in detention. In the letter Dr. Kusý wrote that "my friend Dr. Milan Šimečka has been in pretrial custody for eight months, in the same Czechoslovak prison which you had known so intimately in the 1950s [Husák had been sentenced to life for "bourgeois

nationalism" and later rehabilitated]. This man in that prison is at least as innocent as you were then. I say at least advisedly because as a political prisoner Milan Šimečka has never been a politician unlike you He is a publicist, a man of letters. He was put in jail not on account of some political activity but because of his political analyses, political opinions and views expressed in his papers, articles, and books. You were pardoned and even rehabilitated by your predecessor, President Antonín Novotný. Yet, you have not yet pardoned, let alone rehabilitated, a single political prisoner. I submit, therefore, that you use your presidential prerogative for the first time in the case of Milan Šimečka."

Dr. Kusý then listed 11 documents that he learned about during his own interrogation "proving" Šimečka's guilt: That he wrote texts signed with his name (Documents Nos. 1, 6, 7, and 8); that he exchanged letters with old friends (Ján Kalina, No. 4; Vilém Prečan, No. 2; Gordon Skilling, No. 8; and Lidvík Vaculík, No. 10); that he did not switch friends on the basis of political expediency as is the present custom in this country; that he read papers of interest to him (e.g., papers by Dr. Kusý, No. 7; Polish documents, No. 9; and samizdat publications, No. 5); that he prepared and wrote other papers himself or in cooperation with others (No. 7); and that he did so even after a warning by the prosecutor (No. 11). "You will find nothing else in these documents except his literary works and those of others, nothing beyond political analyses, ethical evaluations, and so on. No ill-will or malice is involved. Of course, there are opinions that are often critical of our present situation. But this in itself does not constitute a criminal offense Do these documents prove Milan Šimečka is guilty of subverting the republic according to Article 98, paragraphs 1 and 2 (sections (a) and (b) of the Penal Code? Yes, there is also a document from the ill-fated French Peugeot affair." Then Dr. Kusý mentioned a postcard mailed to Mr. Šimečka by a British student he had met during his vacation in the Tatra Mountains. "It is a mystery how this postcard, properly stamped, got involved in the Peugeot affair. But no matter how it got there, what does it prove against Milan Šimečka?" Dr. Kusý concluded his letter by saying that such "evidence" would have been insufficient even at the trials of the 1950s [when party secretary Slánský and his pals were sentenced to death and executed]. "Milan Šimečka is unjustly and unlawfully in prison. You have the power to remedy this disgrace."

Bratislava, December 31, 1981

Prof. Miroslav Kusý, Ph.D., CSc.
 Slowaokého 21
 821 04 Bratislava

RELIGION UNDER ATTACK

Czechoslovakia is among the most oppressive communist states as far as religion is concerned, possibly even more oppressive than the Soviet Union (even when not judged by Billy Graham's caviar gauge). Czechoslovak Newsletter has reported many cases of trials of priests and laymen, but the antireligious trend is much broader. Administrative measures of all sorts are encroaching on the activities of church organizations. The press, radio, and television are full of antireligious propaganda without giving church representatives the opportunity to reply.

The government does all it can, however, to maintain the illusion that all is well, that the churches are assisted by the state and live in peace. All of this is for foreign consumption. For instance, an article in Rolnické noviny (Bratislava) of January 28, entitled "The Struggle of Ideas--Freedom of Citizens under Socialism," asserted that "the state does not interfere in the affairs of the church, in its teaching, liturgy, and other matters There are 18 active churches and religious societies in Czechoslovakia. They have their own publishing houses [and] put out 27 periodicals. Since 1950 prospective clergy have been trained in six theological faculties The state recognizes three holidays based on religious traditions Anyone familiar with our church policy must admit that it provides conditions for orderly church-state relations."

How does official propaganda compare with practice? True, there are six theological faculties, but it is the regime, not the churches, which decides who and how many students are admitted. The regime determines whether after graduation a student may become a practicing priest. Its policy is to gradually reduce the number of clergy by attrition. Their total is already alarmingly low. Out of 19 Catholic dioceses in Czechoslovakia, only five have bishops. The regime assigns its agents to church services so that they may report what is being preached. Priests are not allowed to celebrate mass in another parish, even if no cleric is available there. The German-language Tschechische Ökumenische Nachrichten reported in February that the Czechoslovak Evangelical Church had 46 vacancies in its congregations and that the Comenius Theological [Protestant] Faculty admitted no more than 12 students in the 1981-1982 academic year while the total number of students was only 42.

The freedom of worship guaranteed by Article 32 of the Constitution is effectively circumvented by the "leadership role" of the communist party (Article 4) whose "scientific" Marxism-Leninism is militantly antireligious. The above-mentioned item in Rolnické noviny noted that "religious freedom does not mean neutrality and indifference of the socialist state in regard to religion Article 16 of the Constitution says: 'The cultural policy of Czechoslovakia . . . is pursued in the spirit of a scientific view of the world, Marxism-Leninism.' . . ." And it explained in truly dialectical fashion that "religion is a private matter of citizens, but the state cannot remain indifferent to their beliefs Citizens are not to be judged by their religious beliefs but by their work." In practice, however, religious faith is an impediment in professional life. Believers are excluded from more important positions in many fields, especially education. The article ended by extolling "consistency" in the communist party's approach to religion, noting: "The party has never forbidden religion and never will but will continue to struggle against it by political means." It is easy to imagine the scope of "political means" in a totalitarian police state run by an avowedly antireligious party. (An 11-point resolution on freedom of religion and beliefs was issued by the Charter 77 human rights movement in March--see Czechoslovak Newsletter, Vol. VII, No. 4, 1982).

Jews in Czechoslovakia

Once a thriving and intellectually rich community, one of the oldest in Europe, numbering more than 350,000, the Jewish community in Czechoslovakia has been reduced to about 6,000 active members of an average age of 65 to 70. The total number of Jews in the country is estimated at between 12,000 and 14,000. Of the 50,000 who survived the Nazi death camps, many left Czechoslovakia during the anti-Semitic campaigns of the 1950s. Others emigrated in 1968 and 1969 following the Soviet invasion. Young Jews are reluctant to become active because involvement in religious affairs is an obstacle in getting a higher education or better jobs. According to Jewish sources, there were cases of "protest conversion" to Judaism, but Jewish leaders hope for a revival when the country's new rabbi, Daniel Meyer, completes his training at the Budapest rabbinical college (according to JCNS).

CRISIS OF THE CZECHOSLOVAK ECONOMY

"Our industry shows a disproportionately high use of raw materials, labor, and energy per unit of production. An intensive development of our economy is our foremost task at present," wrote Tribuna on April 21. On May 4, The Wall Street Journal, in a report on the state of the Czechoslovak economy ("Wobbly Satellite--Czechoslovakia, a Showpiece of the Eastern Bloc, Shows First Signs of Going the Way of Poland"), quoted a joke from Prague which goes as follows: Question: What's the difference between Czechoslovakia and Poland? Answer: One year.

The economic situation is indeed bleak. Deputy Prime Minister and head of the State Planning Commission, Ing. Svatopluk Potáček, said that the 1981 industrial output rose by only 2.1 percent and national income by 1 percent. Agricultural production decreased by 3.2 percent and "industrial production did not match the needs of the domestic and foreign markets and did not meet the requirements of capital investment."

The outlook for the current Five-Year Plan (FYP 1981-1985) is gloomy. Factory equipment is outdated. The past industrial programs of Czechoslovakia were geared to the industrialization of the less developed Soviet bloc countries, pouring money into heavy industry without checking the growing obsolescence of other plants. As a result, Czechoslovakia ceased to be competitive on world markets. It was officially admitted that 20 to 50 percent more energy and raw materials per unit of production are needed compared with Western industrial countries. Czechoslovakia's share of world trade dropped from 1.3 percent in 1970 to 0.9 percent in 1979, and its share of machinery exports from 2.1 percent to 1.38 percent.

World market prices aggravated the situation even more. Czechoslovak economists speak of a "disruption in the balance of external economic relations" without mentioning the fact that even the Soviet Union, the "reliable socialist partner," increased its price of crude oil. It is still 25 to 30 percent below the world level, but the overall import prices rose by 93.5 percent in the past 10 years while export prices increased by only 58.3 percent. The foreign trade surplus of 1.7 billion crowns during the Fourth FYP (1966-1970) changed into a 4.4-billion deficit in the Fifth FYP (1971-1975) and a 20.1-billion deficit in

the Sixth FYP (1976-1980). There is little hope that the downward trend will be reversed during the current plan.

Another reason for the deteriorating state of the economy is the domestic situation, the rigid command planning system, and low work morale. "Intensive development of the economy" is the regime's present slogan. Domestic raw material sources (e.g., coal) and the size of the labor force are shrinking. Only about 17,000 blue-collar workers will join the labor force this year (whereas 55,000 to 90,000 were added annually under the Fifth and Sixth FYP). Imports of raw materials from the Soviet Union are not only more expensive but are also down in volume. Thus, the only way out is "intensification," greater efficiency of Czechoslovak industry, an almost unattainable goal.

The Seventh FYP calls for a reduction of 2.2 percent in fuel consumption and 4.5 to 5 percent in raw materials consumption. Czechoslovak workers will have to work for less and more efficiently. The regime does not promise a higher standard of living but only to keep it on the present level. Between the lines, however, people read a warning that this standard will be slipping.

The main target is labor productivity. The press is full of articles about workers having to work harder and better. Svět hospodářství wrote recently that wages should provide greater incentive to workers, that the compensation of individual workers should be geared to the results of their labor--an attempt to drive a wedge into workers' solidarity. It is questionable whether the scheme will succeed. The only other way Czechoslovakia could escape the growing economic crisis affecting the entire Soviet bloc would be a more liberal economic policy and expanding commercial relations with the West, a task made even more difficult by the growing apprehension of Western financial circles to continue bailing out flagging communist economies.

(Data based on Ekonomický časopis, No. 1, 1982; Plánované hospodářství, No. 1, 1982; Svět hospodářství, May 1982; Tribuna, No. 16, 1982; Rudé právo, March 26, 1982; Investiční výstavba, No. 1, 1982; Pravda, August 19, 1981.)

INFLATION UNDER CENTRAL PLANNING

Dr. Frantisek Pindak, member of the Council of Free Czechoslovakia, professor of economics at the Center for Development Planning, Erasmus University, Rotterdam, is engaged in the study of economic systems based on central planning. Following are excerpts from his Discussion Paper No. 61 (34 pages) on types of inflation (open, hidden, and repressed) in communist states:

"In recent years, inflation has become--together with unemployment--the most pressing problem for Western market economies. On the one hand, the USSR and other centrally planned economies of Eastern Europe insist that 'inflation has been eliminated in socialist societies.' Even in this official picture the process of eliminating inflation was a long one. Soviet Russia suffered from open inflation, and in some years from hyperinflation, from the Revolution of 1917 until the monetary reform of 1947, practically without interruption. The smaller communist countries experienced a similar period of postwar inflation ending mostly

around 1953-54. After that the communist governments attempted to pursue a policy of deflation, that is, a policy of falling prices. Following its failure, they announced and tried to execute a policy of stable consumer prices. Now, because of rising price levels since about 1975 and the quite dramatic price hikes in most Eastern European countries in 1978-80, even this official policy of price stability seems to have failed definitively.

"The question is, of course, whether there really was no or nearly no inflation in the centrally planned economies during the past two or three decades."

The author then mentions certain facts to enable him to define the different types of inflation. He writes:

"In fact, we must distinguish three separate components of inflation under central planning. As far as there is a rising price level reported in official statistics, it can be designated as open inflation. But because of the well-known unreliability of communist price data, hidden inflation must be taken into account, i.e., the official price indices must be corrected or at least their systematic bias must be identified. Finally, since the inflated stock of money cannot manifest itself fully through higher centrally administered prices, one must analyze the evidence of repressed inflation in the form of shortages of products, the existence of black markets, forced savings, direct or indirect rationing of goods as well as the rationing, black market operations, and illegal traffic in Western currencies (or their substitutes).

"Only when all the three components of inflation are properly quantified and totaled would they indicate the real scope of inflation, i.e., the decline in purchasing power of the domestic monetary unit."

The initial period of "open inflation," Dr. Pindak writes, occurred after the October Revolution in the Soviet Union and then during the civil war in 1918-1921. In 1919 the emission of paper money increased fivefold, and in 1921 sixfold. The second stage of open inflation took place between 1928 and 1937, when retail prices rose at an annual rate of about 20 percent, exceeding even the rate during World War II and the immediate postwar period (1941-1947).

Regarding "hidden inflation" Dr. Pindak writes:

"In the Soviet Union and Eastern Europe, the official price indices are the only proof of deflation, price stability, or—nowadays—of a relatively low rate of inflation, except during an extraordinary, critical year in a bloc country. However, to what degree are the statistics influenced by the pressure of official policy? Western economists have invariably found that there is a downward bias in Soviet and Eastern European price indices. This difference between official price indices and higher Western estimates will be designated as hidden inflation."

"Repressed inflation" or an "economics of shortage," according to the author, is a phenomenon caused in centrally planned economies where "effective demand exceeds supply because rigid, centrally administered prices are set below the market clearing level for most commodities: They are not market equilibrium prices. Their manifestations . . . are differently conceived and classified as widespread shortages; the need for some formal administrative rationing; sales personnel in state retail outlets demanding, and customers paying, prices above the official level; the existence of a black market; and rising prices in the collective farm market."

The author studied this development in all Eastern European countries and the Soviet Union and notes the differences.

In his conclusions Dr. Pindak writes:

"In centrally planned economies, inflation assumes special forms and it consists of three components--open, hidden, and repressed inflation. If all the three components are evaluated properly, inflation appears to be a continuous process in the central planning systems, with the exception of a short period after 1948 in the Soviet Union and roughly after 1953 in Eastern European countries."

WHO IS THE WINNER?

Soviet-Polish economic relations are under close scrutiny. There is a consensus that Poland was forced to spend hard currency for commodities subsequently delivered to the Soviet Union.

But such practice is not limited to Poland. In Revue obchodu, průmyslu i hospodářství, No. 2, 1982, Ing. Ladislav Laurinec noted that "an agreement was signed [between Czechoslovakia and the Soviet Union] at the beginning of 1979 in connection with the construction of the Khamelnitsk [USSR] nuclear power plant Czechoslovakia will deliver equipment, materials, and consumer goods totaling 235.4 million rubles and, in addition, will make available to the Soviet Union hard currency in the form of 4.6 million transferable rubles for the purchase in the capitalist countries of equipment not produced in the CEMA countries." Mr. Laurinec also indicated that "an agreement was signed in 1979 relating to cooperation in the construction of a [Soviet] yeast plant in Mozyr Czechoslovakia will deliver machinery and materials worth 25.2 million rubles and will also make available hard currency in the value of 2 million transferable rubles for the purchase of equipment in the capitalist countries not produced in the CEMA countries."

Czechoslovakia suffers from a shortage of hard currency it badly needs to buy new technology in the West. The federal prime minister, Lubomir Strougal, complained at the Central Committee meeting last fall that Czechoslovakia would soon be "an industrial cemetery" because of its outdated plant equipment.

NEWS FROM NORMALIZED CZECHOSLOVAKIA

Foreign Workers in Czechoslovakia, 1979

The following is a breakdown of foreign workers in Czechoslovakia in 1979 (in thousands):

	<u>Men</u>	<u>Women</u>	<u>Total</u>
Poland	1.9	4.5	6.4
Vietnam	3.2	-	3.2
Cuba	1.2	0.9	2.1
Bulgaria	0.4	-	0.4
Mongolia	0.1	0.3	0.4
Hungary	0.4	-	0.4
Cyprus	0.1	-	0.1
Total	7.3	5.7	13.0

(Demosta, No. 2, 1981)

Trade Union Congress

The 10th Trade Union Congress representing about 7 million members took place in Prague from April 15 to 18. Karel Hoffmann was re-elected chairman and Ladislav Abraham, the Slovak trade union chairman, became first vice-chairman. Five resolutions were adopted: (1) A general resolution; (2) a protest against the persecution of revolutionary and progressive unionists in the world; (3) a letter expressing loyalty to the communist party; (4) a letter to the World Federation of Trade Unions [a communist front]; (5) a letter to the Soviet trade union organization. The newly elected central council has 173 members and 66 candidates. Czechoslovak trade unions are not independent. Rather, they are one of the "transmission belts" of the system controlled by the communist party.

Kmen, a New Literary Weekly

The Union of Czech Writers published a new magazine, Kmen (The Stem), in January as a literary supplement to Tvorba, a weekly for politics, science, and culture.

The new periodical is the second post-invasion attempt to provide Czech literati with a weekly forum. In the mid-1970s Tvorba produced a similar literary supplement called LUK (an acronym for the Czech words literature, art, and culture). LUK had to discontinue publication following the appearance of a story badly received by the regime. It is not expected that Kmen will deviate from the official line.