

## OTHER NATIONS

agement of nationalized firms); and some farm cooperatives continue in operation (though many others have been restored to their original owners). But the power of the old agricultural and colonial trade interests, says Hammond, has flowed to the middle class—to medium-scale capitalists, professionals, and technocrats, whose access to political influence and financial resources was made possible by the overthrow of the Fascist autocracy.

*Czechoslovakia:  
the Party's Over*

"Husak's Czechoslovakia and Economic Stagnation," by Vladimir V. Kusin, in *Problems of Communism* (May-June, 1982), Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20404.

The economic outlook for Czechs during the 1980s is bleak, says Kusin, a senior research analyst for Radio Free Europe. Already, even by optimistic official accounts, per capita income growth is at a standstill.

Why? The trouble began more than a decade ago. The spirit of liberal reform that flowered in the Prague Spring of 1968 withered under the Russian invasion that soon followed. Czechoslovakia's move toward a market economy was cut short. President Gustav Husák, who succeeded Alexander Dubček in 1969, established traditional Communist-style centralization. His plan: a program of industrial investment aimed at growth in the gross national product. Husák also purged the Czech Communist Party. One-third of all officeholders and tens of thousands of "able managerial personnel" were ousted.

Despite the turmoil, the system worked for a time. Czechs rallied behind the only cause they could safely support—increased production and consumption. During 1971–75, Czech personal spending shot up by 27 percent. In 1971, there was one car for every 17 people; by 1975, there was one for every 10.

But the worldwide oil shocks of the '70s hit the Czechs hard, as the Soviets, their chief supplier, began gearing prices to OPEC's. By 1980, the Czechs were paying five times the 1970 price of oil. Last year, under pressure from Moscow, the government announced a 10-percent cut in oil purchases that is certain to trim industrial production. Meanwhile, the heavy emphasis on investment has led nowhere because of chronic inefficiency. At the end of 1980, construction of 30,000 industrial plants—tying up 21 percent of all capital funds in the economy—was still unfinished. In October 1981, prices of gasoline and heating oil went up 25 to 75 percent; food prices, 17 to 41 percent.

Shifting back to a market-oriented economy, even if Moscow allowed it, would now completely discredit Husák's government. Trying Poland's approach—borrowing from the West—is anathema to "doctrinal purists." The only way out, says Kusin, is to tinker with central planning policies, tighten discipline, and cooperate closely with the Soviets. That approach, of course, was tried before.