



Statement of Policy
of Mr. Gottwald's
Government



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Czechoslovak Ministry of Information

Statement of policy of the third Government
of the National Front of the Czechs and Slovaks, made
by the Premier, Klement Gottwald, in the Constituent
National Assembly, *Prague, July 8, 1946.*

HONOURABLE

CONSTITUENT NATIONAL ASSEMBLY,

the Government nominated by the President of the Republic on July 2, 1946, and introducing itself to the Constituent National Assembly and the people with its programme today, on July 8, 1946 is the third Government since the liberation of the Republic from Nazi oppression. This Government, as were its two predecessors, is a Government of the National Front of Czechs and Slovaks, i. e. a Government of the whole working people of both nations: of workers, farmers, tradesmen and the intelligentsia. It was formed on the basis of universal, secret, equal and direct elections to the Constituent National Assembly on May 26, 1946, and it is, also in view of the principle of proportional representation, the true expression of the will of our people. The same applies to this Constituent National Assembly which was first convened on June 18, 1946, and unanimously re-elected the following day Dr Edward Beneš President of the Republic.

The election of a Constituent National Assembly marks the beginning of a new era in Czechoslovakia's national life, an era during which the results of the fight for liberation from the foreign yoke as well as the results of the first year of reconstruction will be constitutionally secured. It will also be a period of increased effort for the reconstruction of the Republic in the spirit

of the Košice Government programme. With regard to the former the Government will submit to the Constituent National Assembly for examination and approval the draft of a new constitution, and for the latter a two-year plan for the economic renovation and reconstruction of the Republic.

The Constituent National Assembly will therefore have two tasks: firstly, to frame the new constitution of the Republic, and secondly, to enact new legislation, especially such as is essential for further constructive work.

The Constituent National Assembly and the Government are put under an obligation by the mandate which they have received as a result of the elections. The Government intends to co-operate closely with the Constituent National Assembly in its responsible tasks for the prosperity of the nation and Republic.

Bearing in mind the necessary rapidity of legislative work the Government will prepare and submit to the Constituent National Assembly all bills in time for proper and expert scrutiny.

I. SOME PRINCIPLES OF THE NEW CONSTITUTION

The Government considers it its duty to propose to the Constituent National Assembly such a new constitution as will guarantee that the people really are the source of all power. The new Constitution must, therefore, following the democratic principles of the present Constitution, take into account above all the results of the struggle against the occupationists, the main burden of which was borne by our people, and the conditions as they have developed in the reconstruction of our liberated Republic up to now, in which the people have been the main pillars of this work.

The new Constitution must ensure the popular, genuinely democratic character of our public administration on the basis of National Committees. This means that the principle of universal, direct, equal and secret voting and proportional representation in all representative bodies will be constitutionally ensured. The bureaucratic and police system of State administration must disappear from our public life for ever.

This constitutional framework for the system of National Committees must be accompanied by recon-

struction, decentralization, modernization, simplification and economization of our whole civil service—beginning from the Ministries and ending with the local National Committees. The Government desires an extension and an exact delimitation of the competence of National Committees of all degrees, so that they will be able in accordance with the valid legal regulations to solve within their competence all material and personal problems quickly and efficiently as far as they do not concern the interests of superior administrative bodies and are not reserved for them. The Civil Service—from the National Committees to Government departments—must be administered in such a way that the population will see and feel in practice that the Civil Service is here to serve them and not vice versa.

The new Constitution must also embody the great complex of decrees on the nationalization of banking, mines, mineral resources, power and the big and key industries. The new Constitution must disappoint the hopes of all those who believe that the nationalized economic enterprises will be returned to a handful of big capitalists. On the other hand, the Constitution must give protection to small and medium-sized private enterprise, and especially the legitimately acquired property of our farmers, tradesmen, shopkeepers and all other persons and corporations must be safeguarded.

The new Constitution will express the principle that every citizen has the right to work, to a fair reward for his work, the right to education, recreation and to

maintenance if he is incapable of working. In return every citizen is required to contribute by his work to the prosperity of the community.

The new Constitution will emphasize that the Republic is a national state of the Czechs and Slovaks. The transfer of Germans and Hungarians and the resettlement of the border districts by Czechs and Slovaks must culminate in a constitutional guarantee that only the Czech and Slovak nations will in future decide in all public and national affairs; the civic rights of other Slav nationals will be safeguarded.

It is obvious that the new Constitution must embody a new settlement of the relationship between the Czech and Slovak nations. This will be based on the Košice Government Programme, and the experiences gained in its application will be taken into account. In any case, the new Constitution must recognize the Slovaks as a separate nation, as expressed by their legislative and executive organs—the Slovak National Council and the Committee of Delegates—and equal rights with the Czech nation, while maintaining the unity of the Czechoslovak Republic, must be ensured to the Slovaks; indeed, this unity must be further strengthened. This means among other things that just as the Government will fight against the enemies of the Republic, anywhere it will not tolerate any separatist, anti-Czech, anti-Soviet, Fascist elements and followers of Tiso and Tuka wherever their present abode might be, who would try to take advantage of the democratic

liberties in order to disrupt the Republic and to prepare a new March 14, 1939:

Finally, the new Constitution must guarantee full equality of women, personal and civil liberties, freedom of religion, freedom of the press, of speech, freedom of assembly and association, freedom of scientific research, freedom of artistic expression as well as all other personal and political freedoms guaranteed by the present Constitution. The judicature will be exercised by independent law-courts.

II. SOME QUESTIONS OF THE TWO-YEAR PLAN

The Government is convinced that the primary source of permanent prosperity of the nation and the Republic is work. The new popular, genuinely democratic régime which emerged from the liberation of the Republic roused the working people in town and country to exert a great effort; and thanks to it, Czechoslovakia was able to avoid social upheavals and to overcome the immediate difficulties caused by occupation and war. On this basis, we can work out a two-year plan of reconstruction and rehabilitation of the Republic for the years 1947–48. The fundamental idea of the two-year plan is to raise the production of capital and consumer goods above pre-war level in order to achieve an appropriate rise in the standard of living of the population.

INDUSTRIAL PRODUCTION

Industrial production, in spite of a considerable loss of labour caused by the transfer of Germans and Hungarians, is to surpass pre-war production by 10% by the end of 1948.

In order to carry out this two-year plan for industry the main effort must be concentrated on those branches of industry which are of paramount importance, and whose slow development could delay the general progress, viz. in *mining* the output of coal, iron-ore and oil, in *smelting*—the production of pig-iron and steel, in *power*—the production of electricity and gas, in *engineering*—the manufacture of railway wagons and engines, tractors, lorries, agricultural machinery, building machinery, machine-tools, machinery for the mechanization of the timber industry, in the *chemical* industry—production of motor spirit, fertilizers, plastics, and in the *consumer goods industries*—the manufacture of textiles, footwear and tyres.

Taking into account present conditions in industry and possible further development, annual production by the end of 1948 may be assessed as follows:

In mining: hard coal 16,700,000 tons per annum, i. e. an increase of 17% compared with present output figures. This will equal the highest pre-war production figures reached in 1937. *Brown coal*: 23,900,000 tons per annum, i. e. an increase of 21% compared with present output and of 33% compared with 1937.

In smelting: pig-iron 1,400,000 tons per annum, i. e. an increase of 36% compared with present output. However, these figures will not yet equal pre-war production. *Steel*: 2,200,000 tons, i. e. an increase of 38% compared with present output figures, the highest pre-war output being almost reached.

Power: the output of *electricity* will increase to 7,400,000,000 kWh, i. e. an increase of 35% compared with present output and 75% increase compared with pre-war production.

Engineering industry: the annual production of *railway trucks* will be raised to 15,000, i. e. an increase of 150% over the present production level, and compared with 1,400 wagons produced in 1937. The annual production of *locomotives* will be raised to 290, i. e. by 100% over present production figures and compared with 70 railway engines produced in 1937. The production of *tractors* will reach 9,000, i. e. an increase of 550% over present production and compared with 600 tractors produced in 1937. The production of *lorries* will be raised to 10,600 annually, i. e. an increase of 370% over present production and compared with 3,300 lorries produced in 1937. The production of *agricultural machinery* will be raised by 83% over present production and will amount to a total value of 1,100,000,000 Kčs.

Chemical industry: the production of synthetic *motor-fuels* in Czechoslovakia will be increased according to the requirements of the State and of economic efficiency. An increase of 69% over present production is anticipated, which will equal the total pre-war consumption, while before the war this line of production did not exist at all in this country. The production of phosphate *fertilizers* will reach 400,000 tons and nitrate fertilizers will amount to 300,000 tons per annum.

Consumer goods: the production of *textiles* and *footwear* should, if possible, be raised to pre-war level. The export of textiles, ready-made clothing and footwear is to be raised to such an extent that it covers the cost of imports of essential raw-materials.

AGRICULTURAL PRODUCTION

Agricultural production must reach pre-war level in 1948 to enable it to supply from domestic sources most of the increased demand for food.

The principal deficiency in our nutrition is the lack of fats and meat. It is therefore essential to give attention above all to the raising and improving of live-stock as well as to the extension of grain acreage and increased yield of fodder-plants and oil seeds. We must endeavour to raise by the end of 1948 the production of beef by 35% compared with present figures, of pork by 100%, lard by 100%, butter by 10%, milk by 75%, and eggs by 50%. The increase of live-stock produce can only be brought about by a decided increase in the present yield per acre of all kinds of cereals and fodder.

An increase in live-stock and agricultural produce in turn requires the mechanization and electrification of agriculture to make up for the loss of man-power. The mere fact that in the Czech lands alone, 1,300,000 hectares of agricultural land formerly farmed by Germans has been turned over to Czech settlers, and

100,000 new settlements are being established, proves that the tilling of agricultural soil to the fullest extent requires a larger labour force.

It is therefore the task of the two-year plan for agriculture to provide in all districts tractor stations and to equip them with the minimum of tractors and agricultural machinery required. Similarly the network of local and regional agricultural co-operatives for the joint use of machinery must be extended and their equipment enlarged and supplemented by all kinds of binders, threshing-machines, sowing and planting machines, milking apparatus, electric breeding apparatus, etc.

All kinds of small agricultural machines will be put on the market for the use of individual farms.

In the sphere of electrification the aim of the two-year plan will be to extend the electricity network to the greatest number of villages, especially in Slovakia where at present electric current is available to less than half the population. However, the Government is aware that even by taking all these steps it will not be possible to make good the loss of labour, and it will endeavour to procure workers needed for our economy also in other ways.

The Government will support the voluntary merging of land and will propose a new Bill to simplify, cheapen and democratize this merging in order to facilitate farm work for individual farmers by making full use of tractors and agricultural machinery.

This measure will also release skilled workers for the settlement mainly of border-districts. The merging of land in the border-districts will be compulsory in order to prevent the superfluous partitioning of estates. Simultaneously an appropriate acreage of land will be reserved for the development of towns and villages and for industrial planning.

As far as the land in the interior of the country is concerned, the Government deems it necessary to accelerate the confiscation of land property of traitors and collaborators according to the Košice Government Programme and according to the Presidential Decree No 12/1945, the Decree of the Slovak National Council No 104/1945 and appropriate amendments. It will also be necessary to carry out a revision of all cases of land which was confiscated during the first Land Reform and later exempted from confiscation, although, according to the law, the property should have remained confiscated. The Government will also revise the procedure concerning the distribution of residuary estates. The Government intends to partly allocate the acquired land to smallholders and agricultural labourers, and to keep the remaining larger estates as model research and breeding stations under public administration.

The State as the biggest proprietor of forest land aims at administering this asset on lines similar to methods applied in nationalized industries in order to exploit more rationally forest resources. The Govern-

ment also intends to organize a public forestry service for the purpose of supervising all forest land. The Government will support the accelerated setting-up of nurseries. It will propose a new democratic hunting law which will give the farmers, forestry employees and other working people the right of hunting on condition that they will exercise it according to the recognized hunting rules, bearing in mind the maintenance of game and the supply to the population.

The Government will endeavour to ensure an increase of water and forest acreage and efficient location in order to prevent the change of climatic conditions in certain regions and obviate the danger of spreading steppes. The Government will support the construction of water-mains in the countryside.

Forest-land will be administered in such a way as to repair as soon as possible the damage caused by enemy occupation and to enable it to fulfil its different tasks. It is also necessary to ensure the proper settlement of villages in border-districts by workers necessary for the cultivation of great forestry properties there.

THE BUILDING PROGRAMME TO RELIEVE THE PRESENT HOUSING SHORTAGE

The building programme to relieve the present housing shortage is one of the principal items in the two-year plan. The permanent housing shortage has been aggravated by the building restrictions during the occupation,

and by war operations through which more than 220,000 houses were destroyed or damaged.

In order to relieve the most urgent housing demands it is necessary to repair or build at least 125,000 flats up to the end of 1948. It is above all necessary to repair all damaged houses covered by the law on building reconstruction, with special regard to districts and places which suffered most from the war. The repairs will be carried out within a general plan so that a healthy and organic development of towns and villages damaged by the war may be achieved by overall design and regulation. The Government will support the initiative of all sections of the nation to further the construction of dwelling houses: building and housing co-operatives in the building of co-operative houses, national enterprises in the building of dwellings for workers, towns in the building of communal houses, individuals in the building of family houses, etc.

Within the framework of the two-year plan it is also necessary to repair the damage to public buildings caused through the occupation and the war. New large-scale public buildings, especially for rail, road, water and air transport as well as for telecommunications, must be begun. To this belongs also the speeding-up of preparations for the building of a new House of Parliament. A far-reaching plan of construction for the utilization of water-power, especially hydro-electric plants, will have to be drawn up.

must be made in order to enable industrial production to fulfil the demands imposed on it by the two-year plan. New agricultural buildings will have to be erected if live-stock produce is to be turned out in increased quantities. .

To fulfil this building programme it is essential that the production of building materials—cement, iron, bricks, lime, timber, etc.— should reach at least pre-war level by the end of 1948. It will also be necessary to lay the foundations for the industrialization and mechanization of the building industry so that manual labour will gradually be replaced by machine-work. In this connection building research, the manufacture and use of new building materials, as well as the mass-production of pre-fabricated units etc., must be developed.

A long-term loan must be sought and other appropriate financial measures taken in order to finance this building programme. At the Ministry of Public Works, as the highest authority, all technical work must be concentrated; bureaucracy should be uprooted from building authorities and building regulations simplified. It will also be necessary to adapt the confiscation regulations in order to achieve the fulfilment of this building programme.

TRANSPORT

Alongside with increased industrial and agricultural production, as well as the building activity within the two-year plan, it will be essential to improve all kinds

of transport—rail, road, water and air—so that its capacity reaches 1937 level. The transport policy for the whole State must be concentrated in the Ministry of Transport. In order to facilitate this concentration, all State transport undertakings will be organized in the form of national enterprises.

In the sphere of *rail transport*, the repair of railway installations, railway-stations, repair-shops, engine sheds, railway bridges, etc. which were damaged or destroyed by war operations must be completed as quickly as possible, as well as all railway-construction in progress. Special attention must be paid to the most important railway-links with foreign countries, in particular those with the Soviet Union. The efficiency of the Košice-Bohumín railway line must be increased, and on the Czechoslovak-Soviet frontier adequate storehouses for reloading must be provided. Internal railway-communications must be rationalized in order to achieve substantial savings in personnel and material, especially in the turnround of trucks and in the consumption of fuel and other materials.

In the sphere of *water-transport*, shipping tonnage must be increased as much as possible, the work of making the Vltava and the Elbe navigable must be continued, navigation on the Danube reorganized, the Bratislava and Komárno ports enlarged, the Oder waterway extended to Mor. Ostrava, and the preparatory work for the Danube—Oder—Elbe-Canal continued. In connection with the regulation of the river-courses, power-

plants will be completed or constructed, especially dams at Zbečno, on the Vltava at Lipno, on the Lužnice near Bechyně, on the Nežárka near Krkavec, on the Svratka near Vír, on the Dřevnice near Zlín, on the Oder near Spálov, and many others that have been begun or designed.

In the sphere of *road-transport* temporary bridges must be replaced by permanent constructions on trunk roads. The deficiencies in the road network caused by neglect during the occupation and the war must be removed, and the bus-service as well as lorry transport of goods must be extended.

In the sphere of *air-transport* aircraft for home and international air-transport must be built and the equipment of airports improved so that they can become Central European centres of world air-transport.

LAYING THE FOUNDATIONS FOR THE INDUSTRIALIZATION OF SLOVAKIA

Laying the foundations for the industrialization of Slovakia also belongs to the important tasks of the two-year plan. The coherence and unity of the State require that the economic standard of Slovakia should rapidly approach the economic standard in the Czech lands. This means that conditions must be created for the fullest utilization of raw-material and power resources as well as of labour for the extension of old industries and the creation of new modern industries in Slovakia.

As far as the exploitation of power resources in Slovakia is concerned it will be necessary to speed up the construction of power-plants and dams on the rivers Morava, Váh and Orava, near Dubnice, Kostolná, at Nové Mesto nad Váhom and Piešťany, to inaugurate the prepared construction of a dam at Dobšiná and power-plants on the river Váh near Kral'ovany and on the river Černý Váh, to conclude the preparatory work for the construction of power-plants near Stropkov, on the river Váh near Hlohovec, near Sereď, near Šala nad Váhom and Skalec, as well as the construction of a dam near Svidník, and electric works at Nováky, in connection with the chemical utilization of local coal-reserves. All these new electric works can be completed by the end of 1952 and their output will more than double the production of electric current in Slovakia.

In order to exploit fully present industrial plants, and to create new industries it is vital to substantially increase the output of ores and coal and to modernize mining equipment. The metal works at Dubnice, Podbrezová, Filakovo, Trenčianske Biskupice and Krompachy must be reconstructed and modernized; several new modern engineering works must be gradually set up, and the shipyards at Komárno completed. The timber-resources must be rationally exploited by chemical and mechanical processes. This will require the modernization of present timber mills and the founding of new ones, especially in Eastern Slovakia. The cost of

the transport of timber must be reduced and transport rationalized in order to achieve the full exploitation of timber resources in Slovakia. The manufacture of building-materials must also be extended to Central and Eastern Slovakia. Slovak coal must be chemically utilized, the production of nitrate-lime introduced, the production of plastics must be started and a factory for pharmaceutical products founded. The building of a modern food-industry for which Slovakia has a sound raw-material basis is especially urgently required.

The extension of the industrial basis of Slovakia can be achieved partly by the transfer of industrial enterprises from the Czech border-regions, and partly by direct long-term investments which are indispensable if Slovakia is to attain economic equality with the Czech lands within a short time.

Besides this, special attention must be paid to the building programme in Slovakia within the two-year plan so that the reconstruction of war-ravaged towns and villages should be completed by the end of 1948.

THE COMPLETION OF THE GREAT RESETTLEMENT DRIVE

The Government considers it its duty to conclude the historical work of resettling the border-districts by Czechs and Slovaks, to transfer land and farms as well as businesses into the hands of efficient settlers and secure for them State support in the setting-up of their

new, happy homes. The organized transfer of the German population of our Republic must be completed by the end of 1946. The resettlement of the Czech border-districts will also be completed on the whole in the near future. About two and a half million Czech citizens will live there after the transfer of the Germans.

The property rights of the Czechs and Slovaks in the border-districts and in the interior, especially as regards farms, small businesses, family houses and furniture, must be immediately defined. A bill will be drafted to speed up the transfer in the land-register of landed property to new settlers.

Efficient national administrators as well as other suitable applicants will be able to become proprietors of the businesses under their administration.

In all such cases, payment will be made by instalments which the new owners will be able to afford. Efficient national administrators, and the users of family houses in the border-districts who are in regular employment there will be granted their legal claims to administered or used property by a greatly simplified and shortened procedure. In assessing the value of family houses the social circumstances of applicants will be considered. Special concessions will be made to victims of enemy persecution and war as well as to their surviving relatives.

Allotments of medium-sized and large confiscated properties, in so far as they are not incorporated with the nationalized industry, will strengthen the eco-

conomic position of towns, districts, provinces, co-operative societies, and other organizations and persons. Priority will be given to cultural, social and recreational centres of the people.

The settlement of obligations connected with confiscated property will be carried out as simply and as rapidly as possible, and must not delay the final settlement of property rights in the border-districts. All efficient new proprietors in the border-districts will be granted every possible aid to enable them to administer their property efficiently.

Extraordinary expenses connected with removal and setting up house of certain categories of employees will be met in part by contributions from public resources. All deficiencies in the supply of food, which at present compares unfavourably with the situation in the interior of the country, must be removed.

These measures will guarantee a speedy elimination of the present difference of living conditions between the interior and the border-districts. They will also guarantee for good the national character of the border-districts, and create a healthy economic, social and cultural atmosphere.

The Government will also support the resettlement of the border-districts by assisting Czechoslovaks living abroad in returning to their liberated country.

RELIEF FOR CZECH DISTRICTS
RAVAGED BY WAR AND OCCUPATION
AND FOR ECONOMICALLY
BACKWARD DISTRICTS

The Government will grant extraordinary financial and material aid to those districts in the Czech lands which have sustained particularly heavy damage during the war. This applies especially to the districts of Opava, Břeclav, Brno, Plzeň, Kralupy, Sedlčany, Neveklov, Vyškov, etc.

Particular care must be devoted to economically backward regions in the Czech lands, especially in Southern Bohemia, the central Vltava region and Podbrdsko, the Czecho-Moravian plateau, Valašsko and Slovácko regions which are unable to support the local population. It is necessary to arrest the depopulation of those districts, to raise their living standard by extending the road network within the two-year plan, by improving road transport, by completing the electrification of villages by exploiting water-power and lignite deposits in Southern Bohemia; by establishing such industries as will be able to utilize local raw material resources and will provide the relatively greatest potentiality of employment without requiring the erection of special factory buildings and the supply of large quantities of raw materials from distant places. In view of the above, greatest emphasis will be laid on the wood-working

industry, the food industry and the manufacture of toys, finishing of furs, the optical industry, precision tool-making, electrical engineering and the pharmaceutical industry.

III. SEVERAL CONDITIONS NECESSARY FOR THE FULFILMENT OF THE TWO-YEAR PLAN

The fulfilment of the outlined aims of the two-year plan will require the mobilization of all creative forces of the nation and a sound policy in the various sectors of economic and public life. Let us consider only several of the main conditions required for the fulfilment of the two-year plan.

OVERCOMING THE LABOUR SHORTAGE

The main condition essential for the fulfilment of the two-year plan is the overcoming of the labour shortage. Industry, the building trade and agriculture will, after the transfer of Germans, lack at least 500,000 workers, especially for manual labour. This labour must be found at all costs within the great "National Mobilization of Labour".

The participation of every citizen in the economic construction must become a patriotic duty. All will be done to give productive work, especially manual labour, the place of honour which belongs to it by right. Above all, it will be necessary to find sufficient labour for those branches of production which are of decisive impor-

tance for the two-year plan such as mining, the manufacture of building-materials, the building trade, and agriculture; gradually to transfer into the production process those workers who are still not directly participating in it and who can be spared from their present employment, whether public or private; to return skilled workers to their original occupation; to mobilize for productive work all those who have no regular employment although fit to work; to secure young trainees for the most important branches of production, to increase the number of women workers and to mobilize for industry also persons with decreased working ability. All these measures must be carried out so as to facilitate to the workers as much as possible the transition to new productive work, and to secure for them a decent standard of living.

Another means to overcome the labour-shortage is the raising of productivity, i. e. the raising of output per head and per shift. Manpower must be replaced by machine-work wherever possible. It is necessary to introduce to the greatest extent a system of grading wages and salaries, to reward increased output by increased income to the workers, and ensure that income arising out of increased output is not swallowed by high taxation. Altogether, productivity must be raised within the two-year plan by 40% as against the present rate so that we should be able to surpass pre-war productivity as much as possible by the end of 1948.

In order to carry out successfully the national mobil-

ization of labour it will be necessary to co-ordinate all regulations concerning the direction of labour, to equip properly all Labour Exchanges, to prepare the publication of a Code of Labour, to carry out consistently all regulations concerning the registration and classification of workers and to modify suitably the statutory rules on holidays.

THE ORGANIZATION OF THE PRODUCTION AND DISTRIBUTION MACHINERY

An efficient re-organization of our productive and distributive apparatus must be carried out together with the mobilization of labour for productive work, and with the raising of output.

The organization of nationalized industry must be completed as soon as possible and placed on a sound financial and commercial basis. General managements of the nationalized industrial sectors together with the managements of individual enterprises are responsible for the economic administration of the enterprises under their management. Decisions concerning the operation of their enterprises must rest with them. The appropriate authorities as supreme organs will, after working out the necessary production plans, concentrate their activities on supervising the carrying out of these plans, and on general problems of the prosperity of enterprises as well as of whole nationalized sectors, and will not interfere with the organization and the

smooth operation of enterprises. Party-membership must not influence the appointments to executive posts in nationalized industries; only expert knowledge and national reliability must be the deciding factor. Everyone holding office in nationalized enterprises will be personally responsible for the results achieved, and those proving inefficient must be immediately replaced. On the other hand leading officials will receive extraordinary rewards for exceptionally successful results.

A suitable organization compulsorily combining nationalized and private enterprises must be established in the form of National Federations of Industry, with a National Central Federation of Industries. The appropriate State authorities will be able, through these bodies, the organization of which must be economical and flexible, to direct whole industrial sectors according to plan, to bring the interests of the nationalized and non-nationalized parts of the industry into harmony and to fit them into the overall State plan, without interfering with healthy competition between them. The Government takes this opportunity to declare that it regards the drive for the nationalization of production as finished.

The compulsory organizations of crafts, trades and businesses must be transformed, their activities simplified and economized; the will of their members must be democratically asserted in these organizations, and it must be possible to direct this large sector of crafts, trades and businesses to the advantage of its individual

members as well as to the advantage of the whole community.

The Government will also support the co-operative movement, which has already in the past tried to diminish by mutual economic aid the dependence of the individual worker, the isolated peasant, the small tradesman and the working intelligentsia on the capitalistic exploiters, and which has been making a commendable effort for the economic consolidation of the State since the very beginning of our renewed independence. In order to define the scope of activities of the co-operative movement within the economic plan it is necessary to organize it uniformly and to provide its supreme authority with sufficient powers. The Government will therefore speed up the drafting of a Bill concerning the Central Council of Co-operative Societies and special federations of co-operatives. It will also take the necessary steps to elaborate a new law of co-operative societies which will replace the obsolete and inadequate Act of 1873. All this care for the co-operative movement must not impair the competitive spirit between it and private enterprise.

Finally, the Government considers it necessary to simplify distribution and reduce its costs so that the prices of commodities are not increased out of proportion before reaching the consumer and so that the reduction of the costs of distribution is of advantage to the consumer, the producer and the retailer. It is necessary to remove all links in the chain of distribu-

tion which are superfluous from the economic point of view, to renew direct contact between producer and retailer, as well as direct contact between retailer and nationalized industries wherever this proves practicable. The system of controlled economy in distribution should be gradually relaxed to such an extent as progress in industrial and agricultural production and the development of foreign trade permits.

THE COMPLETION OF THE CURRENCY REFORM AND STABILITY OF CURRENCY

The Government will see to it that currency reform is completed as soon as possible. For this purpose it will be necessary to establish a basis for the registration of capital and to fix the amount of the tax on property increment, and the actual capital levy itself in accordance with the Act passed by the Provisional National Assembly. By this measure the social stratification of owners of blocked accounts and other property will become clear as well as the surplus purchasing power not yet absorbed by taxation.

From the blocked accounts, remaining after all taxes have been deducted, fixed amounts will gradually be freed. Their size will be fixed according to the financial situation of the depositors and with a view to obviating the danger of inflation. The remainder of the blocked accounts will be suitably consolidated.

The Government appeals to the public to have

understanding for and confidence in the measures taken in currency matters. They are aimed at preserving the stability of the currency, at the prevention of inflation and the valorization of savings, which have so far been blocked. The Government's efforts will be the more successful, the greater is the confidence of the owners of free currency in the financial policy of the Government, and the more money they deposit with banks and savings-banks, making it possible to put their money at the disposal of the great work of our economic reconstruction. The stability of the currency in relation to foreign exchange will also be preserved.

FINANCIAL POLICY AND ORGANIZATION OF BANKING

The financial policy of the State must secure the fulfilment of the two-year plan financially. Prepared capital construction for which there is sufficient labour, raw materials and tools must not be delayed by a lack of funds. Another task is the safeguarding of the disposal of the increased production of consumer goods. The balance between the total supply and demand of consumer goods will be achieved by a reasonable price and taxation policy, if necessary by floating a national loan.

Planned investments should be financed partly from the enterprise's own funds, partly by bank credits, and lastly, from public funds.

With the completion of the currency reform it will be necessary to revise interest rates, which must correspond to the present standard of our national economy and encourage its further development.

Budget policy must aim at lowering the deficit in public administration, which must be run more economically. On the other hand it is necessary that the national income should grow, that morale of taxpayers should improve and revenue go up.

Banking must be reorganized according to the requirements of planned economy. The chief idea underlying the measures to be taken will be the concentration of all capital assets and their centralized distribution into two channels: towards investment and production.

To implement the unified direction of nationalized and non-nationalized banking, a National Banking Council must be established without delay. This body will possess the highest authority in all sectors of banking.

The Central Management of Banks, as the executive body of nationalized banking, must work for a speeding up in the co-ordination of the activities of the various banks and see to the simplification of their organization and activities.

Nationalized banks will concentrate their business on granting credits for production purposes. Each nationalized enterprise will be financed by one bank only. Financial dealings between national enterprises

or between enterprises and public bodies will be carried out by drawing on current account. Only smaller amounts will be handled in cash. Liquid funds will be paid at once into such current accounts. National enterprises are not allowed to grant credits to one another, because such transactions would misrepresent their financial situation.

The Government will encourage all forms of payment through current account, by legislative and administrative measures and by publicity.

Special investment banks will cater for the requirements of capital construction.

By separating production and investments financially, and by the specialization of banks according to sectors of production, and finally by co-ordination between banks and other financial institutions, the former unsound competition between banks will be eliminated. Banks will then be in a better position to fulfil their new functions, which will comprise the supervision of national enterprises; this specialization will enable the banks to obtain a picture of the production side of the enterprises for which they cater. Measures such as these will facilitate and simplify the control of taxation, prices, wages, as well as the control of the speed of turnover of goods and of the efficiency and economic operation of the national enterprises.

In order to enable insurance companies to fulfil their functions within the planned economy of the country, it will be necessary to bring about a suitable concentra-

tion of nationalized insurance business with a view to reducing costs.

TAXATION REFORM

The simplification and modernization of the entire system of taxation is a further task which must be achieved within the two-year plan. The system of taxation must be simple, clear and comprehensible to every taxpayer; it should distribute the burden of public administration in a just manner.

Direct taxation will be reformed by the introduction of three basic types of taxes, *a tax on earned income, a tax on industrial enterprise and a tax on unearned income.*

Tax on earned income will contain four categories. In the first place there will be a *tax on wages and salaries* for all types of gainfully employed persons, including the recipients of superannuation and disablement benefits. The tax must not, however, swallow up higher wages or salaries earned by increased output or efficiency. The second category will be an *agricultural tax*, replacing the former direct taxes plus turnover tax. The third type of tax will apply to *trade* and the fourth will concern the *professions*.

With the reform of direct taxation, indirect taxes will be subject to revision. In particular the present turnover tax will be replaced by a *general excise*, graded according to the economic importance of services or goods subject to this tax. This method of taxation will be a means to regulate the market and consumption.

Before the two-year period is over, a reorganization of revenue authorities must be carried out, so as to amalgamate various branches into unified revenue offices.

THE DEVELOPMENT OF FOREIGN TRADE

Czechoslovakia has insufficient raw materials to draw upon at home, and therefore the fulfilment of the two-year plan depends to a considerable degree on our foreign trade.

The content and volume of our *imports* will be determined by the need to import a number of essential raw materials, agricultural produce and food, as well as certain semi-finished and finished products. The import of sufficient quantities of iron ore, phosphates, pyrites, soda, industrial salt, wool, cotton, hides, oil-seed, etc. must be secured. The Government will therefore endeavour to renew trade agreements as well as monetary and credit agreements with such of the more distant States as possess sufficient raw materials.

The content and volume of our *exports* will be determined by the need to pay for imported raw materials and foodstuffs by the export of manufactured goods. Speaking generally it will be essential substantially to raise our exports for this purpose, especially after the cessation of UNRRA deliveries. Our imports will be paid for primarily by the export of finished products of the engineering and chemical industries, by the export of footwear and leather goods, as well as certain agri-

cultural products and foodstuffs such as hops, malt, sugar, beer and potatoes. The Government will further endeavour to settle the problem of transport of imported and exported goods before an international forum.

The orientation of our foreign trade must guarantee us as far as possible permanent markets for our products and permanent buying sources for our import needs, in order to gain independence of economic fluctuations and crises. A substantial all-round extension and deepening of trade relations with the Soviet Union and the other Slav States, as well as the rest of the countries of Central and South-Eastern Europe is needed above all for this purpose. We shall also systematically deepen our trade relations with the United States, the British Empire, France and other countries. In our efforts to raise industrial production we shall bear in mind that quantity must not be at the expense of the high quality production which has always been and will continue to be our main asset in international competition.

The *organization* of our foreign trade must be adapted to the new structure of our economy. Developments aiming at the concentration of the organization of foreign trade will be supported so that imports and exports may be uniformly directed, according to the needs of the State. The cost of imports must be reduced by the elimination of all unjustified middlemen; imports will be concentrated according to branches of trade; the number of links between the importer and the

manufacturer or consumer will be reduced; and importers must be prevented from taking advantage of their monopolist position. In the sphere of export unsound mutual competition in foreign markets between Czechoslovak firms must be eliminated and provision made lest foreign exchange gained by export be misused, but on the contrary, that it should benefit the whole national economy.

PARLIAMENTARY SUPERVISION

Both expenditure in public administration, and the management of national enterprises must be kept under constant and efficient rational supervision, which will be subordinate to the supreme organ of our people's democracy, the National Assembly. The Government will therefore in the shortest possible time present a bill concerning the establishment and competence of a Parliamentary Commission for the Supervision of Expenditure which will in view of its new tasks be vested with adequate powers and will in the course of its duties be able to call upon the services of other supervisory bodies of the State.

IV. RAISING THE STANDARD OF LIVING OF THE PEOPLE, SOCIAL, HEALTH AND CULTURAL POLICY

The main purpose of the two-year plan is to raise the standard of living of our people. If we fulfil the two-year plan, raise industrial production by 10% over pre-war figures, reach the pre-war level of agricultural production, develop foreign trade to the required extent and mobilize all available manpower for productive work, then we shall, in spite of the necessary long-term investments, be able to raise, by the end of 1948, the standard of living above the pre-war level both materially and culturally. Within the framework of these possibilities the Government will press forward with the following measures:

PRICES, WAGES AND SALARIES POLICY

While carrying out the two-year plan prices of industrial products will be gradually reduced. Further price reductions can be reached by lowering the costs of distribution. By the end of the two year period it will be possible to remove rationing step by step and to free consumer goods, of which there will be a sufficient quantity, at reasonable prices. One of the

methods for raising the standard of living of our people is therefore an increase of the quantity of consumer goods with a simultaneous decrease of their prices.

A second means to achieve the same aim is an appropriate and fair wages policy. The present system of wages which does not properly appreciate the individual worker's performance and thus does not sufficiently encourage individual exertions, must be modified into a system of wages based on merits, i. e. on the output of the worker and on the difficult character and responsibility of his work as well as on his previous training, necessary to accomplish the task entrusted to him. So far only about 20 to 30 per cent of workers in industry are paid piece-work rates. In the course of the two-year plan it will be necessary to double the numbers of piece-workers, thereby increasing output and wages, and reducing the price of goods.

In order to increase the standard of living of clerical workers and to enable them to fulfil their function properly, in this category, too, efficiency pay and bonuses are to be introduced.

PAY AND SERVICE CONDITIONS OF CIVIL SERVANTS

An important factor with a decisive bearing on the smooth working of the administration is a fair structure of the pay and service-conditions of Civil Servants, giving them a sufficient income and thus enabling them to carry out their duties without financial anxieties.

The present system of salaries will have to be replaced by an entirely new one, based on a unified social policy, and with similar adjustments as those made in economic life. The 1926 Salaries Act No. 103 and all regulations based on it are entirely obsolete. The principles underlying the Act and its whole structure are unsuitable and do not fit the changed conditions. Legislation in respect of Civil Servants will have to be amended in accordance with modern principles and these new conditions, if possible as early as 1947.

The reorganization of public administration is closely allied with staff policy. In this respect it will, above all, be necessary to carry out a revision of the establishments in all branches of administration, adjust them to actual requirements, and transfer surplus personnel to other sectors according to their abilities. The Government will see to it that no public servant is victimized on account of his political opinions, so long as they are in accordance with the democratic order.

An important factor in staff policy must be the endeavour to raise the special qualifications of Civil Servants. A systematic specialized training for the Civil Service is indispensable, if officials are not to get stuck in general knowledge.

SOME TASKS OF SOCIAL WELFARE AND HEALTH POLICY

With a view to carrying out the principles laid down in the Košice Programme the Government intends to

implement first of all the following proposals within the orbit of social policy.

Social insurance will be made more economical and unified in purpose and organization, in order to bring its services nearer to the persons insured, thus building gradually a *national health insurance service* and, following this, a *national superannuation insurance*. Prior to this the Government will start step by step to improve superannuation insurance by the removal of the existing differences between corresponding rates in the Czech lands and in Slovakia.

In the sphere of public health the Government, starting from the principle that the right to the protection of health is one of the basic civic rights, will make plans and take all necessary steps towards the organization and unification of a State health service on a broad basis, in accordance with up-to-date standards of medical science. Special attention will be paid to the prevention of disease. Recreational facilities for the working population and young people will be improved and extended.

The Government devotes special attention to the care of mothers and children in the widest sense. The high percentage of infant mortality must be lowered by all available means and steps must be taken to increase the birth-rate.

The Government will also endeavour to implement an improved social and economic standing of the housewife.

Child and youth welfare will be unified and made a public service, but the co-operation of voluntary bodies and institutions preserved. The overall care for working youth and students will be broadened in the social, health and educational sphere. Youth will be educated to enjoy its employment, in particular productive work.

General social welfare for those who, owing to their income and state of health, have to rely on outside aid or support, will be put on a new footing, unified and made a public service with the widest co-operation of all voluntary bodies.

The care for the victims of the two world wars and of Nazi persecution will be extended. The Government will re-adjust disablement and widows' pensions and grants to orphans, thus securing them an adequate standard of living. The problem of retraining persons disabled by the war will be tackled to enable them to contribute to the national effort.

The present housing policy will be revised and re-defined, in the interest of the whole population and the State. Particular consideration will be given to large families.

The economic, social and cultural standard of the countryside will gradually be raised. The Government will support all organizational measures leading to this aim.

The Government will draft a basic Education Bill, which is to complete the modernization of our education, with a view to giving all young people as wide a general knowledge as possible and to providing higher education for talented children irrespective of the social position of their parents.

Particular care must be given to *technical schools*. Here it will be necessary to regulate the influx of pupils with regard to the surplus of labour in distribution and administration and to the shortage of juveniles entering industry.

These considerations will be of importance for the planning of reforms in university training, in order to cater for all requirements of cultural and economic life. Considerable care must be devoted to technical training by an appropriate organization of technical universities and of its preparatory stage in secondary schools. The extension of technical museums as well as exhibitions will contribute towards this aim.

Within the economic possibilities it will be necessary to implement the Act on university training for teachers by establishing pedagogical faculties in our universities.

Conditions in theatres call for a general *law on theatres* regulating their position. State centres for music and arts will be established, to give these branches public support.

as a central institution for scientific work has also become topical. It will also be necessary to transfer to State ownership and rebuild the National Museum and to erect a National Gallery.

As far as broadcasting and films are concerned, it is necessary to carry out a definite legal and organizational regulation of the administration of Czechoslovak broadcasting and film enterprises.

Finally, it will be necessary to extend and intensify *adult education* as an important factor in the reconstruction of the State and in an effort to achieve democratic maturity of the broad masses of our people.

As far as *youth, its organization and physical training* are concerned, the Government, in an effort to strengthen the nation's moral and physical powers of resistance, the defensive power of the Czechoslovak people and national unity, has as its aim to achieve the democratic unification of the Czechoslovak youth movement and physical training, in the framework of a united, non-party State organization on the basis of a national and democratic programme. It is left to the political parties to receive into their ranks and to educate young people according to their own ideas, at the same time having due regard to the uniform youth and physical training organizations.

V. THE NATIONAL PURGE AND NATIONAL SECURITY

The Government deems it its duty to accelerate the completion of the purge of our national and public life of all traitors and active collaborators who have not yet been tried. The Government will see to it that guilty Germans are punished according to the Presidential decrees on the punishment of war crimes, and that all traitors who have not yet been tried are put before the National Court or before the extraordinary people's courts. No difference must be made between traitors of Czech and Slovak origin regardless of whether they committed their crimes at home or abroad. The Government will also pay attention to the purge of public life in Slovakia, especially in connection with the reconstitution of national committees. Those Fascist elements and supporters of the Tiso puppet Government who are guilty of offences against the State and who have attained public positions or who hold office in political parties and other organizations must be expelled and tried, in so far as they are covered by the Presidential decrees on retribution. The Government will, in accordance with public opinion, press for the carrying out of justice, and for the punishment of treasonable

activities against the nation carried on in the time of its greatest emergency.

The Government asks all District and Provincial National Committees to deal justly and without delay with all remaining offences against the national honour. It is vital that this purge should be concluded quickly, all those found guilty punished, and all those proved not guilty rehabilitated.

The Government will also pay special attention to the organization of national security. The police force in our people's Republic is called upon to defend the interests of the people; the nation and the State against all internal enemies; to guard citizens' rights and liberties against reaction and the remnants of Fascism; to guarantee the security of the individual and safeguard national as well as private property, and to ensure that every honest citizen may devote himself to his work and occupation peacefully and without fear.

In connection with the reorganization of public administration a special law will be drafted on the police force as a unified organization subordinate to a unified command in all its branches. It is necessary to improve and perfect the equipment of the police, and to take care of the material needs of its members so that they may free of financial anxieties devote themselves wholeheartedly to their responsible occupation.

The ranks of the police force like all other branches of the Civil Service must be morally beyond reproach. National, democratic and State reliability as well as a

high moral character are an essential prerequisite for all members of the police force. All those whose conduct is prejudicial to the reputation of the force must be tried.

On the basis of national and democratic principles reinforced by a systematic ideological education, the old and the new members of the police force must be made to work more closely together in the interest of further development. Sufficient expert training must be given to the new and younger members of the force now recruited from deserving resistance fighters; capable and efficient recruits must be given opportunity for promotion.

The Government declares that it is firmly resolved to ensure by all its actions and dealings that the laws of the Republic are obeyed in all branches of public administration, and that all citizens respect the legal order which we ourselves have created.

VI. FOREIGN POLICY

The external security, nay, the very existence of Czechoslovakia depends on the permanent alliance and all-round co-operation with our mighty ally, the Soviet Union. The principal task of our foreign policy continues to be the strengthening of our security. The fact that the Soviet Union has become our neighbour by her entry into the Danube Basin not only most effectively enhances our security but also enables and commands us to extend our efforts toward the systematic development of economic relations in addition to our sincere political and military alliance and our traditional ever-deepening cultural relations.

The Government will also develop and deepen political, economic and cultural relations with Great Britain and the United States, which gave so great and valuable support to our fight for liberation in the two World Wars, and with France, with which we have many common interests, and with all other democratic nations of the world. The gradual overcoming of technical, transport, financial and other obstacles will enable us to expand these relations on a broader scale than was possible in the first year of our regained freedom.

Our foreign policy must pay greater attention to economic and political developments in Germany, especially its de-Nazification, because Germany will for a long time remain a problem of world policy which is of vital interest to us. Czechoslovakia was the first victim of German aggression and is therefore justified in demanding an appropriate rectification of her frontier with Germany, and a guarantee that such aggression will not be repeated in the future in any form whatsoever.

On the basis of our treaty of alliance with the Soviet Union the Government will continue in its endeavours to build a security system against possible attempts to renew German aggressiveness. With this purpose in mind we have concluded our treaty of alliance with the fraternal federal democracy of Yugoslavia, and are willing to contribute to the safeguarding of Europe against the revival of any form of German imperialism by concluding similar pacts with other States with the same interests, if the relations of such States with us warrant it.

This applies in particular to Poland. However, it is necessary that our vital interests, which we cannot sacrifice, should find the fullest recognition and respect on the Polish side.

Within the framework of the Slavonic orientation of our foreign policy we shall strive for the extension of political and economic relations with democratic Bulgaria, whose people have so decisively dealt with the

Coburg agents of German imperialism and who have with great determination entered upon the path of a Slavonic democratic policy.

The Government will continue its endeavours to contribute—by the modest means at its disposal—to the elimination of all causes of international discord and to the establishment of permanent world peace.

The period preceding Munich proved to the whole world that one of the instruments for inciting unrest in international relations were the German and Hungarian minorities in this country. The transfer of Germans is now only an organizational and technical problem. The Government insists on the complete solution of the problem of the Hungarian minority not only in the interest of Czechoslovakia, but in the interest of good relations with democratic Hungary. Past and present experience has proved that the existence of a Hungarian minority in this country is a constant source of revisionist machinations and endangers the peaceful development of Central Europe.

We desire to renew our friendly relations with Rumania, and to develop good-neighbourly relations with democratic Austria.

The Czechoslovak Government will be a loyal and sincere collaborator in the United Nations Organization and in all other international institutions which serve the economic and financial recovery of the post-war world, and the strengthening of peace.

VII. DEFENCE POLICY

Guided by the desire to safeguard the liberty and independence of the Czechoslovak people in the future, the Government is faced with two fundamental requirements: firstly, to strengthen and increase to the highest possible degree the defensive power of the Czechoslovak people, secondly, to supplement its own defensive preparedness by effective and reliable outside support, in particular on the part of our faithful ally, the Soviet Union.

The Government will also strengthen the popular and democratic character of the Army and direct its education in a progressive, democratic and anti-Fascist spirit. In accordance with the appropriate clauses of the Košice Programme and on the strength of the experience gained in the meantime, the intensification of a truly democratic, national and patriotic education of all Army personnel will be undertaken. Army education must be outside the orbit of party politics.

The Government will strengthen the unity of the Army, as a State institution, common to Czechs and Slovaks. As far as the participation of Slovaks in the army in proportion to the population is concerned, the

Government will, in accordance with the Košice Programme, settle this question step by step.

The Government is devoting particular attention to the strengthening of military discipline, without which the Army would not be in a position to fulfil its tasks. The High Command must set an example of keeping discipline and performance of duty. Discipline must be taught with a view to State, national and democratic consciousness.

The Government will put the Army and the defence of the people on a new constitutional and legal basis. Legislation to regulate the distinguished position of the Army in our national life will be drafted, including a special law on the pay and conditions of service in the Army. Based on these legislative measures the Army administration will, within the next two years, work out new basic rules and regulations; these will reflect the war experience of our own forces, as well as that of other armies, in particular the Red Army.

The Government will supervise the consistent execution of the law on the national purge of the Army, which will only strengthen the latter.

A new system of appointments, promotion and establishment of officers will be adopted, in which fitness to command, successes achieved and qualifications in regard to national and democratic reliability will be the main criteria.

Particular attention will be devoted to the training of officers. Supplementary training for officers holding

commands, on the basis of the experience gained during the war, will be speeded up.

The Officers' Corps will be supplemented from all sections of workers, from among young people of good character and morale, possessing high national and democratic consciousness and power of command.

The Government will continue in the settlement of financial and social matters of all Army personnel. This includes care of soldiers and their families, the next of kin of casualties, disabled persons, and the securing of decent living conditions to those who have been on active service during the fight for liberation at home or abroad. The Government, fulfilling the wish of the people, will give the Army all it needs. Neither the Government nor the people will refuse even the greatest sacrifices, whenever necessary, all the more so if the Army by its rapid development and its democratic spirit gives a guarantee of its preparedness in the hour of need.

The Government will give full support to the strengthening of the preparedness of the two nations of Czechoslovakia to defend the State. The defensive spirit will be encouraged and practical military drill outside the Army will be accessible to both men and women of all sections of the population. Special attention will be paid to defensive training in schools of all degrees. The Government desires the so-called Union of Defence to become a nationwide organization embracing by its activities millions of citizens. The Government

intends to complete the creation of a Czechoslovak Army, better and stronger than before, which will be in a position to fulfil the increased duties of a modern army.

the Government is aware that the fulfilment of this programme will not be easy. A lot of hard work will be needed to rid ourselves of the disastrous heritage of the German occupation and the war, and to lead the people and the Republic on to the safe path of lasting progress, to heal within the next two years the grievous wounds inflicted on our nation by a ruthless enemy in the course of nearly seven years, and gradually to reach and exceed within those two years our pre-war standard of living.

However, we shall master this task. We shall master it if we remain united in every way, and if we compete with one another only for the first place in the work for the prosperity of the nation and the Republic, and if, being united in purpose, we succeed in arousing a great constructive enthusiasm of the nation.

We have faith in our people. We know that they do not like empty promises or hypocritical flattery, that they love truth. And the truth is that the next two years will be hard and arduous and that we shall have to go without many things, and to work much more than at present.

Let the memory of those who sacrificed their lives so that the nation might live again in freedom, encourage us in our efforts.

In striving for a happy and free Czechoslovak Republic, we are only executing their will, as well as the mandate which the nation has given us. Let us vow that we will be worthy trustees of the legacy of our dead, and conscientious executors of the mandate of the living.

THE COMPOSITION
OF THE NEW GOVERNMENT
OF MR. KLEMENT GOTTWALD

The President of the Republic entrusted Mr. Klement Gottwald, M. P., with the formation of a new Government on June 19, 1946. On July 2, 1946 Mr. Gottwald submitted to the President a list of members of the new Government. On the basis of this proposal, the President nominated the new Government. It is composed as follows:

Premier: *Klement Gottwald*, M. P.

Deputy Premiers: Dr. *Petr Zenkl*, M. P.

 Msgre Dr. *Jan Šrámek*, M. P.

Ján Ursiny, M. P.

Zdeněk Fierlinger, M. P.

Viliam Široký, M. P.

Ministers:

Foreign Affairs: *Jan Masaryk*

National Defence: General *Ludvík Svoboda*

Foreign Trade: Dr. *Hubert Ripka*, M. P.

Interior: *Václav Nosek*, M. P.

Finance: Dr. *Jan Dolanský*, M. P.

Education: Prof. *Jaroslav Stránský*, M. P.

Justice: Dr. *Prokop Drtina*, M. P.

62 Information: *Václav Kopecký*, M. P.

Industry: *Bohumil Laušman*, M. P.

Agriculture: *Julius Ďuriš*, M. P.

Home Trade: *Antonín Zmrhal*, M. P.

Transport: Dr. *Ivan Pietor*, M. P.

Postal Services: *František Hála*, M. P.

Social Welfare: Prof. *Zdeněk Nejedlý*, M. P.

Health: Prof. *Adolf Procházka*, M. P.

Food: *Václav Majer*, M. P.

Without portfolio: Dr. *Alois Vošahlik*, M. P. (on July 18
appointed Minister of Technics)

Dr. *Mikuláš Franek*, M. P. (on July 18
appointed Minister for the Unifi-
cation of Legislation)

Under-Secretaries of State:

Foreign Affairs: Dr. *Vladimír Clementis*

National Defence: *Ján Lichner*, M. P.

STATEMENT

BY PREMIER KLEMENT GOTTWALD

TO THE PUBLIC ABROAD

The Czechoslovak Press Agency broadcast in its foreign service the following statement made by Premier Klement Gottwald on July 3, 1946, after forming his Government.

The new Government, the third formed since the liberation of Czechoslovakia, is an organic continuation of its predecessor. It consists of the same parties of the National Front of the Czechs and Slovaks, and mostly of the same persons. Where there are changes in the number of representatives of the individual parties, they reflect the results of the general election to the Constituent National Assembly on May 26, 1946.

It is already evident from this fact that the new Government embodies the continuity of the present internal and foreign policy of Czechoslovakia.

In home affairs, the new Government sets itself two principal tasks, first of all, to enact a new constitution of Czechoslovakia, which should, in the democratic traditions of the pre-war Republic, legalize the great economic, social, political and national changes which took place in Czechoslovakia during the struggle against the German invaders and the first year of reconstruction after the liberation. The second task will be to carry out a two-

year plan of renovation and consolidation, which is to heal the deepest wounds inflicted on us by occupation and war, and to increase industrial and agricultural production approximately to pre-war level.

In foreign policy the Government will continue to strengthen economic and political relations with its great ally in the East, and cultivate its traditional friendship with the other democratic countries, especially Great Britain, France and the United States. In the interest of carrying through the two-year plan the Government will endeavour to extend economic relations with these countries, and it hopes that it will meet with understanding in responsible circles, as a business partner who has always strictly fulfilled, and will go on fulfilling, his obligations.

Of other questions, the interest of our foreign policy is directed to the international negotiations on the Hungarian question. The Government hopes that it will find understanding for its endeavours to effect an exchange of populations and a transfer of the rest of the Hungarians to Hungary. This would remove a source of unrest, which has threatened peaceful development in Central Europe, ever since the Trianon Treaty, and which was one of the reasons why revisionist Hungary entered the war as an ally of Germany's.

CONCLUDING REMARKS

The two-year plan which we are putting before our friends abroad has been drawn up by the Government of Klement Gottwald, and the whole Czechoslovak people will, in harmony with the Government, play their part in translating it into reality. It constitutes the second stage in the consolidation of the renewed Czechoslovak State, a stage of peaceful development, based on strictly constitutional legislation. By this plan, all the constructive efforts of the revolutionary year only just ended are to be accomplished and secured.

To make it clear to everybody under what conditions the Czechs and Slovaks set about building their new home, it may be useful to recall to our mind a few facts from recent history.

When German armies were invading Bohemia and Moravia on March 15, 1939, in order to incorporate these lands, dismembered six months before by the Munich dictate, with the German Reich, and while Hitler was installing an "independent" State in the Slovak half of the Republic, German propagandists broadcast to the world that that solution was final.

a German Reich of a thousand years, and had their own ideas about them—though they were not allowed to express them at that juncture.

A thousand years ago, the Hungarians tore the Slovak branch from the Czech. Three hundred years ago, the Hapsburgs put an end to Czech independence. However, in the course of those long centuries, the aspiration of the Czechs and Slovaks for a common, independent State did not cease.

This longing was fulfilled in 1918, and for twenty years, the Czechs and Slovaks were proving to the world that it had been justified, that they did not only want to rule themselves, but that they were well able to do so.

For no fault of their own, the Czechs and Slovaks were deprived of their independence in 1939, the disgraceful "Protectorate" being imposed on the Czechs, while the Slovaks were taken under the equally shameful protection of the Reich. Abandoned and powerless though they were, they never ceased to believe that Nazi rule was only temporary. Ever since the first days of the occupation, they gathered strength for revolt and for organizing their future independence. Liberation, therefore, did not find them unprepared.

The Germans boasted that they would never yield any ground they had occupied, but their deeds show that they had little faith in their own words. From the very beginning of the occupation to its last days, they systematically endeavoured to destroy everything that

might enable a renewed Czechoslovak State to live. They must have believed in their own victory very little indeed, if they did their utmost to deprive the State which the Czechs and Slovaks wanted to restore, of everything essential to life.

Apart from arrests of officers, politicians and trade union leaders, the Germans' first measure was the closing of the Czech universities. Though the Czechs had been promised autonomy, the Germans from the very beginning interfered with the administration of the Czech lands, on the one hand by reserving ever-increasing jurisdiction to the Reich authorities, and on the other hand by supplanting Czech officials in the so-called autonomous Civil Service by Germans. The nation that had the first university in Central Europe and one of the first in the whole of Europe, that gave to the world John Hus, J. A. Comenius and J. E. Purkyně, and from which rose the great figure of Masaryk, a nation of ancient culture and traditional love of liberty, was subjected to a Protectorate the like of which cannot be found among protectorates over coloured natives. No oriental State was ever forced to accept capitulation more far-reaching and disgraceful.

The Germans did not content themselves with usurping all political power. In an unprecedented manner, they began to remove the Czechs also from their economic positions. They began by confiscating properties belonging to Jews and to Czechs unwelcome to the German régime, and then they continued by

systematically transferring industrial enterprises to their own State or to individual Germans and by taking away the land of Czech peasants and giving it to their own people. This process would have ended with the complete extermination of the Czech nation which, as has been established at the Nuremberg Trial, was to be turned out of its ancient country, to be submerged in the German sea.

In Slovakia, which retained an appearance of independence, these measures were carried out less openly, but the political and economic pressure was not less intense. Here, too, the final aim was German hegemony.

To this deliberate suppression and disorganization have to be added the consequences of the war, viz. impoverishment, decline of output, and direct damage caused by war operations in the territory of the Republic, both in the air and on land.

Thus, in May 1945 the Czechoslovak Government was faced with a whole series of seemingly insoluble problems: the administration disorganized, the national economy on the verge of collapse, the transport system paralysed—on all sides widespread damage calling for quick repair. While tens of thousands of Czechs and Slovaks that had been thrown into concentration camps or dragged off to do forced labour in the Reich, were gradually returning home, in the border-districts there remained the Germans, crushed by defeat, it is true, but thirsting for revenge. To restore economic

life, get the administration going, expel the dangerous fifth column of Germans and Hungarians, while at the same time tackling the immense task of reconstruction with a greatly diminished labour force—this was the first business the new Government had to attend to.

The Government went to work with vigour, and so did the Czech and Slovak peoples in a concerted effort. They safeguarded the currency which was threatened by milliards of worthless banknotes, and put it on a firm foundation. The administration was renewed, schools reopened. The property of enemies of the State and of traitors was confiscated, the big and key industries, above all the mines, nationalized, and a reconstruction effort made which began to bear fruit before a year had elapsed. The factories have resumed production, and in some lines are already making goods available for export; the land which had belonged to Czech and Slovak peasants before, as well as that which was taken away from enemies and traitors and given to new proprietors, has been tilled and is yielding crops; trains run to schedule, and most of the windows which had been boarded up, have been provided with new, clear panes. Our spas have regained their old renown and are ready to receive guests from at home and abroad.

The Czechs and Slovaks have received with gratitude the aid which more fortunate nations have given, but they firmly believe, and are proud of the fact that they will soon be able not only to provide for their own

needs, but also to lend a hand to those who have been stricken still more severely.

By free elections on May 26, 1946, the liberated nation returned its representatives to the Constituent National Assembly, which has given a firm foundation to work done up to the present. President Beneš who is loved and trusted by the whole people, has been re-elected by Parliament. The Government of Klement Gottwald, composed of representatives of all Czech and Slovak political parties, is backed by the whole nation.

As you can see from the plan itself, the Czechs and Slovaks have not succumbed to weariness caused by occupation, war and the fight for liberation. What has already been achieved is not enough to make the people content and proud. They want their country that is recovering from heavy wounds, that country that has always been small and poor, to be most beautiful, greatest by its effort, richest by its enthusiasm. Its ambition is not to serve itself only, but also the welfare of all nations, of all men of good will.

Václav Lacina



**Statement of Policy
of Mr. Gottwald's
Government**

**Published by the Czechoslovak Ministry of Information,
printed by Orbis Ltd., Prague XII, Stalinova 46**

Prague, July 8, 1946