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CZECHOSLOVAKIA OUTLINES ECONOMIC "ACTION PROGRAM"

The Dubcek regime has outlined the economic portion of its party "action program." It calls for the end of fixed prices on a large number of items, with prices on others being permitted to fluctuate within limits. Unless these changes are made with a careful view to their impact on living standards, however, they might reduce public support for the new Dubcek administration.

The Novotny regime had recognized that major changes in the retail pricing system were essential to a meaningful economic reform program, but had taken little action in this field. Under the newly announced program, subsidies to producers will be reduced and the turnover tax on retail sales will be made more flexible. These measures are not controversial, but their result will be an increase in some retail prices.

The economic "action program" promises safeguards to the

Czech consumer in connection with these price increases. It states that retail prices will not be changed without considering incomes of the population, and that increases probably will be reviewed by a special commission on living standards to ensure that the general level of retail prices stays within present guidelines. This suggests that the regime is well aware of the political danger in a sharp drop in living standards.

Many of the other major recommendations of the economic "action program" were drawn directly from the economic reform begun two years ago. Plant managers will have more freedom both in staffing and in production decisions, and will have greater responsibility for profitable operation. The program also contains a new proposal that marginal agricultural land be leased to independent producers as a means of stimulating production.

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