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FURTHER DETAILS ON TRADE DIFFICULTIES WITH POLAND

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Poland's political and economic crisis continues to be highlighted in the Czechoslovak media. Numerous and lengthy articles and television programs criticize the Polish strife, especially the alleged counterrevolutionary role of Solidarity, with what has become typical Czechoslovak harshness.

Until a few months ago, however, the Czechoslovaks were rather restrained in discussing the economic damage that the Polish developments might be doing to the other CMEA countries; but since mid-1981 Czechoslovak officials have gradually become less hesitant to speak about the impact of the Polish crisis on the troubled Czechoslovak economy. One of the first signs was an interview given by Zdenek Porybny, acting editor of the Czechoslovak Communist Party daily Rude Pravo, to American journalist Michael Dobbs. (1) Referring to Poland's "catastrophic" economic situation, Porybny admitted that the Czechoslovak economy had suffered from Poland's failure to meet contractual obligations for coal and other raw materials. Without going into further detail, Porybny added that this had caused production losses in several Czechoslovak factories.

After the announcement that Poland would not be able to deliver more than 1,200,000 tons of coal to Czechoslovakia in 1981, compared with the average annual supply of 2,200,000 tons over the last five years, (2) the adverse influence of the Polish economic calamity on more than one branch of the Czechoslovak industry has been discussed more frequently in public. (3)

Frantisek Zdobina, a prolific journalist, recently wrote with displeasure about the short supplies of coal. Writing on what is perhaps the regime's most popular theme in domestic economic propaganda, energy saving, he claimed that Solidarity-organized strikes were responsible for the short deliveries of Polish coal to Czechoslovakia. Shortfalls in Polish coal deliveries allegedly represented the amount necessary to generate the entire annual increase of electric power output in Czechoslovakia. (4)

Some additional interesting information on the ailing trade between Czechoslovakia and Poland was recently revealed in an interview with Vaclav Dvorak, the economic counselor at the Czechoslovak embassy in Warsaw since 1974. (5) Dvorak said that the volume of trade between the two countries would be 7% lower in 1981 than in 1980 because of Poland's difficulties in industrial

- (1) The Washington Post, 17 August 1981.
- (2) Reuter, 26 October 1981.
- (3) See Czechoslovak Situation Reports/22 and 23, Radio Free Europe Research, 2 November 1981, Item 1, and 12 November 1981, Item 2.
- (4) Pravda (Bratislava), 27 November 1981, p. 3. Another source says that three power plants, in Oslavany, Detmarovice, and Karvina, had to curtail production because of a shortage of hard coal from Poland; Jiri Korbel in Svet Hospodarstvi No. 141, 24 November 1981, p. 1-2.
- (5) Mlada Fronta, 24 November 1981, p. 3.

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production and deliberate investment restrictions. Besides coal, Czechoslovakia would also import less of the other traditional raw material purchases such as sulfur, while it would export less machinery and equipment to Poland. (6)

According to Dvorak, Czechoslovak-Polish economic cooperation agreements and industrial specialization contracts that had already been signed were most seriously hurt by developments in Poland. The share of mutual trade related to specialization and cooperation contracts in 1979 amounted to 22.7%, approximately 3 times the 1970 level. This percentage declined to 21.2% in 1980 and the downward tendency has continued this year. Dvorak attributed this unfavorable trend mainly to abrupt restrictions of investment activity and the general slowdown in Polish industrial production, a situation caused by considerably limited imports of raw materials and semifinished products from the capitalist countries.

The last part of the interview was devoted to future prospects of Czechoslovak-Polish relations. Dvorak said:

In safeguarding economic cooperation for the future, the two parties face the exceptionally serious problems of adjusting their requirements and potentials to changed conditions. We must take into account the fact that investment activity in Poland will remain subdued for a long time to come and that its structure will change in favor of inputs into agriculture, the food industry, warehousing, and, to some extent, the extracting industries. . . . We must accept the fact that the causes that have disrupted specialization and cooperation agreements are of a long-lasting nature. It will not be easy to find cooperation avenues that will correspond to the economic possibilities and needs of both Poland and Czechoslovakia. On our part, there will certainly be goodwill in this respect.

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- (6) Poland's failure to deliver the contracted amount of sulfur caused Czechoslovakia additional problems, as it had to make up the requirements by purchasing sulfur from West Germany. Ironically, this sulfur may have been the same that Poland had originally promised Czechoslovakia but sold to the West Germans in order to earn hard currency; see Newsweek, 21 September 1981.

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