

AH /B
7 Oct
II/1087CZECHOSLOVAKIATRADE
Foreign
Western CountriesNo More Swedish Iron Ore For
Czechoslovakia.SOURCE STOCKHOLM: No information availableDATE OF OBSERVATION: current

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All Swedish shipments of high-grade iron ore to the Iron Curtain countries were stopped when the Czechs, similar to the Poles, lacked means to pay adequately for their imports. No doubt the toughened Swedish attitude concerning the ore, which is regarded as of paramount importance in the East, will have most detrimental effects on the Iron Curtain industrial development.

According to the Swedish-Czech trade agreement, the Czechs are to get 500,000 tons of ore in return for 40,000 tons of sugar, 20,000 tons of tools and welded goods and 50,000 tons of coke. Since, however, the Czechs follow the Polish example of charging overprices, their goods are hardly sellable in Sweden. There is plenty of sugar procurable from other countries - e.g. Poland has offered to sell some - all Swedish cisterns are filled with oil, making coke not a necessity, and the English are willing to export tools and welded goods. Thus, the Czechs have a debt in Sweden of 33 mill. kroner (about 6 mill. \$,) which according to the Czech-Swedish agreement is the mutual debt-limit. No discussions between the Czechs and the Swedes are going on for the time being.

In view of the fact that Swedish-Polish trade connections have practically ceased due to Polish exorbitant prices on their coal, Poland has paid her debt for Swedish nationalized assets in pounds sterling this term. Altogether 7.5 million kroner were paid in £.

EVAL. COMMENT: Whole subject UNCONFIRMED here, but in line with Communist understanding of foreign trade.