

THE RESULTS OF THE CZECHOSLOVAK ECONOMY IN THE YEAR 1961

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In the year 1961 Czechoslovakia began the new Five-Year Plan, which, compared to the expiring Five-Year Plan brings a certain reduction in the expected rates of growth of industrial production. The data published by the Central Statistical Office concerning the carrying out of the new plan in the first plan year (1961) reveal, however, that it can be fulfilled only under great difficulties, and point to bottlenecks in the Czechoslovak economy (coal output, steel and rolling-mill production).

Whereas an 11.7% growth in industrial production could still be recorded in the year 1960, the figure was only 8.9% in 1961, and the plan for gross industrial production was only just barely fulfilled, namely 99.8% (in 1960, 101.2%). This result already reveals the strain under which the economy is working, and how difficult it is for it to reach the fixed plan goals. Thus the coal district of Ostrau-Karwin only fulfilled 96.6% of its plan, thereby remaining even slightly below the output of the year 1960, even though the 1961 output amounted to 20.7 million tons of coal. The situation became especially critical, however, through the lower production of roller products, whose output, though exceeding, with 4.7 million tons, that of 1960 by 4%, nevertheless remained 8% below the plan goal. The reason for this lies not only in the inadequate production of steel, but also in the defective work of the old, unproductive rolling-presses, whose replacement is considerably delayed in spite of all efforts on behalf of these key investments.

Since the functioning of the planned economy presupposes the smooth operation of the individual production fields, which are attuned to one another and in most cases have no reserves, there were extensive disturbances in the whole economy. Thus only 92% of the plan for the centrally directed investments was fulfilled, due to the lack of the delivery of machines and equipment, and machine exports also remained 3% below the plan level. As a result the share of machines in Czech export did not rise further, but remained stationary with 44%. The assets in Czech foreign trade dropped so considerably, that if foreign freight costs are added to the import price, the trade balance was presumably passive.

The complaints about lower production in the economy are, however, not limited to industry; they are repeated to a stronger degree for agriculture. Though its gross production rose 1%, the output in the case of

fodder root crops and sugar beets was entirely unsatisfactory, furthermore a decline began in the area under cultivation, which further reduced market production. The weather is made responsible for the failures, but the main reason was without doubt the accelerated collectivization, which by the end of 1960 already comprised 91% of all arable land, and in the main should be completed.

The unfavourable harvest yield necessitated heavy imports of foodstuffs to be continued in 1962, which will of necessity lead to a greater strain in foreign trade. This will bring difficulties, because the other East Bloc states also had unfavorable harvests and therefore have to make supplementary grain purchases in the West themselves.

The supplying of the necessary labor is a difficult problem to solve, since the population is increasing only slowly. Through the heavier employment of women in the year 1961, more persons were at work than had been intended, but this was only at the cost of labor productivity.

If the official report does not keep secret such deficiencies and difficulties, it is an obvious conclusion that they are not merely temporary and that they seriously disturb the economy.