

zu erzeugen. Vornehmlich in der Tschechoslowakei erreichte die Kernenergie einen beträchtlichen Anteil an der gesamten Elektrizitätsproduktion. Es muss festgestellt werden, dass im Gegenteil zur Tschechoslowakei die DDR aufgrund der geografischen Gegebenheiten nur ein kleines Wasserenergiepotential hatte und strukturell nicht auf die Änderung sowjetischer Lieferungsrioritäten vorbereitet war. Nach der durchgeführten Analyse der Energiepolitikabwicklung in den siebziger und achtziger Jahren des 20. Jahrhunderts offenbart sich, dass trotz gewisser Versuche um eine engere RGW-Zusammenarbeit und Stratifizierung der Gütererzeugung weder in der DDR noch in der ČSSR die strukturellen Probleme ihrer Volkswirtschaften überwinden könnte. Diese Tatsache gilt als der eigentliche Grund für die Verlangsamung des Wirtschaftswachstums, für Planungsstörungen und letztendlich auch für die Machtschwächung der politischen Strukturen beider Regime.

Czechoslovak-Chinese Economic Relations in the Period from the Beginning of the Reform Process in the PRC to the Fall of the Czechoslovak Communist Regime¹

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After the reform wing came to power in the PRC in 1978, the role of foreign trade in the Chinese economy increased and its character also changed quickly – both in terms of quantity and quality. The import growth of means of transport, power plants and many others were among the preconditions for the economic modernization and gradual growth of export performance, which increasingly influenced the overall results of the Chinese economy. The reform process provided many foreign producers with new opportunities to enter the Chinese market. The start of the reform process also improved the conditions for the development of economic relations between communist China and Eastern Europe, and this wider economic co-operation was to become the central pillar of mutual relations. The expansion of economic relations with Eastern European countries seemed beneficial for the PRC in several respects. First, the PRC did not need “hard” western currency to trade with Eastern Europe, which was particularly important at a time when the PRC’s business deficit with western countries was growing.² The second advantage was, generally, better accessibility to relatively well-developed technologies. Production technologies used in Eastern Europe were generally less developed than those of the developed market economies, though Eastern European countries were often more willing to provide their technologies under advantageous conditions to communist China. Providing technologies was, in some cases, China’s precondition for future economic co-operation.³

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² For more information, see Harish KAPUR, *Distant Neighbours, China and Europe*, London 1990, p. 168.

³ Aleš SKŘIVAN, Jr., *Hospodářské reformy v ČLR v letech 1979–1989*, Prague 2007, pp. 100 and 119.

Trade between the PRC and Eastern European countries in the 1980s grew considerably.⁴ Several other facts, however, do not allow for this business expansion to be seen in a purely positive light. In the 1980s, the trade between China and Eastern European countries as a whole was falling behind the growth dynamics of the PRC's foreign trade and the total proportion of communist economies in the PRC's foreign trade gradually declined.⁵ Communist China did not become a priority business partner for Eastern European countries, which was manifested in the growing yet still relatively low share of the PRC's exports to Eastern European countries.⁶ The relatively rapid development of business relations was largely enabled by specific conditions, mainly non-market elements, which distinguished Chinese and Eastern European trade from general trade with developed democratic countries.⁷ There were several obvious problems and shortcomings which hampered a more marked expansion of the trade between China and Eastern Europe. Unlike companies from developed democratic countries, the Eastern European firms' position in the Chinese market was complicated due to their relative inflexibility (ability and willingness to accommodate to the changing conditions in the PRC), recurrent problems in the quality of the exported commodities and a limited possibility to offer attractive payment or credit conditions to China. Complications, however, also regularly accompanied Chinese export to Eastern Europe. As in the past, the PRC did not abide by its obligations stipulated in business contracts – the extent and deadlines for supplies. There were also disputes concerning the quality of the commodities supplied and setting their prices within the clearing mechanism. Another sensitive issue in the mutual business was the failure to

⁴ Trade between the PRC and Romania was an exception to this situation. In comparison with the communist countries of Central Europe, Romania realised markedly greater trade with the PRC at the beginning of the 1980s. During the 1980s, however, this trend swung around and, in 1980–1988, Romania experienced an absolute drop in the trade with communist China (from 1126 to 817 million USD). For more information, see Kapur, *Distant Neighbours*, p. 169.

⁵ For more information, see Miroslava HABIGTOVÁ, *Vývoj zahraničního obchodu evropských členských států RVHP s ČLR*, economic paper no. 135, Research Institute for International Economic Relations, Prague 1990, pp. 17–22.

⁶ For more information on the share of the PRC on the export of selected Eastern European countries, see *1979–1991 China Foreign Economic Statistics*, China Statistical & Consultancy Service Center, Beijing 1992, pp. 210–216.

⁷ Such as the use of clearing settlement of payments in combination with barter to avoid the use of hard currency.

meet planned supplies of raw material, as Beijing clearly preferred to sell to other customers for hard currency.⁸

Within the Soviet block, Czechoslovakia was among those countries which could best take advantage of the new opportunities for expanding business relationships with the PRC. In comparison with most communist countries, in the 1980s Czechoslovakia experienced a growth in trade with the PRC. The new boom in the Czechoslovak-Chinese trade, however, did not start immediately after the beginning of the reform process in the PRC, but was slightly delayed. In the late 1970s, growth ceased and mutual trade experienced several difficult years (for details, see Table I).⁹ The poor numbers in Czechoslovak-Chinese trade were undoubtedly due to new political tension between the Soviet block and the Beijing government concerning the China-Vietnam conflict¹⁰ and the Soviet invasion of Afghanistan. Beijing also reacted very negatively¹¹ to the Czechoslovak role as an elected member of the United Nations Security Council and particularly to Czechoslovak support of the Soviet appeal to impose international sanctions against the PRC after the Chinese invasion of Vietnam in 1979.¹² The drop in mutual trade was also due to the Czechoslovak delay in meeting its supply obligations to the PRC – according to official statistics, in 1981 Czechoslovakia met only three quarters of its planned export obligations to the PRC.¹³ On the other hand, the drop in trade was slight when compared to the PRC's trade with other Eastern European countries. The signing of a contract concerning supplying equipment for four power plant blocks of 200 MW for the Shentou thermal power plant in 1979 was an important event, which

⁸ For details on the trade between China and Eastern European countries, see Aleš SKŘIVAN, Jr., *Hospodářské reformy v ČLR*, pp. 100–106. Cf. Oldřich MESÁROŠ, *Zhodnocení současného stavu a perspektivy hospodářské spolupráce mezi ČSFR a ČLR*, Economic Institute of the Czechoslovak Academy of Sciences, Prague 1990, pp. 19–21.

⁹ Cf. *Zahraniční obchod za leden až prosinec 1980*, Statistické informace, Volume 1980, Federal Statistical Office, p. 4; *Facts on Czechoslovak Foreign Trade*, Czechoslovak Chamber of Commerce and Industry (hereafter referred to as *FCFT*), Prague 1980, p. 150; *FCFT*, 1981, pp. 153–154.

¹⁰ For more information on Czechoslovak criticism of the Chinese foreign policy and invasion, see the Archive of the Ministry of Foreign Affairs of the Czech Republic, Prague (hereafter referred to as AMFA), Committee Meetings in 1953–1989, catalogue no. (hereafter referred to as cat. no.) 792, book no. 205, Minutes from a Special Meeting of the Minister's Committee Held on November 19, 1979, section "Orientation and Main Tasks of Czechoslovak Foreign Policy Towards the People's Republic of China", pp. 1–2.

¹¹ Official pinyin for Chinese proper and geographical names is used throughout the text.

¹² Rudolf FÜRST, *Česko-čínské vztahy po roce 1989*, thesis, Faculty of Social Sciences, Charles University in Prague 2008, p. 30.

¹³ *Zahraniční obchod za leden až prosinec 1981*, Statistické informace, Volume 1981, Federal Statistical Office, p. 3.

had a long-term effect on the development of Czechoslovak (and later also Czech) export to the PRC.¹⁴

At the turn of the 1970s and 1980s, the machinery and means of transport commodity group comprised about four fifths of Czechoslovak exports to the PRC. Among the most important items in the group were cars and power plant equipment. Other important export commodities included rolled material, shoemaking and leather manufacturing machines, motorcycles, urea and polyethylene. Chinese export to Czechoslovakia was more diverse, although it did not change markedly in comparison with the 1970s. About half of Chinese export to Czechoslovakia came from the foodstuff and live animals commodity group, among most important commodities were rice, meat and tea.¹⁵ The second largest exported commodity group was that of inedible raw materials, mainly ores, non-iron metals (such as wolfram concentrate), with the percentage of inedible materials growing from 13% to 21% in 1978–1981.¹⁶

Table I: Czechoslovak Trade with the PRC in 1980–1989
(in million Czechoslovak crowns)

	1980	1981	1982	1983	1984	1985
Import	629	601	484	622	825	1 431
Export	452	455	837	552	1 056	1 412
Balance	-177	-146	353	- 70	231	- 19
	1986	1987	1988 ^a	1988 ^b	1989	
Import	1 978	1 480	2 015	5 441	5 902	
Export	1 317	1 621	2 306	6 225	5 546	
Balance	- 661	141	291	784	- 356	

Source: *Statistická ročenka Československé socialistické republiky 1985*, Prague 1985, p. 458; *Statistická ročenka České a Slovenské Federativní Republiky 1990*, Prague 1990, p. 468.

¹⁴ For more information about the Czechoslovak (Czech) participation in the Shentou project, see Aleš SKŘIVAN: *Projekt Šen-tchou. Špatný obchod nebo úspěch českého vývozu?*, in: *Ekonomická revue*, 2007, 10, 4, pp. 77–88.

¹⁵ In 1978–1981 Chinese supplies amounted to 9–20% of the total Czechoslovak tea imports and 44–68% of rice imports. *Statistická ročenka Československé socialistické republiky 1981*, Prague 1981, pp. 457–458; *Statistická ročenka Československé socialistické republiky 1985*, Prague 1985, pp. 462–463.

¹⁶ For more information on the commodity structure, see Zdeněk TRHLÍK, *Československo-čínské vztahy*. Part II, paper no. 16, Institute of International Relations, Prague 1985, p. 468.

Note: Data for the years 1980–1988^a have been calculated on the basis of the so-called official rate of exchange; data for the years 1988^b–1989 on the basis of a new one-component exchange rate.

Trucks were among the main Czechoslovak export commodities to the PRC. Nevertheless, truck sale to the PRC was beset by recurring complications, which illustrate some general problems within Czechoslovak export – such as the questionable quality of supplies and an unprofessional approach. Some shortcomings in the Czechoslovak supplies, which led to complaints from the Chinese side, have rather odd or even embarrassing backgrounds. Some Tatra trucks, which were sent to the Far East, had labels with incorrect technical specification data, while others, intended for China, accidentally contained labels for supplies to other countries.¹⁷ More serious problems accompanied the sale of LIAZ trucks, which were found to be prone to malfunctioning to an alarming degree: they had jammed engine pistons. The Czechoslovak side claimed that piston jams were caused by the unplanned use of the supplied trucks during their transport to the PRC, specifically in the Polish port of Gdynia – when cooling mixture had not been added.¹⁸ In the following years, the PRC repeatedly refused to take the planned supplies of LIAZ trucks and both parties had to negotiate alternative supplies of other Czechoslovak products.¹⁹

An example of the continuing distrust between the PRC and the Soviet block hampering Czechoslovak-Chinese economic co-operation or reducing export possibilities of Czechoslovak companies was nuclear power engineering, neatly illustrated by the summer of 1982, when the Soviet Embassy in Beijing was informed that the PRC was trying, through the Czechoslovak Embassy, to obtain information about nuclear generators and some other equipment for nuclear power plants produced in Czechoslovakia. The Chinese side was thought to be interested in the purchase of some of this equipment. Subsequently, the Soviet Union, through its Ambassador Extraordinary and Plenipotentiary, A. P. Botvin, demanded that the Czech-

¹⁷ National Archive, Prague (hereafter referred to as NA), Government Presidium Office (hereafter referred to as GPO), common records office, A Complaint Concerning Supplies of Trucks, reference number (hereafter referred to as ref. no.) 12880/80, file number (hereafter referred to as f. no.) 302/1/84, unprocessed.

¹⁸ This was rejected by the company responsible for the transfer of the trucks in the port of Gdynia. NA, GPO, common records office, A Complaint Concerning Supplies of Trucks, ref. no. 12880/80, f. no. 302/1/84, unprocessed.

¹⁹ For instance, AMFA, Committee Meetings 1953–1989, cat. no. 878, book no. 268, Evaluation of Fulfilment of the Goals Set in the “Orientation of Czechoslovak Foreign Policy Towards the People’s Republic of China” from February 27, 1987, p. 6.

oslovak government gave the Chinese a negative reply. In the documents concerning this case, the Chinese initiative was labelled as “an attempt whose importance and possible consequences exceed the bounds of common goods exchange” and it was also stated that “considering the political line of the current Chinese government, similar negotiations would not be, according to the Soviet party, in line with our common interests”.²⁰

In the autumn of 1982, however, Chinese-Soviet negotiations took place with both parties clearly indicating their wish to suppress controversial issues in their mutual relationships in order to achieve their long-term stabilization. It was an important signal, which naturally carried into relationships between Soviet satellites and the Beijing government. The communication between the PRC and the Soviet block countries gradually intensified, and cultural relationships increasingly developed.²¹ It is clear from Federal Ministry of Foreign Affairs internal documents that the ruling elites paid considerable attention to the Chinese reform process as early as in the early 1980s, considering it a unique phenomenon – albeit with unpredictable consequences. They also found it difficult to orient themselves in the major changes and complex developments within communist China in later years, considering the Beijing government an unpredictable player on the international scene. To at least some extent, they also realized that the reform process could strengthen and stabilize the PRC. The materials depict communist China as a global power, whose importance would grow.²²

Official Czechoslovak presentations and evaluations of the Chinese communist regime changed rather slowly, and the distrust in mutual relations faded only gradually. In the mid-1980s, harsh criticism of the Beijing government appeared regularly in Czechoslovakia, using radical terminology which resembled the general spirit of the 1950s ideological propaganda.²³ In January 1985, the department of propaganda and agitation of the Central Committee of the Communist Party of Czechoslovakia

²⁰ NA, GPO, common records office, Chinese Intention to Begin Negotiations with the Czechoslovak Party Concerning Purchase of Some Equipment for Nuclear Power Plants, ref. no. 23357/82, f. no. 302/1/7, unprocessed.

²¹ For more information about the renewal of cultural and scientific contacts, see Vladimír ČEBIŠ, Jan PROKEŠ, Blanka PŘIBYLOVÁ, *Současné československo-čínské styky*, paper no. 7, Institute for International Relations, Prague, pp. 24–27.

²² For instance AMFA, Committee Meetings 1953–1989, cat. no. 848, book no. 245, Minutes from the Meeting of the Minister’s Committee Held on February 14, 1984, section “Orientation and Main Tasks of Czechoslovak Foreign Policy Towards the People’s Republic of China”, passim.

²³ In the 1950s, it was of course not communist China that was the target of criticism.

(CC CPCz) issued a document titled *K aktuálním otázkám zahraniční politiky a vnitřního vývoje v ČLR* [Current Questions of the Foreign Policy and Domestic Development in the PRC], which elaborates, among other things, on “the crimes of the Chinese leadership towards Cambodia”, on the Chinese army, which continuously “bring death and destruction” to the border regions of Vietnam, on everyday anti-Soviet sentiments, “which grant Beijing political and economic dividend in the imperialist market”.²⁴ It was only in the latter part of 1980s that this propaganda clearly abated and mutual relations became more pragmatic, while in materials which were not intended for the public, positive evaluation of the normalization of relations with the Beijing government prevailed.²⁵

In 1984, a visit by several prominent Chinese representatives to the communist parties of Central Europe took place – the trip of the delegation of the deputy chairman of the State Council Li Peng to the GDR, Poland and Hungary is particularly worth mentioning. That same year, Czechoslovakia was visited by the Minister for International Economic Relations and Trade, Chen Muhua. To some extent it was an extraordinary event, as similar direct contacts on such a high level had not occurred since the Cultural Revolution. The mid-1980s thus witnessed a new wave of frequent meetings between prominent Chinese and Eastern European politicians; it was a period of frequent trips by official delegations in both directions. In June 1987, even the highest representative of the Chinese communist regime, the secretary general of the Central Committee of the Communist Party of China and the Chairman of the State Council, Zhao Ziyang, visited Czechoslovakia,²⁶ while in May 1988, a delegation led by the Secretary General of the CC CPCz Miloš Jakeš, visited Beijing. This phenomenon, which Ivana Bakešová so aptly labelled as “belated courting”, even continued after the dramatic events in Beijing in June 1989, in the last months before the fall of the communist regime in Czechoslovakia.²⁷

The gradual loosening of tension in mutual relationships was also reflected in the contractual relations between the PRC and Czechoslovakia. Until 1982, it was a common practice to conclude one-year business

²⁴ *K aktuálním otázkám zahraniční politiky a vnitřního vývoje v ČLR*, Facts and Arguments series, no. 2/1985, department of propaganda and agitation of CC CPCz, Prague 1985, pp. 17–18.

²⁵ For instance AMFA, Committee Meetings 1953–1989, microfiche no. KM 011-88, Evaluation of Fulfilment of the Goals Set in the “Orientation of Czechoslovak Foreign Policy Towards the People’s Republic of China” from March 10, 1988, p. 6.

²⁶ The chairman of the State Council Wen Jiabao visited Prague again in December 2005, after more than 18 years.

²⁷ Ivana BAKEŠOVÁ, *Čína ve XX. století. Volume 2*, Olomouc 2003, pp. 189–190 and 209.

agreements, signing additional contracts during the contractual period when necessary. In 1983, negotiations began focusing on concluding longer-term agreements, including business contracts. Over the following years, a number of agreements were signed, which concerned economic, cultural, scientific, sports and other contacts. Among others, there were several important documents regulating mutual economic relations and scientific and technological co-operation with a longer-term horizon, such as *An Agreement Regulating Economic and Technological Co-operation between the CzSSR and the PRC* (concluded in 1984), *An Agreement Regulating the Exchange of Goods and Wages between the CzSSR and the PRC for the Years 1986–1990* (1985), *A Programme of Scientific and Technological Co-operation for the Years 1986–1990* (1985),²⁸ *An Agreement Regulating Co-operation in the Area of the International Transport of Goods for the Period of 1986–1990* (1986)²⁹ and *An Agreement Preventing of Double Taxation* (1987).³⁰

The value and volume of the Czechoslovak-Chinese trade started to grow rapidly in the mid-1980s. Czechoslovak export to the PRC entered its boom stage, which resembled the successful period of the late 1950s. The rapid growth of the Czechoslovak export to the PRC was enabled by several favourable circumstances. After Gorbachev's coming to power, the Soviet-Chinese relations further improved and the economic ties between communist China and Soviet satellites were less and less influenced by political factors.³¹ With a lack of foreign exchange currency to purchase machinery and other equipment in democratic countries, the PRC started

²⁸ AMFA, Committee Meetings 1953–1989, microfiche no. KM 013–88, Minutes from a Meeting of the Minister's Committee Held on November 14, 1979, section "Orientation and Main Tasks of Czechoslovak Foreign Policy Towards the People's Republic of China", p. 10.

²⁹ AMFA, Committee Meetings 1953–1989, cat. no. 878, book no. 268, Evaluation of Fulfilment of the Goals Set in the "Orientation of Czechoslovak Foreign Policy Towards the People's Republic of China", pp. 8–9.

³⁰ AMFA, Committee Meetings 1953–1989, microfiche no. KM 011–88, Evaluation of Fulfilment of the Goals Set in the "Orientation of Czechoslovak Foreign Policy Towards the People's Republic of China" from March 10, 1988, p. 10. Comments on the Agreement: Jan ALEŠ: *Smlouva s ČLR o zamezení dvojího zdanění*, in: *Zahraníční obchod*, monthly of the Federal Ministry of Foreign Trade for Theory and Practice of Foreign Economic Relations, Volume 41, No. 11, 1988, pp. 4–5.

³¹ For more information on Chinese-Soviet relations in the 1980s, see John W. GARVER: *The "New Type" of Sino-Soviet Relations*, in: *Asian Survey*, Volume 29, No. 12 (December 1989), University of California Press, Berkeley 1989, pp. 1136–1152. Cf. Lukáš HLAVATÝ: *Československo-čínské styky v letech 1985–1988*, Information No. 17, Institute of International Relations, Prague 1988, pp. 1–8. On the development of Soviet-Chinese relations also Lukáš HLAVATÝ *Současné čínsko-sovětské vztahy*, Essay No. 44, Institute of International Relations, Prague 1989.

to pay more attention to more developed communist countries and took advantage of mutual trade more often. The Beijing government indicated that it would welcome the involvement of Eastern European block countries in the process of "opening" of the PRC. One of the partial consequences of the changing Chinese strategy was exceeding the set annual trade volume with Czechoslovakia in 1985 and 1986.³² On August 22, 1985 a contract of supplying equipment and technical services for two blocks (of 500 MW each) of the Shentou thermal power plant was concluded.³³ It was a strategic order for the Czechoslovak industry, totalling 525 million of Swiss Francs. In 1987–1989, supplies for the Shentou power plant made up to one third of the total value of Czechoslovak exports to the PRC. This project had a considerable impact on Chinese export to Czechoslovakia as the Czechoslovak party undertook to purchase a greater number of Chinese goods.³⁴

The total value of the Czechoslovak export to the PRC culminated in 1988 (see Table I), thanks to the supply of energy equipment.³⁵ In the same year, the PRC share of Czechoslovak exports reached 2.85%, its highest rate since 1960.³⁶ Similar to the previous years, the strategy of a stable trade

³² In 1985 by almost 20%. *Zahraníční obchod za leden–prosinec 1985*, An Overview of Meeting the Planned Import and Export with Selected Countries in January–December 1985, *Statistické informace*, Volume 1985, Federal Statistical Office, p. 4; *Zahraníční obchod za leden–prosinec 1984*, An Overview of the Fulfilment of the Plan of Import and Export with Selected Countries in January–December 1984, *Statistické informace*, Volume 1984, Federal Statistical Office, p. 4 and *Zahraníční obchod za leden–prosinec 1986*, An Overview of the Fulfilment of the Plan of Import and Export with Selected Countries in January–December 1986, *Statistické informace*, Volume 1986, Federal Statistical Office, p. 5.

³³ This contract came into effect on October 4, 1985. For more details on the contract, see NA GPO, common records office, A Report on Creating Conditions for the Approval of the Legal Force of the Contract for the Thermal Power Plant 2 x 500 MW for the PRC and A Report Concerning the Necessary Measures for the Realization of the Contract for the Supply of the Thermal Power Station 2 x 500 MW for the PRC, ref. no. 19294/85, f. no. 302/1/7, unprocessed.

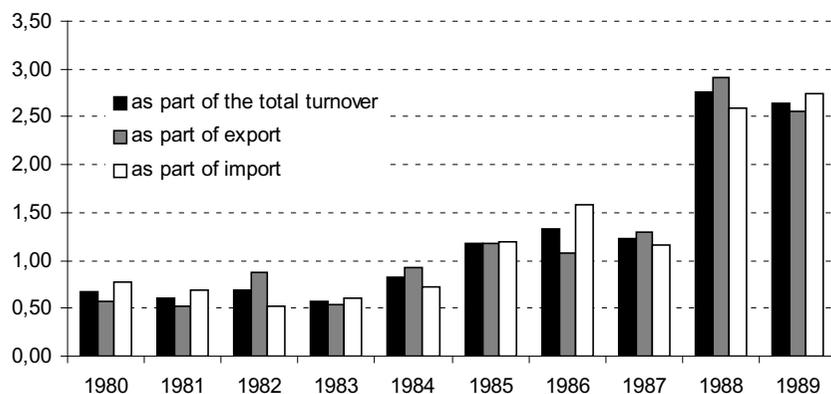
³⁴ For instance AMFA, Committee Meetings 1953–1989, microfiche no. KM 013–88, Minutes from the Meeting of the Minister's Committee Held on November 14, 1979, section "Orientation and Main Tasks of Czechoslovak Foreign Policy Towards the People's Republic of China", p. 9; Oldřich MESÁROŠ, Martin ELSNER: *Ekonomické problémy čínských teritorií a hospodářské spolupráce ČSFR na prahu 90. let*, Economic Institute of the Czechoslovak Academy of Sciences, Prague 1991, pp. 34–35.

³⁵ Despite the rapid growth in the Czechoslovak-Chinese trade, the realized volume in 1987–1989 fell behind the planned numbers of mutual trade. *Zahraníční obchod za leden–prosinec 1987*, *Statistické informace*, Volume 1987, Federal Statistical Office, p. 5; *Zahraníční obchod za leden–prosinec 1988*, *Statistické informace*, Volume 1988, Federal Statistical Office, p. 5; *Zahraníční obchod za leden–prosinec 1989*, *Statistické informace*, Volume 1989, Federal Statistical Office, p. 1.

³⁶ For more information on the development of the Czechoslovak-Chinese trade, see *Historická statistická ročenka ČSSR*, Federal Statistical Office, Prague 1985, pp. 320–323; *Stati-*

balance was preferred. Regardless certain fluctuations, from a long-term perspective, the mutual trade balance corresponded to this intention. If in one year, there was a surplus on the side of Czechoslovakia, the following year the mutual trade showed the opposite balance. On the long-term, the Czechoslovak export to the PRC as well as import from the PRC demonstrated in fact the same growth dynamics. In a way, the strategy of stable trade balance could naturally be understood as a negative factor hampering the development of Czechoslovak-Chinese trade.

Figure 1: The PRC's Share in the Foreign Trade of Czechoslovakia in 1980–1989 (as a percentage)



Source: *Statistická ročenka Československé socialistické republiky 1985*, Prague 1985, pp. 456 and 458; *Statistická ročenka České a Slovenské Federativní Republiky 1990*, Prague 1990, pp. 463 and 468. Calculations based on absolute data. Compare with different data from Chinese statistics: *1979–1991 China Foreign Economic Statistics*, China Statistical & Consultancy Service Center, Beijing 1992, pp. 210–216.

During the boom period of 1984–1989, the largest part of the Czechoslovak export to the PRC was from the sale of power plant equipment and trucks. Compared to 1983, the value of the Czechoslovak truck (Tatra 815) supply to the PRC in 1984 grew by more than four times to almost 332 million crowns. Together with automobile parts and motorcycles, trucks amounted to roughly one third of the total Czechoslovak export to the PRC. Over the

stická ročenka Československé socialistické republiky 1985, Prague 1985, pp. 456 and 458; *Statistická ročenka České a Slovenské Federativní Republiky 1990*, Prague 1990, pp. 463 and 468.

following three years (1985–1987) this share amounted to 41–47%. In the late 1980s, however, this group contributed substantially less to Czechoslovak exports – around 25%.³⁷ In 1988, truck export was slightly surpassed by supplies for the Shentou thermal power plant, moreover the competition of Western and later also domestic producers in the Chinese market was on the rise. The Beijing government's attitude to the import of trucks from Czechoslovakia visibly changed in the latter part of the 1980s. In this period, the Chinese party favoured a specific strategy aimed at obtaining the technology for the production of Tatra trucks. On the one hand, the Chinese bodies showed less interest in Czechoslovak trucks (with their lower quality being the stated reason), on the other hand, they indicated they would change their attitude and purchase more Czechoslovak trucks if Czechoslovakia agreed to the transfer of Tatra trucks production technology. For Czechoslovak interests, this rather strange game had a negative outcome. In 1985, an assembly plant for Tatra trucks was opened in Xingtai. In 1987, *An Agreement of Free Assignment of Production, Assembly and Sales Rights for Tatra 815 Trucks* was signed.³⁸ As became apparent over subsequent years, the approach of the Czechoslovak party was incorrect and based on false assumptions.

Among other articles, Czechoslovak exports also included rolled material and, to a lesser extent, machine tools, textile, leather manufacturing or printing machinery. Tractors, however, became a difficult export article as their sales to the PRC were dropping rapidly. The Chinese lost interest in the further purchase of Czechoslovak tractors and it was rather difficult to force them to purchase the contracted supplies.³⁹ In 1988, the year with record export numbers, the most successful Czechoslovak export commodities to the CPR consisted of thermal power plant equipment (34.42%), followed by trucks (24.75%), rolled material and other metallurgical industry products (14.57%), textile, leather manufacturing

³⁷ Aleš SKŘIVAN, Jr., *Hospodářské reformy v ČLR*, p. 123; *FCFT*, Volumes 1984–1990, passim; *Fakta o československém zahraničním obchodu*, in: *Zahraniční obchod*, monthly of the Federal Ministry of Foreign Trade for Theory and Practice of International Economic Relations, Volume 41, No. 10, 1988, supplement, p. 31.

³⁸ AMFA, Committee Meetings 1953–1989, microfiche no. KM 011-88, Evaluation of Fulfilment of the Goals Set in the "Orientation of Czechoslovak Foreign Policy Towards the People's Republic of China" from March 10, 1988, p. 10.

³⁹ For instance AMFA, Committee Meetings 1953–1989, microfiche no. KM 011-88, Evaluation of Fulfilment of the Goals Set in the "Orientation of Czechoslovak Foreign Policy Towards the People's Republic of China" from March 10, 1988, p. 8.

and metal-working machines (together 14.36%).⁴⁰ The Czechoslovak export commodity structure to the PRC in the latter part of the 1980s was characterized by a rather narrow diversification, which brought about a higher potential danger of sudden fluctuation. To some extent, this contributed to considerable changes in the development of Czechoslovak-Chinese trade at the turn of the 1980s and 1990s.

In Chinese exports to Czechoslovakia, there was an apparent gradual decline of the earlier dominant agrarian production and live animals commodity group in favour of industrial products. First, the import of consumer goods grew. In 1988, consumer goods made up 38% of the total value of Chinese imports to Czechoslovakia, while in 1989, it was over 42% – with clothes and shoes among the most important items.⁴¹ The import of the machinery and means of transport commodity group also gradually increased; in the previous decades these items appeared in the Chinese supplies only to a small extent. In 1987–1989, the PRC exported to Czechoslovakia four sea-faring ships (Vltava, Otava, Sázava and Berounka), which were built in the Xingang shipyard.⁴² At the end of the 1980s, inedible materials (such as ores and general metal concentrates) made up to 20% of the value of Chinese supplies to Czechoslovakia. The share of the agrarian production and live animals commodity group rapidly declined in the 1980s, it dropped to 31% in 1986 and under 16% in 1989.⁴³ This group contained a wide range of commodities – among them the most imported included cotton (supplies from the PRC made up to 15% of the total import of cotton to Czechoslovakia), rice (27%) and fodder (9%).⁴⁴

Economic relations between the PRC and Czechoslovakia in the 1980s were not limited to business exchange. Both countries were also interested in the expansion of the so-called scientific and technological co-operation.

⁴⁰ For more information, see Zdeněk ŠEDIVÝ, *K východiskům a perspektivám dalšího rozvoje ekonomických vztahů mezi ČSFR a ČLR*, Prague 1990, pp. 6–7.

⁴¹ For more information on the expansion of consumer goods supplies, see, for instance, NA GPO, common records office, Preparation of Business and Political Negotiations and a Report on Goods and Wage Exchange with the PRC for the Year 1990, ref. no. 20939/89, f. no. 315/1/2/1, unprocessed. For more details on the commodity structure of Chinese exports to Czechoslovakia, see ŠEDIVÝ, *K východiskům a perspektivám*, pp. 6–7; Jiřina KAŠPAROVÁ, *Hospodářské styky ČLR se zahraničím a podmínky pro rozvoj čs. hospodářské spolupráce s ČLR*, research paper no. 82, Research Institute for International Economic Relations, Prague 1988, p. 44.

⁴² The first of them – Vltava – was ceremoniously launched on July 27, 1987 in Xingang and handed over to the Czechoslovak Ocean Shipping on April 5, 1988. HLAVATÝ, *Československo-čínské styky*, pp. 30 and 38.

⁴³ *FCFT*, Volume 1990, pp. 140–141; HABIGTOVÁ, *Vývoj zahraničního obchodu*, p. 47.

⁴⁴ *Statistická ročenka České a Slovenské Federativní Republiky 1990*, pp. 471–473.

Nevertheless as a consequence of several factors – including Czechoslovak technologies' general falling behind those of the West, the strengthening negotiation positions of communist China, along with its real possibility to purchase production technologies in developed democratic countries – in reality this co-operation was marked by obvious complications and it was difficult for both parties to find common ground. The result was no less than the controversial transfer of production technologies to the PRC – apart from the above-mentioned case of Tatra trucks, there was the technology for the production of open-end spinning machines (BD 200). As has been suggested, the main reason for technology transfers, beneficial for the Chinese party, both realized and merely planned, was a questionable conviction of the Czechoslovak party that this strategy would subsequently lead to the larger-scale entering of Czechoslovak producers to the Chinese market. From this point of view, the sale of the licence for the technology of enamelling in the electrostatic field for over 20 million exchange crowns, concluded in February 1988, was an exceptional event. It was the very first licence the PRC had purchased from Czechoslovakia.⁴⁵ In the latter part of the 1980s, several more important projects of Czechoslovak-Chinese production co-operation were negotiated – such as in the chemical and food-processing industries.⁴⁶ Another method of stimulating and simplifying the trade exchange between the PRC and Czechoslovakia was to be the Czechoslovak-Chinese Society for Sea Transport. *An Agreement Concerning the Formation of Czechoslovak-Chinese Association for Sea Transport* was signed in April 1987 during the Czechoslovak delegation's visit, which was led by the Prime Minister Lubomír Štrougal, to the PRC. This association came into effect in the following year.⁴⁷

In comparison with the previous decade, the Czechoslovak-Chinese economic contacts underwent considerable changes in the 1980s. Czechoslovakia managed, with some delay, to take advantage of the reform process and the start of the economic boom in the PRC to expand mutual trade relations in the time when the general export opportunities of Czechoslovak producers were quite limited. The Beijing government did not oppose the increasing speed of development of Czechoslovak-Chinese trade either, especially at the moment when it had to face a growing trade balance deficit and the lack of foreign currency to realize purchases in developed demo-

⁴⁵ HLAVATÝ, *Československo-čínské styky*, p. 38.

⁴⁶ For more information, see KAŠPAROVÁ, *Hospodářské styky ČLR*, p. 46.

⁴⁷ AMFA, Committee meetings in 1953–1989, microfiche no. KM 011-88, Evaluation of Fulfilment of the Goals Set in the "Orientation of Czechoslovak Foreign Policy Towards the People's Republic of China" from March 10, 1988, p. 7.

cratic countries. On the other hand, the expansion of the Czechoslovak-Chinese trade in the 1980s cannot be seen as unequivocally positive, as this phenomenon also had its controversial side. The growth in Chinese export to Czechoslovakia was related to the boom and gradual modernization of the Chinese economy, which resulted in the Chinese consumer goods' growing attraction within the Czechoslovak market. We must also emphasize the fact that the greater volume of Chinese supplies to Czechoslovakia was essentially a condition for the expansion of Czechoslovak export to the PRC. Considering these facts, it is difficult to determine to what extent increasing imports from the PRC corresponded with the real demand on the Czechoslovak market. It is equally difficult to explain the expansion of Czechoslovak export to the PRC. First, we have to realize that the more successful sale to the PRC was obviously to a certain extent enabled by artificial instruments, which gave this export partly a nonmarket character.

The boom of the Czechoslovak-Chinese trade, which occurred in the latter part of the 1980s, should not be overestimated. While the importance of the PRC as the target market for Czechoslovak producers gradually increased, evident from the Chinese share in the total Czechoslovak export (Figure I), the status of Czechoslovakia in the foreign trade of the PRC essentially did not change.⁴⁸ In other words, from the Chinese point of view, the Czechoslovak-Chinese trade boom was nothing extraordinary, as it generally corresponded with the total expansion of Chinese foreign trade. The growth in trade with the PRC did not result in considerable changes to the territorial orientation of Czechoslovak foreign trade, and communist China did not become one of the most important Czechoslovak business partners. In 1988, the trade with the PRC represented a mere fragment of the trade with the Soviet Union and fell markedly behind trade contacts with Central European communist countries⁴⁹.

⁴⁸ In the 1980s the Czechoslovak share in the foreign trade of the PRC stood at around 0.8%. HABIGTOVÁ, *Vývoj zahraničního obchodu*, p. 22.

⁴⁹ In 1988, even for instance Austria and Yugoslavia ranked higher than the PRC in terms of the most important Czechoslovak partners. For more information, see *Statistická ročenka České a Slovenské Federativní Republiky 1990*, pp. 467–468.

Multilevel Governance and Europeanization Italian Regions in the Process of EU Decision Making

ANNA MOLNÁR

European Union influencing changes in the role of the regions

In several Western European Countries, because of the reforms of decentralisation, more and more tasks have been delegated to the regional level. Regionalism has grown stronger due to some important factors, like the increase of support from society concerning movements based on ethnicity and culture, the growing role in the regional representation of interests, the changing functions of the various territorial entities in social governance, and last but not least, the significantly growing weight of regional policies in the EU.¹ As from the late 1980's the role of the various levels of government in the integration process has been described and interpreted based on the model of the multilevel governance.² According to this model, the level of sub-national government is also becoming an increasingly effective actor in the Union's decision making process, shaping its own bargaining and lobbying activities through direct, informal and formal, channels.

During the recent decade, governments on the regional and local levels have attempted to influence the decision making process and get involved in the extremely complex network of various actors representing different interests, through new channels besides traditional government routes. They have established formal and informal contacts in the centre of the birth of decisions, that is with experts of the European Commission, which owns the exclusive right of initiating legal proposals, and the members of the European Parliament, who, owing to the co-decision process, have been gaining a more important role in the codification procedures.

¹ G. HORVÁTH, *Az európai regionalizmus kihívásai és a magyar regionális stratégia*, pp. 59–66, in: F. GLATZ (szerk), *Területfejlesztés és közigazgatásszervezés (megye, régió, kistérség)* Budapest, Magyar Tudományos Akadémia 2000, pp. 57–91.

² See more M. KEATING, B. JONES, *The European Union and the Regions*, Clarendon Press, Oxford 1995; M. KEATING, *The Political Economy of Regionalism*, in: M. KEATING, J. LOUGHLIN, (eds.), *The Political Economy of Regionalism*, Frank Cass, London 1997, pp. 17–40.

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