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Tightening Comecon

Until the spring of 1972 the USSR seemed to be determined not to take cognizance of the existence of the EEC for purposes of trade policy. The turning point was in March 1972 when Brezhnev, addressing the trade union congress, referred to the "reality" of the EEC. The change was due to the realisation that from 1973 the EEC will operate a "common trade policy" in regard to the Comecon countries. While suggesting that the Soviet attitude has changed, Brezhnev however also stated a claim that the EEC would in future have to regard the "Council for Mutual Economic Assistance" (Comecon) as one entity and—it was to be gathered—as its counterpart in trade matters. The mutual relationship would depend on the extent to which the EEC members for their part were going to "recognise the realities which have developed in the socialist part of Europe—in particular, the interests of the Comecon member-countries".

To give effect to this claim, Moscow has obtained its allies' consent to the formation of a tighter and, as regards external economic relations, probably highly effective Comecon bloc in which Moscow has a dominant influence on the process of socialist integration. In this way the USSR has, on the one hand, gone some way to meet the wishes of various Comecon countries which have for a long time been maintaining contacts with Brussels while, on the other, clasping them more tightly to itself.

The outcome of the Comecon summit in Moscow, over which

Premier Kosygin presided on July 10–12, 1972, should be judged from this aspect. With one exception, all the main reports were presented by Soviet representatives. That they dealt with such subjects as "socialist integration", the supply of raw materials and the "Third World" and discussed the "political repercussions of the economic concentration" makes it quite clear that the USSR was playing the leading role. It is true that room was made for some ideas of members with greater external interests who would like to make Comecon a planning-cum-trading union, but this did not detract from the leading role of the USSR.

In the past the Poles and Hungarians in particular have been finding fault with the Comecon system as a bloc for planning on the ground that "imports" are for all time circumscribed as no more than a stop-gap, which cannot but impede the development of "exports". Hence both these states, as well as Romania, were seeking to give their economies a western outlook alongside the Comecon ties. Spurred on by the example of West European developments, they tried to induce the USSR to pursue an "integration" in the style of a western customs union with trade moving more freely between the Comecon states and currencies being made convertible. Present in their minds was the thought—which must certainly not be underrated—that if the ties inside were loosened, the opening to the outside would be widened at the same time.

The Soviets however have set close limits to such aspirations,

in spite of everything they have been saying in favour of East-West trade in the past. The situation after the Moscow conference is that the Russians not only want their allies to pay higher prices for raw materials but categorically demand that they should take a direct part in projects on both sides of the Urals; furthermore, they are preparing measures designed to channel western currency loans through Moscow. To the smaller Comecon states—and in relation to the USSR most of them are "small"—this amounts to a committal of their export potential which prevents them from testing the competitive strength of their exports in the West as they thought of doing. Besides, they are running short of foreign currencies, so that they cannot buy modern investment goods and plants they need from the West, and to cap it all, they are denied access to western sources of credit.

The admission of Cuba as a new Comecon member throws additional burdens on the other ones, and it is not to everybody's taste to look after the "sick man of the Caribbean". That Yugoslavia attended the Moscow conference, albeit as an observer, attracts attention. Its Premier, Bijedic, expressed the wish to cooperate from now on closely in all Comecon organs. Yugoslavia may thus be described as a Comecon "associate". Whether it was the hope of economic gain which made Yugoslavia seek "association" or political apprehensions is a moot point. Its "reinsurance" premium with Comecon will certainly not be a small one!

Günther Jantzen