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The following report appeared in Radio Liberty Research Bulletin 69/69 of 20 February 1969 under the title "Setback for Moscow's Comecon Plans."

Soviet plans for greater economic integration in Eastern Europe appear to have been frustrated at the 22nd session of the Council for Mutual Economic Assistance (Comecon) in East Berlin, January 21 to 23. Proceedings were in private and the only official outcome of the three-day meeting was a lengthy but uninformative communiqué which asserted that the meeting took place in a spirit of "fraternal friendship and complete mutual accord."

This claim was undermined by the frankness of later comments. Piotr Jaroszewicz, Polish Deputy Prime Minister, who had signed the communiqué on behalf of his government, spoke on January 24 of "the existing difference of views," but hoped the "future activity of the council would make it possible to bring views closer together and elaborate an effective program of Comecon activity" (Warsaw Radio, January 24). Comment from Yugoslavia, whose participation in Comecon is voluntary and marginal\*, was more forthright. The official news agency Tanyug said on January 24 that no small differences had emerged at the meeting on methods of integration and that problems of principle had been left over for a meeting of party and government leaders - the long-awaited Comecon "summit" foreshadowed at the Dresden meeting of East European leaders in March, 1968. According to Yugoslav sources, the meeting may now take place in March, 1969. Other sources give mid-April as the likely date for the Comecon summit meeting.

The East Berlin council meeting was attended by government delegations from all the members - Bulgaria, Czechoslovakia, East Germany, Mongolia, Poland, Rumania, Hungary and the Soviet Union. Also present were an observer delegation from Cuba and a delegation from Yugoslavia. As usual, delegations were led by Deputy Prime Ministers.

Speaking on the first day, the Comecon Secretary-General, N. Fadeyev of the Soviet Union, mentioned briefly at the end of a survey of the council's work that an "economic meeting on the highest level in the near future" would deal with the development

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\* This relationship is based on an agreement, signed on September 17, 1964, which reflected the rapprochement between the Soviet camp and Yugoslavia after President Tito's break with Stalin 16 years earlier. The Yugoslavs cooperate over trade, industrial, currency and financial questions, the use of the Danube, and in scientific research.

of cooperation. However, neither the official communiqué nor the speeches of the main participants as reported by their national news media made any mention of the summit, apart from a brief reference to "forthcoming talks" by the Czechoslovak Deputy Prime Minister, Frantisek Hamouz. The implication is that further lengthy preparation is necessary before such a meeting could be held with any prospect of success.

The body of the communiqué consists of a recital of statistics and past achievements ending with an endorsement of the work of the Comecon Executive Committee and an instruction to the Council's Secretariat to complete the coordination of national economic plans for 1971-75 by the set dates. Consultations between members, described as bilateral, are now being held to this end.

#### Bank's role still unresolved

Almost the only indication of new ground having been broken related to the next planning period but one. The Comecon members and Yugoslavia jointly agreed to submit proposals on selected problems of economic, scientific and technological cooperation for the period after 1975. It was also agreed to speed up the formulation of recommendations for specialization in, and coordination of, the production of engineering goods, though the phrase "selected by the interested countries\*" revealed continuing national concern to retain decisions in individual members' hands.

The long-debated issues of the role of the Comecon International Bank of Economic Cooperation, of pricing in intra-Comecon trade and of convertibility into Western currencies of the transferable ruble, were once more postponed by way of an instruction to Comecon organs to submit recommendations on currency, financial and foreign trade questions.

For those governments worried about their freedom to develop relations with Western industrial countries, limited encouragement could be found in the communiqué's statement that Comecon members aimed to extend economic relations with all countries regardless of social and economic system, though this meant first and foremost "other Socialist countries" and the developing world. Relations with China were not mentioned here or elsewhere in the communiqué.

An opening passage spelled out the Soviet Union's overwhelming influence within Comecon thus:

"The USSR has played and still plays a major role in the shaping of mutual economic relations, and especially in the development of industry and the scientific and technological cooperation of the Comecon member-countries.

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\* The Comecon statute allows a member which has declared "lack of interest" in a question to opt out of recommendations upon it.



It is the principal supplier of raw materials and materials such as mineral oil, gas, iron ore, ferrous and non-ferrous metals and timber, as well as the most important partner in the specialization and coordination of production."

### Outright opposition

Although the Soviet representatives must have expected, and doubtless received, some support from those members whose leaders were already on record as favoring "new kinds" of cooperation - notably the East Germans, Poles and Bulgarians - it was evident from pre-conference statements that outright opposition would emerge to any proposal for setting up a joint planning organ with supra-national authority "to formulate common plans" such as was envisaged by Khrushchev in 1962\*. This project had come to nothing in face of intense, mainly Rumanian, opposition.

In East Berlin the proposal was apparently the less stringent one that national plans should be more closely coordinated, although the long-term implications might be much the same.

An article in the December, 1968 issue of Voprosy Ekonomiki by G. Sorokin, Director of the Institute of Economics of the World Socialist System, contains far-reaching proposals for closer integration of Comecon members, envisaging the establishment within the next 15-20 years of a "single world Communist economy with a single economic plan." The first stage of integration is seen as the complete coordination of national economic plans. Supra-national offices are proposed to fix national production quotas in such industries as power supply, metallurgy, chemicals and heavy engineering. Although published for discussion only, Sorokin's article appears to be a development of the proposals advanced by the Gosplan Chairman, N. Baibakov, at the Supreme Soviet on December 11, 1968. It has attracted much attention outside the Soviet Union.

The Rumanian position has not changed in the intervening years as was shown in an article in the party newspaper, Scinteia, on January 25. This said:

"The investiture of Comecon bodies with supra-national prerogatives, the creation of supra-national economic bodies and the transition to forms of single planning are in contradiction with the demands of collaboration among independent States having equal rights, with the principles laid down in the Comecon rules, with the interests of the unity of the Socialist countries."

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\* Report to CPSU Central Committee plenum, November 19, 1962

According to the official Rumanian news agency, Agerpres's, account on January 21 of Deputy Prime Minister Gheorghe Radulescu's speech to the council, he rejected supra-nationalism by stressing that his party and government regarded the "perfecting of cooperation among Comecon members as of particular importance. On the same day Zagreb Radio reported that the Yugoslav representative, Aleksandar Grlickov, though praising the "cooperation of the Socialist countries," had said that the Comecon institutional framework did not permit successful multilateral cooperation - a reference to the fact that intra-Comecon links are still mainly bilateral.

The Polish Government, seeking joint investment funds for its own economy, consumer goods from more developed neighbors and export outlets for its growing industrial production, has consistently voiced support for closer Comecon cooperation. Its chief delegate, Jaroszewicz, said, according to the official Polish news agency, PAP, on January 21: "Our criticism of the Comecon, perhaps too sharp sometimes, has only one aim, the further development of its activity."

He saw Comecon in a much more positive role than did Yugoslavia or Rumania - as the "general staff" of cooperation. Comecon organs, he urged, should map out more effective methods of economic integration. The East German delegation, headed by Gerhard Weiss, took a similar line. But in the light of Jaroszewicz's frank mention of differences of view, it is doubtful whether the Soviet-sponsored proposals commanded unreserved support from any delegation, except possibly the Bulgarians.

Neither the Czechoslovaks nor the Hungarians could have adopted Rumania's independent line although they are believed to have supported her on occasion. Prospects for their own reforms are their chief economic concern. Closer Comecon cooperation is seen as inevitable in both countries, but the hope in some quarters is that this can be brought about by inter-industry agreements rather than by imposed integration of national plans.

However, seeking to continue their reforms in the atmosphere of close Soviet surveillance following the Czechoslovak crisis, the Czechoslovaks and Hungarians are aware of the necessity not to appear obstructive towards Russian aims. Yet too abject a surrender to the demands of the Soviet economy might tighten already close dependence on it without necessarily gaining Moscow's consent to continuing development of their economic relations with the West.

Comparative trade figures illustrate these countries' dilemma. Whereas Rumania's imports from Western Europe, consisting largely of industrial plant, had risen in 1967 to more than 40 per cent of total imports, the proportions for Czechoslovakia and Hungary were no more than 15 and 24 per cent respectively.

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