

# Comecon: New phase of imperial looting

by Edith Vitali

Heads of state representing the Soviet-dominated economic bloc, the Council for Mutual Economic Assistance (CMEA, or Comecon), met in Moscow from June 12 to 15, their first summit since April 1969. The CMEA's sole purpose is to streamline the economies of the smaller Eastern European countries according to the needs of Big Brother—particularly now that the Soviet economy is rapidly being transformed into a war economy and military “surge production” has become the rule of the day. This was the main order of business at the summit.

The strongest tie holding this economic bloc together—besides Soviet troop divisions—is the dependency of countries like Hungary, Poland, Czechoslovakia, and East Germany on Soviet raw materials, above all oil. They have been providing the U.S.S.R. with modern industrial equipment and food products in turn. The question of Soviet oil supplies has become a permanent dispute in recent years, since the Soviets prefer to sell oil on the world market in exchange for hard currencies, rather than being paid in the Comecon's transfer rubles. Oil deliveries to Comecon countries have stagnated or grown too slowly compared to domestic demand.

## Subordination made explicit

One of the documents produced at the summit, “Declaration on the basic directions of the further development and deepening of economic and scientific-technological cooperation among the CMEA member countries,” for the first time makes this linkage explicit. If the Eastern Europeans wish to receive more oil from the Soviet Union, the text says, they first have to “create the economic conditions” inside the Soviet Union so that she will be able to export these raw materials and fuels to them. How? The Comecon members as of June 15, 1984 commit themselves to make their own industries so efficient that they can “provide the products which the Soviet Union needs, in particular agricultural and industrial consumer products, certain types of high-quality construction materials, machines, and equipment, the technology of which compares to the world level.” In other words, the Soviet Union now wants more of those competitive products which the Eastern Europeans used to sell on the world market to get hard currency.

In return, the Soviet delegation at the summit promised to establish a new mechanism for calculating oil prices. Up to now, the price has been fixed as an average of the previous

five years' world market prices. As a result, when the world oil price began to collapse at the end of the 1970s, the Soviet price for Comecon customers tended to be higher. Leonid Zamyatin, the summit spokesman, announced at a press conference that in the future, prices will be “closer to the world market level.” That might look reassuring for the moment, but as Western experts see it, the Soviets already “predict” that the world oil price will rise again sharply, as a consequence of the Iran-Iraq war, which Russia fuels by sending arms to both sides.

The summit declaration also calls for elaborating a program covering science and technology policies for the next 15 to 20 years. Results of this cooperation are supposed to benefit the machine tool sector, especially in the fields of electronics, microprocessors, and robot technology. As the London *Daily Express* summarized it: “Soviet generals are particularly anxious that the satellites' sophisticated electronics industries should supply the high-tech defence equipment they are finding it increasingly difficult to get from the West.”

## Intimidation and wooing

Not-so-subtle wooing of the most obedient Comecon leaders veiled the Soviets' tightening grip on the economies of Eastern Europe, while carrot-and-stick tactics were extended to Western Europe also. Czechoslovak state and party leader Gustav Husak is definitely ranked highest in the hack order established by the Soviets. This ideological “hardliner,” whose country since 1968 has steered an isolationist, autarchist policy away from the West, was the only one among the foreign heads of state to be awarded the highest Soviet medal, the Lenin Order. Meanwhile, the meeting between Soviet head of state Konstantin Chernenko and East Germany's Erich Honecker resulted in a joint declaration condemning the alleged “activation of the most right-wing, revanchist circles” in West Germany. On the other hand, the second summit declaration on “Maintaining Peace and International Economic Cooperation” attempts to woo the Western European countries which are supposedly victims of “U.S. economic aggression.” Washington is trying to “weaken competitors, drive them out of the world markets,” and subject them to “artificially high interest rates.”

The declaration also exploits the international debt crisis and the growing rift between Latin America and the United States. Believe it or not, according to this document, the Soviet Union is the true champion of peace and a new world economic order. For a country that is notoriously reluctant to give any economic aid to the Third World (apart from military deliveries), the point is obviously to achieve the biggest propaganda effect without paying a penny. Thus the document charges that the arms race, “instigated by the United States,” is the main culprit for underdevelopment. In addition, the declaration urges the West to extend credits to Third World countries in compensation for damage done to them by “imperialist looting.”