
COMECON

Soviet allies plan integration drive

by Rachel Douglas, Soviet Editor

In a communiqué issued after talks with Czechoslovak communist party chief Gustav Husak in the Crimea in August, Leonid Brezhnev endorsed the convocation of a high-level conference by the Soviet Union and its East European allies to rechart their economic policies. It is likely that sometime in the first half of 1983, such a meeting will take place, with top party officials, rather than merely government economists and ministers, in attendance.

In the ministries and academic institutions of the Council for Mutual Economic Assistance (CMEA) countries, there are discussions in progress about various reform approaches the senior leaders might adopt. But the main point of the agenda has already been determined, and that is how to batten down hatches on a ship tight enough to withstand the worst international crisis since World War II.

In military terms

The Soviets are talking about their economic concerns ever more frequently in military terms. Nikolai Inozemtsev, a Deputy Chairman of the Gosplan, has outlined the CMEA priorities of economic independence, and above all energy independence, as a response to Western sanctions on trade and the deterioration of the international situation in general, as well as to stagnating output and productivity in the CMEA itself.

"Absolutely essential," Inozemtsev told the Prague paper *Rude Pravo* in an interview published Sept. 3, "is a joint program of actions *both in the foreign policy field and in the economic sphere*. Above all, we must accelerate socialist integration processes . . . to free the gigantic . . . not wholly utilized potentials of the socialist community to develop a self-reliant economy *independent* of the West. . . . Proceeding from the assessment of the energy sector as *the foundation on which stands the basic strategic independence of the socialist community*, the U.S.S.R. is carrying out certain changes in the structure of its own economy" [emphasis in original].

Inozemtsev mentioned further buildup of extractive industries as part of this energy restructuring, although individual CMEA members are already preparing to receive 10 percent or more *less* oil from the U.S.S.R. in 1983.

In the German Democratic Republic, for example, the CMEA's internal sorting out—including serious shortfalls in Polish coal deliveries—meant a 6 percent reduction in fuel and raw-materials consumption in the first quarter of this year.

Tighter coordination

In the rationalization of resources dictating such austerity, however, there is a pattern of efforts to make the CMEA countries more tightly interknit. Romania, the bloc's first International Monetary Fund member (now joined by Hungary as well), recently signed up to receive three nuclear plants from the Soviet reactor factory, Atommas, which is now under construction. Romania's nuclear supplier used to be Canada.

In the Soviet Union, it is telling that the Politburo member most in evidence to speak on the economy—reams of Western speculation about former KGB boss Yuri Andropov's inclination to lead an early push for economic liberalization notwithstanding—has been Defense Minister Dmitrii Ustinov.

Visiting the industrial city of Kuibyshev for an awards ceremony Sept. 2, Ustinov gave World War II as a model of how to mobilize for production, today. "How people worked!" he exclaimed.

Some Hungarians, full of enthusiasm for the ephemeral benefits of their new IMF membership status, discern and emphasize a debate with the U.S.S.R. over how far to go into war-style autarky.

One Budapest economist wrote in July that there was an opposing Soviet faction in favor of increased "integration" into the world economy à la Hungary's IMF adventure. An economist cited by this Hungarian analysis, Academician Oleg Bogomolov, indeed has told Western guests that he sees no basic obstacles to continuing East-West trade expansion.

But this same Bogomolov stated in an interview for a domestic audience, in the trade union daily *Trud* last July that the CMEA countries would be better off not to have bought certain technologies abroad at the expense of their development at home.

"In the West it has become fashionable to exaggerate the role of imported technology in our scientific and technological development . . ." he said, "[but] fundamental innovations in our technology have occurred precisely at times when sanctions on selling us technology were harshest."

On the ever-vital question of energy, Bogomolov stressed, more strongly than Gosplan's Inozemtsev did in his cited interview, the build-up of nuclear power.

These matters of economic security are at the center of attention in Moscow these days, and will stay that way during the succession of leadership that is already under way.