

Impending financial crash sends Moscow into new period of autarky

by Konstantin George

On April 23, without warning, a Soviet diplomatic cable arrived at the West German foreign ministry, announcing that the heavily publicized May 17-23 state visit of West German President Richard von Weizsäcker had to be indefinitely postponed. Overnight, what would have been Soviet leader Gorbachov's most significant discussions with a Western figure outside of the summit with President Reagan himself, was put on the shelf.

The reasons had nothing to do with von Weizsäcker himself. As Moscow's highest ranking agent of influence in the West German political structure and the pro-Soviet German Protestant Church (EKD), he was slated to receive the red carpet treatment. Only very great turbulence in Moscow, caused by paramount, strategic considerations gripping the Soviet policymaking elite, could account for so stunning a cancellation.

The Soviet leadership has adopted the strategic assessment that the West is on the brink of a financial catastrophe. Under such circumstances, what Moscow has cancelled is not von Weizsäcker's itinerary, but Soviet leader Mikhail Gorbachov's foreign itinerary, for at least the immediate future.

The facts

On April 25, the Yugoslav news agency, Tanjug, suddenly announced that Gorbachov's visit to Yugoslavia "in 1987" was indefinitely postponed. Tanjug had reported that Gorbachov was definitely coming to Yugoslavia "this year" only two days earlier.

These are not isolated instances. All of Gorbachov's non-bloc itinerary, and at least one instance within the Soviet bloc, either as host or guest, for at least the next two months, has been cancelled. Intended state visits to Greece, Italy, and Romania have all vanished.

A silly Kremlinologist might at this point ask: "Does this pattern of cancellations mean that Gorbachov is finished?"

These Soviet demands would place the East bloc states back to a degree of extreme bondage that has not existed since the time of Stalin, when, under the regime of "joint stock" companies, the East European economies were robbed

blind to rebuild postwar Russia into superpower military status.

Given these facts and trends, the present manifestations of East European displeasure with Moscow become very understandable and explainable. With these Soviet demands, a large part of the satellite, junior *Nomenklatura*, stand to lose their posts and privileges. The role of the East European ministries, for one, would be heavily whittled down, and the demands on many a plant manager or director would become insufferable. As with every past shift by Russia into a new "period," purges and, in this case, actual toppling of satellite leaders, will be on the agenda.

The Soviet leadership, too, will have its problems. A full-scale Western economic collapse will contain many unpredictable and surprises. Under conditions of impending and actual financial crash, the tendency of Western elites to turn to crisis-ending policies and options will increase exponentially. Concretely, this means a surge in influence and power for the founder of this magazine, presidential candidate Lyndon LaRouche. Of this point, Moscow is well aware.

The answer is, "No." A certain agenda prepared for Gorbachov, under the assumption that a financial crash in the West was not impending, is "finished." The highest echelons of the Soviet *Nomenklatura* have come to the conclusion that an impending financial crash in the West is on the agenda, and in that light, the Soviet agenda must undergo major changes.

The new agenda

When things crash in the West, the Soviet Union, to use Soviet parlance, enters a new "period," where, especially in terms of economic policy, the concept of autarky prevails—historically as in the 1929-inaugurated "Third Period" under Stalin. The Soviet Union is now embarked on precisely such a course. Here we can preempt the Kremlinologists' fixation on "what will happen to Gorbachov?"

And in fact, opposite to the pattern of cancelled non-bloc engagements, General Secretary Gorbachov is being handed a thick schedule of East bloc engagements.

One point must be stressed here. The coming to the fore

of Comecon autarky does *not* mean that Gorbachov and the Soviet leadership have abandoned strategically vital policy thrusts directed at the West. For example, with or without a financial crash, Moscow will continue to play the "Reagan card" to attempt to nail down, this year, the "zero option" agreement to remove U.S. longer-range and medium-range missiles from Europe.

President Reagan's latest public statements endorsing both the so-called first zero option (missiles with ranges from 1,000 to 5,000 km) and the second zero option (missiles with ranges between 500 and 1,000 km), and demanding that Europeans drop their opposition, show once again that Moscow has everything to gain—a denuclearized, helpless Europe, devoid of credible U.S. nuclear forces on the scene—and nothing to lose by vigorous pursuit of the "Reagan card."

To sign an INF (intermediate-range nuclear force) agreement that would trigger the decoupling of Western Europe, beginning with West Germany, from the United States, Gorbachov would be more than willing to add a superpower summit to his 1987 calendar. That said, we can devote our attention to the pronounced autarchic thrust in the Soviet Bloc.

New priorities

The fact that the Soviet Union is entering another autarchic "Third Period" was illustrated in a most dramatic manner in exactly the same time frame, April 22-25, that Gorbachov's cancellations were being reported. On April 23, the Soviet news agency Tass announced that a Warsaw Pact summit would be held in East Berlin, May 28. A day earlier, Radio Budapest carried an announcement by Hungarian Foreign Trade Minister Peter Veres, that a Comecon summit would be held "by mid-year," i.e., before July 1, and most probably in late June, to discuss "Comecon integration."

Veres spoke on the same day that Soviet Politburo ideological boss, Yegor Ligachev, arrived in Budapest.

April 22 is no ordinary day in the East bloc. It is Lenin's birthday. Announcements made on such an occasion are generally significant in Moscow.

This year in Moscow, the Lenin birthday speech was given by Soviet Politburo member and Prime Minister Nikolai Ryzhkov. The theme was "Comecon integration."

Ryzhkov emphasized that "the deepening of integration is considered the *priority thrust of our international activity*." He expounded Moscow's new supranational emphasis on Comecon policy planning, stating that within the Soviet bloc, "there is not one country, big or small, that can master the heights of scientific-technological revolution, without intensive exchange of scientific developments, without the most many-faceted forms of international cooperation. The CPSU intends to fully expand its participation in the international division of labor. This refers above all to cooperation in the framework of the Comecon, which is *the core of foreign economic ties*."

Note the terms "priority thrust," "mastering the heights of scientific-technological revolution," and "core . . . of economic ties." Under conditions of a Western economic crisis, the Soviet Union cannot count on joint ventures and other deals with the West as the basis for accomplishing Gorbachov's oft-stated priority of modernizing industry. Russia must rely chiefly on those foreign resources at hand, the already heavily looted economies of its East European satellites. The hapless satellites must now not only provide more economic and technological "tribute," but submit their economic enterprises and scientific capabilities to forms of direct Soviet control not seen since the Stalin era and its immediate aftermath.

Hints of this emerged in the next part of Ryzhkov's speech, where he demanded that "unsolved problems" and current "stagnation" in Comecon integration be overcome. "Changes of a complex character are necessary," and, "Comecon forms and methods have to be fundamentally renewed."

Ryzhkov's autarchic pronouncements are by no means confined to a Comecon crash program to modernize Russia's civilian economy. Every resource, human and physical, within Comecon is to be enrolled in Russia's hi-tech space and SDI-military programs: "The decisive role will be played by the complex program of scientific-technological progress of the Comecon member countries. This program is *without precedent* concerning the socialist international division of labor. Its aim is to reach the highest level in the direction of scientific-technological progress."

There you have it. The Russian "priority policy thrust": quantitatively and qualitatively expanded Soviet bloc autarky. This is one of the crucial Soviet news stories of the year—for that matter, of the decade—and yet, it is missed, ignored, or covered up in the Western media. To be sure, the 1980s have witnessed important new "supranational" Comecon projects in primarily the energy and transport sectors, rammed down the satellites' throats by Big Brother in Moscow. But what is now on the agenda is of an entirely new dimension, which brings us to the story within the story.

Gorbachov's Prague visit

While the Western media was fixated on Gorbachov's utterances on the "zero option" during his visit to Prague, they largely ignored his groundbreaking remarks—demands would be a better word—on the subject of "Comecon integration."

Gorbachov "informed" the Czechs that Moscow had a new program for the Comecon. The Comecon countries would start establishing supranational "joint enterprises" with Big Brother. Gorbachov called for the introduction of "common socialist property," held by "supranational economic enterprises." In plain Russian, the Soviets are now demanding nothing less than the transformation of the *national* economies and agglomerates of enterprises, into Soviet "common socialist property."