

'Comecon versus EEC', from Saarbrücker Landeszeitung (16 June 1962)

Caption: On 16 June 1962, the German daily newspaper Saarbrücker Landeszeitung describes the state of trade relations between the Council for Mutual Economic Assistance (CMEA or Comecon) and the European Economic Community (EEC).

Source: Saarbrücker Landeszeitung. 16.06.1962. Saarbrücken. "Comecon gegen EWG".

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The latest commentary

Comecon versus EEC

Ulbricht was the first to arrive in Moscow when Khrushchev convened a conference, assembling the Heads of State of the satellite countries accompanied by leading government economists. The conference was billed as a 'Meeting of the Council for Mutual Economic Assistance' (Comecon), but the presence of the highest-ranking people in the communist regimes suggested that economic issues would not be the only priority.

It has long been known that the successful development of the European Economic Community and the possible accession of Britain and other countries do not suit the Kremlin one bit. Whilst the EEC has in recent years brought economic prosperity to its Member States and trade among them has increased to a remarkable extent, its communist counterpart, Comecon, has not yet got properly under way. Trade among the countries of the Eastern bloc has lagged significantly behind the increase in their industrial production. The main cause of Comecon's inability to function correctly is the privileged status which Moscow granted itself from the outset. The interests of the other countries must be subordinate to those of the Soviet Union. In practice this amounts to a form of neo-colonial exploitation.

Comecon came into being in response to the Marshall Plan. At the beginning of 1949 the Soviet Union officially decided to set up a 'Council for Mutual Economic Assistance'. In September 1950, the Soviet Zone was also granted membership. The extent to which the Eastern bloc countries are integrated and financially interwoven bears no comparison with the situation in the West. Basically, 'community' plays no part in Comecon! There is no real settling of trade balances, i.e. no financial balancing within a clearing system. The resulting balances cannot even be offset through the provision of services but only through the delivery of goods. If a country falls behind in its deliveries, the creditor country must either grant credit or mutual trade comes to a standstill until the balance has at last been fully offset by means of goods. This petty procedure, far from providing real help, acts as a brake. The 'price issue' within Comecon is the most intractable of all, and here the Soviet Union draws unilateral benefit. As there is no such thing as a 'socialist world market price', settlements in roubles are not based on the respective world market price. This is how, for years, the Soviet Union has obtained Polish coal at prices far below normal international levels. How the Soviet Zone is treated by Moscow as a trading partner has become clear to all from the regular deliveries of new ships from Rostock.