

The Council for Mutual Economic Assistance – A Restricted Cold War Actor

Suvi Kansikas

ABSTRACTS

Der Artikel behandelt eine Frage, die in der bisherigen Literatur über die Geschichte des RGW vernachlässigt wurde: Inwiefern betrieb diese Internationale Organisation eine eigene Außen(handels)politik? Tatsächlich gab es vor allem Anfang der 1970er Jahre im RGW Versuche, die Politik seiner Mitgliedsstaaten gegenüber der „nichtsozialistischen Welt“, insbesondere der Europäischen Gemeinschaft, zu koordinieren, was aber letztlich erfolglos blieb. Der Anstoß dazu kam von den Fortschritten der EG, die ab 1970 ihre gemeinsame Handelspolitik umsetzen wollte. Dem RGW ging es nicht darum, die Strukturen der EG zu kopieren, sondern den durch die EG-Politik behinderten Zugang seiner Mitglieder zum gemeinsamen Markt zu erleichtern. Der Aufsatz macht deutlich, dass die sozialistischen Staaten den RGW in erster Linie als Instrument zur Durchsetzung ihrer eigenen Ziele und Interessen ansahen. Die Debatte im RGW über die Politik gegenüber der EG zeigt auch, wie begrenzt die Macht der Sowjetunion im so genannten Ostblock war. Nach den Statuten des RGW konnten Entscheidungen nur einstimmig gefasst werden. Deshalb waren die kleineren Staaten in der Lage, Versuche der UdSSR, den RGW von einer zwischenstaatlichen in eine supranationale Organisation umzuwandeln, zu blockieren. Andererseits bewirkte das Einstimmigkeitsprinzip auch, dass der RGW nicht ohne Zustimmung der Sowjetunion agieren konnte. Außerdem war die sowjetische Wirtschaftsmacht für die kleineren RGW-Staaten in möglichen Verhandlungen mit der EG sehr wertvoll. Vor allem deshalb akzeptierten die anderen RGW-Mitgliedsstaaten die führende Rolle der Sowjetunion in der EG-Politik.

This article analyses one aspect of CMEA history, which has been neglected in prior literature: its policy-making in the field of external trade politics. The CMEA attempted – unsuccessfully – to coordinate a common policy vis-à-vis the outside world, particularly the European Community, at the turn of the 1970s. The impetus for this came from the progress achieved by the EC, which was planning to implement a Common Commercial Policy starting from 1970. The CMEA did not endeavour to copy EC development, but to assist its members' access to the Common Market that would be hindered once the EC policy was implemented. Based on the findings of this study, the CMEA should be seen as an instrument that all members used to advance their particular aims and interests. The CMEA debate on its policy towards the EC shows the limits of Soviet power within the organisation and towards its smaller allies: due to the organization's decision-making principles, and more importantly, because the member states could resist it, the USSR was not able to override the intergovernmental CMEA. Nonetheless, due to the unanimity rule, the CMEA could not act without Soviet consent. Importantly, Soviet economic power was valuable for the small allies in possible negotiations with the EC. Therefore, to secure Soviet participation, the East Europeans accepted the Soviet leading role in the EC policymaking.

1. Introduction

The Council for Mutual Economic Assistance (CMEA) sought to open relations with the European Community (EC)¹ during the *détente* period. In the summer of 1974, the organization authorized its Secretary Nikolai Fadeev to officially contact – albeit without granting formal recognition – the EC Commission. The next February, the two organizations held their first official meeting in Moscow. Nonetheless, it took the two countries more than a decade to finally establish official relations, which were created through a joint declaration in June 1988.²

In much of the Cold War literature, the CMEA is rarely mentioned. Apart from these contacts detailed above, the CMEA has been absent from the grand narrative.³ In theory, therefore, the CMEA did not have an important part to play in the high-level conflict that was the Cold War. Three reasons can be given for the neglect: Firstly, the CMEA neither had a mechanism for foreign policy-making, nor the ambition to formulate one.⁴ Secondly, foreign policy issues in the socialist bloc belonged to the authority of the Warsaw Pact.⁵ And thirdly, in the East-West struggle the CMEA was significantly isolated;

1 The European Economic Community (EEC) was created in 1957, and in 1967, it was merged together with the European Coal and Steel Community and EURATOM to become the European Communities (EC).

2 T. Yamamoto, *Détente or Integration? EC Response to Soviet Policy Change towards the Common Market, 1970-75*, in: *Cold War History* 7 (2007) 1, p. 87.

3 Integrating the study of the Cold War and European integration history is a recent phenomenon. (P.N. Ludlow (ed.), *European integration and the Cold War: Ostpolitik-Westpolitik, 1965–1973*, Abingdon 2007). For instance Vojtech Mastny refers to the Cold War as a Warsaw Pact-NATO rivalry, mentioning neither the EC nor the CMEA (V. Mastny, *The New History of Cold War Alliances* in: *Journal of Cold War Studies* 4 (2002) 2, pp. 55–84).

4 A. Bloed, *The external relations of the Council for Mutual Economic Assistance*, Dordrecht 1988, pp. 15-17.

5 In her recent book, Laurien Crump analyses the Warsaw Pact as a political rather than merely a military organi-

prior to Finland opening relations in 1973, not a single Western country had granted it formal recognition.⁶

Indeed, foreign policy did not belong to CMEA competences. It was established to coordinate its members' trade flows and it did not envision a commonly agreed external policy or supranational decision-making. Its charter, adopted in 1959 and revised in 1962, did not contain any conditions according to which the member states could or should grant authority to the organization in this field.⁷ However, as this article shows, the CMEA was dragged into Cold War struggles that it could not win because of its limited foreign policy capacity.

This chapter argues that the member states, though pursuing their own political and economic goals, pushed the CMEA first into negotiations on a common foreign trade policy, and consequently, into talks with the EC. The member states wanted to elevate the organization to the same international standing as its West European opponent, even though the competences of the two were different. The CMEA members needed a common external policy to counter the growing strength and competence in international – and particularly European – politics that the EC aspired to. As long as the socialist countries had an economic organization that the EC refused to acknowledge, they could continue to ignore the authority of the EC.

CMEA history is discussed in this article from a point of view that prior literature has neglected to analyse by analysing its two simultaneous roles as the mediator of socialist intra-bloc relations as well as of its relations with the non-socialist world. In the 1960s, already almost one-third of CMEA members' trade was conducted with capitalist countries, yet most previous studies on the CMEA regard it as an organization for intra-bloc cooperation that did not discuss foreign policy issues.⁸ However, during the Cold War foreign trade was in fact high politics; the need to formulate a common foreign trade policy was part of the endeavour to maintain bloc cohesion in the face of a threat from the West. Principally, the CMEA negotiations on a common foreign trade policy included trade with all non-members. However, as the EC was the impetus that brought the CMEA to debate its external policies, a common policy vis-à-vis the EC was discussed in particular within the organization.

zation (L. Crump, *The Warsaw Pact reconsidered. International relations in Eastern Europe, 1955-69*, Abingdon 2015).

6 It should, however, be noted that the CMEA was represented at several international organizations whose membership was not limited to either one of the blocs in the East-West rivalry, and where the Council could therefore act more easily. The CMEA was granted observer status at the UN-ECOSOC in 1971, and had de facto membership of the United Nations Economic Commission for Europe (S Godard, *Construire le « bloc » par l'économie. Configuration des territoires et des identités socialistes au Conseil d'Aide Économique Mutuelle (CAEM), 1949–1989*. Unpublished doctoral dissertation, University of Geneva, 2014, p. 278).

7 Bloed, *The External Relations*, p. 8.

8 E.g. R. Stone, *Satellites and Commissars: Strategy and Conflict in the Politics of Soviet-Bloc Trade*, Princeton 1996; A. Steiner, *The Council of Mutual Economic Assistance – An Example of Failed Economic Integration?* in: *Geschichte und Gesellschaft* 39 (2013), pp. 240–258.

How did the CMEA make decisions in the field of foreign policy? What was its foreign policy jurisdiction? How much room did it have to manoeuvre in the Cold War bloc setting? This study answers these questions through an analysis of CMEA discussions on a counterstrategy vis-à-vis the EC in its effort to open relations in the early 1970s. The chapter illustrates the CMEA's limits of action in this regard, restricted as it was by its weak machinery as well as by the control from the political leadership. The chapter shows that the CMEA could not act against the wishes of the Soviet leadership, but it also shows that the CMEA policy-making process did not go the way the Soviet leadership wanted.

The chapter is constructed on two lines of analysis. On the one hand, it analyses the decision-making process through which the CMEA was enabled to take steps towards the EC. On the other hand, it analyses the issue of political control over the CMEA, and by definition, the Soviet role in the organization.⁹ By foreign policy this article refers to co-ordinated political actions and policies targeted at the outside world, the non-members of the CMEA. Therefore, the issue of socialist intra-bloc economic relations falls outside of this analysis.

The debate on an external policy took place primarily within the Executive Committee, which had national representation from each member state. The chapter refers to materials of different CMEA bodies, as well as the reports of behind-the-scenes activities as noted by the German Democratic Republic's (GDR) representative to the CMEA. The CMEA received its primary source of instruction and guidance through the Soviet representative whose task it was to bring to the member states' attention the guidelines of the Soviet leadership – the Central Committee and the Politburo.¹⁰

2. CMEA and EC International Authority in Comparison

Established on a Romanian-Soviet initiative in January 1949 by the Soviet Union and five East European people's democracies, the CMEA was joined by Albania¹¹ later in the year and by the GDR in 1950. In the next decades it became a globally operating organization as it was joined by Mongolia in 1962, Cuba in 1972, and Vietnam in 1978. Aside from the enlargement, the CMEA authority in external affairs was initially very limited, as its main purpose and activity dealt with intra-bloc trade harmonization. There

9 There is in fact quite a limited amount of literature on the Soviet Union in the CMEA. Mikhail Lipkin and Wolfgang Mueller analyse the Soviet position on West European integration (M. Lipkin, *Sovetskii Sojuz i evropeiskaya integratsiya: seredina 1940kh-seredina 1969kh godov*, Moscow 2011; W. Mueller, *Recognition in Return for Détente? Brezhnev, the EEC, and the Moscow Treaty with West Germany, 1970–1973*, in: *Journal of Cold War Studies* 13 (2011) 4, pp. 79–100), whereas Marie Lavigne deals with the economics of intra-bloc commerce (M. Lavigne, *The Soviet Union inside Comecon*, in: *Soviet Studies* 35 (1983) 2, pp. 135–153. See also Erik Radisch's article in this special issue for Soviet discussions on the role and purpose of the CMEA).

10 Materials on the foreign policy-making of the CPSU from the Brezhnev years remain largely classified in Moscow archives.

11 In the early 1960s, Albania de facto withdrew from cooperation with the Soviet bloc.

was no multilaterally agreed goal of a common market, supranational decision-making, or a common foreign trade policy. This should not be taken to imply that individual member states did not have further-reaching endeavours than what could be attained in bloc-level negotiations. Quite the contrary in fact, and the major disputes within the organization touched upon exactly the question: How and how far can the members push their national priorities into the common agenda without risking a deadlock in the negotiations.¹²

The CMEA was an intergovernmental body, and until a revision in 1967, all decisions had to be made in unanimity. The amendment allowed countries to opt out of common projects, but this still did not overhaul unanimous voting; in common projects, there would be no majority rule voting, but consensus was needed to reach a decision. Accordingly, the Council did not have the power to force any decisions on its reluctant member, nor a supranational body similar to the EC Commission. Therefore it lacked jurisdiction independent of the member states' control. The only option for the Council or its secretary to act in external affairs was once there was consent from all members, which could be granted either in the Executive Committee or in the yearly session.¹³

The Soviet Union, even as the most powerful member of the CMEA, also lacked the means to intervene on the multilateral arena as its powers were restricted due to the organization's rules.¹⁴ The only thing its CMEA representative could do was to put pressure on the allies in bilateral discussions and during multilateral negotiations by referring to the Communist Party of the Soviet Union (CPSU) policy line.

As the CMEA sought to open contacts with the EC, it was constantly reminded that the two were not equal counterparts. Whereas the EC's founding treaty set a goal of forming a supranational external policy, the CMEA had nothing of the sort. Towards the end of the 1960s, the EC started asserting itself into a new role in international affairs on several fronts: it introduced the Common Agricultural Policy in 1962; established the Common Market ahead of the planned schedule in 1965; and was about to assume authority over its members' trade with the Common Commercial Policy (CCP). Moreover in 1970, its members established a foreign policy coordination mechanism, the European Political Cooperation.¹⁵

In the political rivalry that the Cold War was, the two organizations were pitched against one another at the turn of the 1970s. The EC had set the deadline of 1970 for the adop-

12 In the early 1960s, the USSR pushed for supranational decision-making in the CMEA, causing the organization's first internal rift. E. Dragomir, Romania's participation in the Agricultural Conference in Moscow, 2–3 February 1960, in: *Cold War History* 13 (2013) 3, pp. 331–351. For a thorough discussion on the national-international interest dichotomy, see Simon Godard's article in this special issue.

13 Bloed, *The external relations*, p. 27.

14 There is an exciting new trend in literature on the socialist bloc that emphasizes the allies' leverage on their hegemon, the USSR (See for instance, L. Crump-Gabreëls and S. Godard, *Reassessing Communist International Organisations. A Comparative Analysis of COMECON and the Warsaw Pact in Relation to their Cold War Competitors*, in: *Contemporary European History* [forthcoming]. Unpublished manuscript, in possession of the author).

15 L. Ferrari, *Sometimes Speaking with a Single Voice. The European Community as an International Actor, 1969–1979*. Frankfurt am Main 2016.

tion of its CCP, which meant that the Commission would gain the sole right to initiate trade agreements. It is therefore not inconsequential that the CMEA, whose members refused to grant recognition to the EC, began to talk about a counter-strategy directed at the EC at this exact time. A common foreign trade policy was necessary mainly because the CMEA members needed to protect their growing trade with West European partners against the backdrop of the EC Commission taking authority in this field from its members. Also, for the Soviet Union, this was the only way to keep its allies from unilaterally breaching their policy of non-recognition.¹⁶

3. CMEA's First Effort at a Common External Trade Policy

The CMEA decided to negotiate an integration programme at the end of the 1960s. Such a major platform of economic cooperation needed to be carefully designed. Moreover, as it was to outline the bloc's economic policy for the next two decades, the member states needed to have a clear vision of what their domestic as well as the global economy would be like in a longer timeframe. During the negotiations, the member states realized that the process bore with it an opportunity to use the programme to counterbalance the growing prestige of the EC and, importantly, to protect their own national trade interests. Those interests, as is typical with any international organization, differed from country to country and the negotiations turned into a showcase of national lobbying and intra-bloc dispute.

As it turned out, as part of the negotiations on the new platform, which came to be called the Comprehensive Programme, the CMEA in fact sought to formulate its first common external trade policy. This goal was never reached within the Comprehensive Programme and in the end the fact that there had ever been efforts to conclude such a policy was undisclosed.

The issue of CMEA's trade relations with the non-socialist world was taken up at the Executive Committee in October 1970 at Hungary's request. Hungary wanted the CMEA to define its relations with the outside world and formulate a foreign policy. Hungary's request touched upon a crucial problem; since the CMEA members were trading not just within the bloc but more and more with the outside world, they needed to assess how the global economy would develop in the next 20 years and understand what this would mean for the CMEA and its members.¹⁷

16 S. Kansikas, Acknowledging economic realities. The CMEA policy change vis-à-vis the European Community, 1970–3, in: *European Review of History: Revue européenne d'histoire* 21 (2014) 2, pp. 311–328.

17 Bundesarchiv/Stiftung Archiv der Parteien und Massenorganisationen der DDR [SAPMO], DY 30/3455, Information über die 50. Sitzung des Exekutivkomitees des Rates für Gegenseitige Wirtschaftshilfe (Moskau, 15.-18.12.1970). Gerhard Weiss to SED Politbüro. No date given. Importantly, several CMEA members were participants in the General Agreement on Tariffs and Trade, membership of which bore a responsibility to raise the level of trade with other members. L.A. Haus, *Globalizing the GATT: The Soviet Union's Successor States, Eastern Europe, and the International Trading System*, Washington 1992.

Based on Hungary's proposal, the Executive Committee ordered the Secretariat to prepare an initial analysis of the legal and organizational questions that needed to be solved in case the CMEA would start formulating a common trade policy. The issue would then need to be integrated into the Comprehensive Programme. As it defined CMEA policies for the near future, it also had to address the organization's relations with the outside world.¹⁸

In the spring of 1971, the member states had agreed on almost all parts of the Comprehensive Programme. However, the talks on the external relations were still nowhere near their conclusion. This issue was stalling due to differences in perspective; the Soviet Union backed by the GDR and Bulgaria wanted to seal their policy of non-recognition of the EC, while the export-oriented Hungary, Poland, and Czechoslovakia wanted the CMEA to open relations with the EC. Romania for its part was against any common policy as it did not want to see its hands tied in the matter.¹⁹

At the April Executive Committee meeting, the Soviet representative tried one last time to push for a common line, but its allies stuck to their grounds. After no compromise was achieved, the external policy was left entirely outside the official and public text of the Comprehensive Programme. The Executive Committee, however, was able to decide on an unofficial policy paper, which contained parts that dealt with policy towards third countries and their international organizations.²⁰

The unofficial policy paper was a compromise as well. The text was almost 20 pages long and, as an appendix to the session protocol, had a binding character. It included a list of goals that the member states hoped to achieve and six areas in which they were to coordinate their actions. The goals included, for example, that the capitalist countries would drop all their discriminatory policies and grant most-favoured-nation (MFN) status to the CMEA countries or that they would continue bilateral trade relations with CMEA members. The six areas in which coordination of national policies would be divided into were: a) trade, economic, currency, financial, and credit policy; b) planning of foreign trade policy; c) science and technology; d) participation in other international organizations; e) raw material imports; and f) technology transfers.²¹

The policy paper did not contain any concrete guidelines as to how the envisioned goals could be achieved. In this sense it was not an action plan, but more of a wish list or instructions on how the CMEA members could establish a coordination mechanism for foreign trade ties. The CMEA was still far away from reaching a coherent foreign policy – this was acknowledged by the Executive Committee, which asked the Secretariat to

18 Ibid.

19 S. Kansikas, *Room to Manoeuvre? National interests and Coalition-Building in the CMEA, 1969-1974*, in: S. Autio-Sarasmo and K. Miklóssy (eds.), *Reassessing Cold War Europe*, Abingdon 2011, pp. 193–209.

20 SAPMO, DY 30/3457, Information über die 52. Sitzung des Exekutivkomitees des Rates für Gegenseitige Wirtschaftshilfe (Moskau, 27.-29.4.1971). Gerhard Weiss to SED Politbüro, 6.5.1971.

21 SAPMO, DY 20/22104, Anlage 3a zum Protokoll der XXV. Tagung des Rates für Gegenseitige Wirtschaftshilfe: Maßnahmen zur Koordinierung des Auftretens der interessierten Mitgliedsländer des RGW auf dem Gebiet der ökonomischen und wissenschaftlichen-technischen Politik gegenüber Drittländer und deren Internationalen Gruppierungen.

prepare a working paper on a common trade policy to be submitted for discussion within one year.²² Thus, the Council was tasked with preparing the first ever policy paper on the organization's external trade relations.

4. Political Control over the CMEA

In October 1971, Hungarian authorities pledged again that the Executive Committee would discuss the organization's external relations, this time in particular with the EC;²³ the issue was placed on the agenda of the October 1971 Executive Committee meeting. Hungary's representative Péter Vályi underlined the set of complex foreign political, legal, material, and financial questions that needed to be solved concerning the topic. There were two questions the Executive Committee then needed to tackle: whether it had to start discussing a common foreign policy for the organization and, in particular, whether it should open direct contacts with the EC.²⁴

Within a few months after the adoption of the Comprehensive Programme, external policy became the centre of attention on the CMEA agenda and this time the EC was specified as the prime object of CMEA external relations. Hungary's appeal and the Executive Committee discussion on it once more showed that many CMEA members regarded relations with the EC first and foremost as a political question. The decision would not be based on economic needs, but on political principles.

The first CMEA Executive Committee meeting of 1972 convened in Moscow in January. Since the previous one in October, the CMEA work had gained additional political flavour. So far relations with the EC had been discussed more as a technical issue and concerned how contacts could be made; who decided on who was to make contact; and who decided on how to proceed. Now the CMEA had to decide whether a political decision was necessary to settle on how to contact other international economic groupings, the EC in particular. Towards this end, the Secretariat had prepared a position paper regarding contacts with the EC – this was in fact a high-level foreign policy document of the CMEA.²⁵

The organization was formulating a policy that dealt with its external relations, which in general could be regarded as a policy area that should be left to the Warsaw Pact to manage. As the CMEA seriously began to reconsider its relations with the EC, the foreign policy aspect of the discussion could no longer be sidestepped. The proposals of Hungary did not politicize the issue – they just made the foreign policy implications more evident.

22 SAPMO, DY 30/3457, Information über die 52. Sitzung des Exekutivkomitees des Rates für Gegenseitige Wirtschaftshilfe (Moskau, 27.-29.4.1971). Gerhard Weiss to SED Politbüro, 6.5.1971.

23 SAPMO, DC 20/12410, Laslo Papp to CMEA vice-Secretary Angelov-Todorov, 12.10.1971. Appendix: Die Auswirkungen des geplanten Ausbaus der EWG auf den Aussenhandel der Mitgliedsländer des RGW.

24 SAPMO, DY 30/3459, Information über die 55. Sitzung des Exekutivkomitees des Rates für Gegenseitige Wirtschaftshilfe (Moskau 12.-14.10.1971). Gerhard Weiss to SED Politbüro, 20.10.1971.

25 SAPMO, DC 20/22190, Protokoll der sechsfundfingsten Sitzung des Exekutivkomitees des Rates für Gegenseitige Wirtschaftshilfe. 18-20 January 1972, Moscow.

In its January meeting, the Executive Committee was not able to overcome this obstacle of its competences and the negotiations, in fact, reached a stalemate. This underlined the fact that the CMEA – an intergovernmental organization created primarily to handle trade flows between the socialist countries – was not empowered to make such a decision. It worked on the principle of consensus, whereby differences in view needed to be settled in order to reach a decision.

A means to break the impasse was ultimately found on the political level, at the Warsaw Pact. In the opening speech of the Political Consultative Committee (PCC) meeting in January 1972, Soviet leader Leonid Brezhnev underlined that the CMEA attitude towards the EC was not only an economic question but also a crucial political one. Accordingly, the socialist community needed to come up with a joint position.²⁶ An unofficial meeting between the party leaders sealed the timetable upon which the Council was to conclude its work;²⁷ the Executive Committee was ordered to finalize its EC policy – which it had negotiated for over a year – within three months time. The policy would then be discussed at the PCC.²⁸

5. The CMEA in Paralysis

As was decreed by the bloc's highest leadership, the Executive Committee prepared to adopt a commonly accepted policy at its April meeting. The Secretariat had compiled a summary of different national positions. The Hungarian government had outlined the juridical issues related to possible contacts between the organizations in its policy paper. From a legal perspective, a CMEA-EC connection was possible, but it had to be considered as a political issue and decided by the competent political bodies. The Council session had the sole right to authenticate agreements, but in operative questions the Executive Committee could also make decisions. Hungary also pointed out that concrete trade negotiations would not be possible, as the CMEA had no mechanism for sharing power with the member states. On the other hand, Hungary argued, neither did the EC countries have sovereignty over their economic policy; they needed Commission authority to sign trade agreements with CMEA countries. This being the case, any agreement between the CMEA and the EC could only be a framework agreement and

26 Speech by the Head of the Soviet Delegation at the Meeting of the Political Consultative Committee, January 25, 1972 (<http://php.isn.ethz.ch/lory1.ethz.ch/collections/colltopic97b2.html?lng=en&id=18122&navinfo=14465>). All internet pages were accessed on February 28, 2017).

27 Report to the Politburo of the Hungarian Socialist Workers' Party and the Council of Ministers on the Meeting of the Warsaw Treaty Political Consultative Committee in Prague, January 25-26, 1972 (<http://php.isn.ethz.ch/lory1.ethz.ch/collections/colltopic8f1e.html?lng=en&id=18106&navinfo=14465>).

28 Minutes of Meeting of the HSWP Politburo February 1, 1972. Report on the Meeting of the Warsaw Treaty Political Consultative Committee in Prague, January 25-26, 1972. (<http://php.isn.ethz.ch/lory1.ethz.ch/collections/colltopic79fd.html?lng=en&id=18105&navinfo=14465>).

only supplement bilateral intergovernmental agreements, which would be the main way to conduct trade.²⁹

To push for a decision on the matter, the Soviet representative Mikhail Lesechko underscored that the CMEA needed to take the CPSU Politburo policy line as its reference point. This included five points: 1) relations with the EC were an important political question that could not be solved without considering the foreign political line of the entire bloc; 2) the issue had to be concluded in a way that would consolidate the socialist community; 3) they had to strengthen the coordination of their measures vis-à-vis the EC; 4) separate actions would bring harm and weaken their positions; and 5) no initiatives that could lead to official recognition of the EC were to follow.³⁰

In the end, the April meeting was unable to reach a decision and it had to resort to convening an extraordinary one. The problem was – as many times before in CMEA history³¹ – Romania, which objected to a common policy that would seal its hands.³² CMEA rules would have allowed Romania to stay out of the common plans. Furthermore, there was no goal of a common market that would have necessitated its participation. However, the foreign policy aspect made it imperative for the Soviet Union to keep Romania on board, lest it would show cracks in bloc cohesion.

In mid-May 1972, the Soviet leadership intervened once again in CMEA affairs. At the Central Committee plenum, Brezhnev, referring to the Soviet leading role, informed his interlocutors that the CPSU Politburo had begun to work on a policy for the CMEA, which it would submit for discussion.³³ The newfound confidence Soviet representative Lesechko had shown at the previous Executive Committee meeting, it seems, was due to the support he was receiving from the CPSU leadership.

The CPSU Politburo drafted a policy document, entitled “Ground Rules for the Actions of CMEA Countries towards the EEC”. It was circulated in the members’ state and party institutions prior to the May 1972 Executive Committee meeting. The document contained nothing really new. Much of what was stated had already been discussed and decided in previous meetings of the Executive Committee and the Warsaw Pact PCC as well as in the secret part of the Comprehensive Programme. To ultimately conclude the

29 SAPMO, DY 30/3461, Information über die 57. Sitzung des Exekutivkomitees des RGW (Moskau, 18.-20.4.1972). Gerhard Weiss to SED Politbüro, 26.4.1972. Appendix B: Kurzfassungen der offiziellen Standpunkte der VRB, UVR, VRP, SRR und CSSR zu Fragen der Beziehungen zwischen RGW und EWG.

30 Ibid. Appendix A: Kurzfassung der Ausführungen des Vertreters der UdSSR im Exekutivkomitee, Genossen Lesechko, auf der 57. Sitzung des Exekutivkomitees des RGW zu Fragen der Beziehungen zwischen RGW und EWG.

31 See for example, Dragomir, Romania’s participation in the Agricultural Conference in Moscow 2013.

32 SAPMO DC 20/22191, Protokoll der siebenundfünfzigsten Sitzung des Exekutivkomitees des Rates für Gegenseitige Wirtschaftshilfe. 18.-20. April 1972, Moskau.

33 Rossiiskii gosudarstvennyi arkhiv noveishei istorii (Russian State Archive of Contemporary History, henceforth RGANI), f. 2, o. 3, d. 265, ll. 20-22. Protokol zasedaniya Plenuma TsK KPSS ot 19 maya 1972 g. Doklad L.I. Brezhneva na plenumu TsK KPSS 19 maya 1972.

policy-making problems of the CMEA, the Soviet leadership proposed a revision to the statute that would give the organization more powers to make binding decisions.³⁴ As it turned out, once again the Executive Committee could not push through the adoption of the policy paper, and consequently, a decision on it could not be made at the Moscow session in July 1972. The EC policy was in fact removed from the session agenda altogether. The rapid change of plans was most likely related to a fear of failing to find unity on the issue. There was a possibility that Romania would still not agree to the common position, which would only have demonstrated CMEA weakness and incapability. The Soviet-bloc behind-the-scenes disputes would have been brought into the open and the outside world would have seen the major cracks in the façade of bloc cohesion.³⁵

6. The CPSU takes Action

After the failure to reach an agreement on the CMEA level, the CPSU Politburo set out to direct the organization towards a decision on its relations with the EC. It wanted to make sure the organization would follow strict preconditions for a possible rapprochement with the EC. These CPSU rules were clarified for the allies at the first Executive Committee meeting of 1973, convened in Moscow on 23–26 January. The Soviet representative Lesechko came to the meeting with a task from the CPSU Politburo, namely, to inform his colleagues that the Soviet leadership had taken the lead in CMEA decision-making.³⁶ This move shows how much value the CPSU Politburo put in reaching a desirable conclusion to the CMEA talks. Never before had the Soviet representative come to the negotiation tables with such an ultimatum from his leaders, who usually relied on more tacit pressure in bilateral and multilateral discussions prior to the actual meeting. The Politburo had, according to Lesechko's presentation, designed a new action plan for the Council. According to the plan, the CMEA Secretariat should first get in contact informally with the EC to discuss concrete possibilities of establishing further informal contacts between the organizations. CMEA Secretary Fadeev was to find out to what extent the EC was willing to negotiate. Depending on the results of these probes, that is, after finding out whether the EC actually wanted to talk, the CMEA could then establish formal contact with the EC on the appropriate level.³⁷

The Executive Committee set out to execute this plan first by asking the Secretariat to prepare a memorandum based on the Politburo goals, which would carry the title "Proposals on possible manners, forms and contents of CMEA contacts with the EEC". It

34 SAPMO, DC 20/16863, Gerhard Weiss to Erich Honecker, Berlin, 19.5.1972. Appendix: Grundlinie des weiteren Vorgehens der RGW-Länder gegenüber der EWG, 18.5.1972.

35 S. Kansikas, *Socialist countries face the European Community. Soviet-bloc controversies over East-West trade*, Frankfurt am Main 2014, pp. 127–128.

36 SAPMO, DY 30/J IV 2/2J 4473, Information über die 61. Sitzung des Exekutivkomitees des RGW (Moscow 23.-26.1.1973). Weiss to SED Politbüro, Berlin 2.2.1973.

37 Ibid.

needed to contain the political goals of the EC policy and it would be discussed at the next Executive Committee meeting in April. Meanwhile, the Standing Commission on Foreign Trade was asked to create methods that would enable the CMEA to realize the economic aspects of the policy.³⁸

Before it could go to the negotiating table with its powerful counterpart, the CMEA needed to strengthen its international authority and standing. To address the problem of CMEA authority in external affairs, the Executive Committee asked the Secretariat to formulate a plan that would define policy coordination and revise the competences of the CMEA organs.³⁹ This modification dealt with more than just practicalities. Although the formulation of the decision was vague, this was an effort to reform the CMEA decision-making procedure.

A new version of the CMEA policy towards the EC compiled by the Secretariat was sent to the leaders of the member states for final approval after it had been accepted at the April 1973 Executive Committee meeting. It outlined how and on what terms the CMEA could approach the EC. It was 10 pages long and gave an eight-principle answer to questions such as what kind of preparatory measures, both institutional and legal, the CMEA should take in case contacts with the EC were to materialize.⁴⁰ It proposed a very slow process with many preconditions, such as reciprocity from the EC side.⁴¹ As it could not thwart the process of opening relations with the EC, the Soviet Politburo strived for the second best option: it sought to control the manner and timetable of those contacts.

A constant feature throughout the policy negotiations had been the need to change CMEA working mechanisms to redefine its international jurisdiction and raise its prestige to match that of the EC. In May 1973, the CMEA achieved some success in gaining international recognition when Finland signed a cooperation agreement, thus becoming the first capitalist country to recognize it as an international entity.

From the point of view of CMEA decision-makers, the agreement was proof that the CMEA had authority in international affairs. It was, in fact, able to conclude an agreement on behalf of its member states after they had given their consent for CMEA Secretary Fadeev to sign the agreement.⁴² The EC took note of the relevance of the Finnish agreement to CMEA attempts at raising its international status. As a British Foreign Office memorandum pointed out, this agreement showed that the CMEA was able to form

38 SAPMO, DC 20/22195, Protokoll der einundsechzigsten Sitzung des Exekutivkomitees des Rates für Gegenseitige Wirtschaftshilfe, 23.-26. Januar 1973, Moskau.

39 SAPMO, DC 20/22196, Beschluss des Exekutivkomitees des RGW vom 21. April 1973 zum Punkt XXIII der Tagesordnung der 62. Sitzung.

40 SAPMO, DY 30/14003, F. Hamouz (CMEA) to E. Honecker (SED Politbüro), 26.4.1973. Appendix: Vorschläge über mögliche Art, Formen und Inhalt der Kontakte des RGW zur EWG.

41 SAPMO, DY 30/13861, Information über die 62. Sitzung des Exekutivkomitees des RGW (Moskau, 17.-21.4.1973). Gerhard Weiss to SED Politbüro, 24.4.1973.

42 Trend Harry, Framework for COMECON-Finnish Economic Co-operation. 10.12.1973. OSA/Radio Free Europe Background Reports, <http://catalog.osaarchivum.org/catalog/osa:680d4e18-de51-48e9-b1ae-3e4d6e67b9bb>.

one side of a joint commission (article 2); to engage in future negotiations if necessary (article 7); and to conclude and ratify an agreement (article 8).⁴³

7. Division of Labour in the Socialist Bloc

In mid-April 1974, two years after the Warsaw Pact PCC meeting that established the policy on how the CMEA would contact the EC, it met again. Brezhnev once more criticized the CMEA for inefficiency and slowness. He complained that the member states had not reached the desired pace in implementing the Comprehensive Programme. Brezhnev demanded that a new decision-making principle – which was, in fact, already being implemented – had to be enforced. Practical steps towards making contact with the EC were to be decided at the highest level of bloc decision-making. Towards this end, Brezhnev suggested that a summit of party and state leaders be organized during the next CMEA session planned to meet in Sofia, Bulgaria during July. The CMEA for its part would be left in charge of the practicalities related to economic management, such as drafting the agreement between the organizations.⁴⁴

In June 1974, just weeks before the next CMEA session was scheduled to take place, the CMEA representatives were informed that the CPSU Central Committee and the Soviet government would take a bigger role in CMEA affairs. The Soviet leadership was planning to bring to the Sofia session a motion that some of the CMEA decision-making, including relations with international economic organizations, should be shifted to the highest decision-making level. A high-level summit, decreed by the PCC meeting, would most likely take place in the summer of 1975.⁴⁵ The Sofia session was to formalize the division of labour that had already taken place. The CMEA and its organs were responsible for operational tasks whereas the decision-making power on foreign policy issues was to remain with the political leadership in the socialist bloc: the party and state leaders.

During the gathering in Sofia, the prime ministers held talks on contact between the CMEA and the EC. As the PCC had decreed, a high-level consultation – with party leaders and prime ministers – was needed to decide on a rapprochement with the EC. The discussions on the convening of such a summit were led by Prime Minister Alexei Kosygin, who presented the Soviet view on the timetable and agenda of the summit.⁴⁶ The Soviet leadership was leading the way towards a political decision on relations with the EC and the CMEA role was reduced to executing orders from above.

43 British National Archive/Foreign and Commonwealth Office, 28/2194, Economic cooperation agreement between Finland and the CMEA. J.L. Bullard (FCO) to Sir T. Brimelow, 1.6.1973.

44 Speech by the Head of Soviet Delegation at the Meeting of the Warsaw Treaty's Political Consultative Committee, April 17-18, 1974, in Warsaw. (<http://php.isn.ethz.ch/lory1.ethz.ch/collections/colltopicd733.html?lng=en&id=29639&navinfo=14465>).

45 SAPMO, DC 20/17122, Information über eine Konsultation mit Genosse Lesechko zum Auftreten auf der 28. Ratstagung in Sofia. Gerhard Weiss to SED Politbüro, 10.6.1974.

46 SAPMO, DC 20/11304, Protokoll über die Beratung der Regierungschefs der Mitgliedsländer des RWG. Sofia 20. Juni 1974. No date and no author.

The CMEA session, too, took a stand regarding its capability to make such approaches; it decided to change the organization's charter and convention on legal capacity, privileges, and immunities.⁴⁷ Accordingly, the CMEA “a) shall be empowered to make recommendations and decisions in the person of its organs acting within the terms of their reference; b) may conclude international agreements with member-countries of the Council and with other countries and international organisations”.⁴⁸

This institutional change was most likely related to developments in CMEA-EC relations⁴⁹ and perhaps necessitated by the agreement signed with Finland the previous spring. The CMEA had for some time been discussing ways to improve its decision-making powers and international authority. The CPSU in particular had been criticizing the ineffectiveness of CMEA decision-making and cooperation. For instance, at the Central Committee plenum in May 1973, Brezhnev had made remarks to this end.⁵⁰ In the Crimea meeting the following July, Brezhnev had called for the restructuring of CMEA mechanisms.⁵¹ Furthermore, the EC had made it clear that it did not consider the CMEA to be on the same footing as itself. If it wanted to provide an incentive for the EC to negotiate with it, the CMEA had to increase its decision-making powers.

The pivotal decision of the Council's Sofia session was to approach the EC on the level the EC had set as a prerequisite. The establishment of contact between the organizations would take place only at the level of the EC Commission and the CMEA Secretariat, which was a lower level than what the CMEA had been hoping for. The session authorized the Council Secretariat to take the practical steps towards establishing contacts with the EC Commission, and the first step was to invite the chair of the EC Commission to Moscow.⁵²

Many studies have noted that the CMEA's decision on rapprochement with the EC was made at the Sofia session.⁵³ However, none of them have been able to reveal any details of the discussions. As behind-the-scenes discussions show, the initial CMEA position was that the EC demand of communicating to the Commission should be discarded. The CPSU Politburo had set a prerequisite of its own in the matter, namely, that concrete questions would be discussed in high-level, intergovernmental contacts. In their view, the EC Commission was less prestigious than an institution with government representation and politically a more problematic one. The CMEA was unwilling to give recognition to the EC Commission because the EC had not indicated clearly that it was willing to start

47 SAPMO, DC 20/22107, Protokoll der XXVIII. Tagung des Rates für Gegenseitige Wirtschaftshilfe, Sofia 1974.

48 Charter of the Council for Mutual Economic Assistance, Chapter III.

49 G. Zieger, The relationship between CMEA and EC, in: *Intereconomics* 13 (1978) 9–10, p. 218. The statute was amended on 21.6.1974, but it was in force only from 13.2.1976 onwards.

50 RGANI, f. 2, o. 3, d. 292, ll. 7-71. *Aprel'skii Plenum Tsentral'nogo Komiteta KPSS-a.* (1973). *O mezhdunarodnom deiatel'nosti TsK KPSS po osushchesvleniu reshenii XXIV s'ezda partii.* L.I. Brezhnev.

51 SAPMO, DY 30/11850, Niederschrift über das Treffen der Führer der kommunistischen und Arbeiterparteien sozialistischer Länder auf der Krim (30./31. Juli 1973). No author, no date.

52 SAPMO, DC 20/11304, Information über die 28. Tagung des Rates für Gegenseitige Wirtschaftshilfe (17.-21.6.1974 Sofia); Information über Verlauf der Diskussion 'Kontakte RGW-EWG'. No date and no author.

53 See for instance, Yamamoto, *Détente or Integration?*, pp. 75-94; 86.

negotiations.⁵⁴ After long deliberations, the session agreed to continue contacts on the level suggested by the EC, that is, with the Commission.⁵⁵ This was in clear contrast to the Politburo line and, as such, a major defeat for it. Equally importantly, the decision demonstrates that in the EC-CMEA relationship, the former possessed leverage to get its preconditions met, while the latter did not have the means to influence its Western counterpart.

Thus, in the summer of 1974, the CMEA finally came to a decision on how to establish its first contact with the EC. The member states had agreed on the procedure, timetable, and level of contact. To do this, they had to engage in endless debates for over three years. During this time it became necessary for the CMEA to revise its statute to allow the organization to act on behalf of its member states. To be able to continue its quest to establish working relations with the EC and to secure its member states' trade interests, the CMEA had to give de facto recognition to the EC supranational decision-making organ, the Commission. Moreover, the division of labour between the intergovernmental CMEA and the political leadership of the bloc, the PCC, had been defined.

On 16 September 1974, the Secretary of the CMEA, Nikolai Fadeev, sent a letter to President of the Commission François-Xavier Ortoli requesting that the Commission begin preliminary talks with the CMEA.⁵⁶ The first meeting between officials from both organizations took place in Moscow on 2–4 February 1975. On the EC side, the delegation was led by Director General for Foreign Relations Edmund Wellenstein and from the CMEA side, Director of the Foreign Trade Department Viacheslav Moissenko. The CMEA's goal was to start talks on the future visit of Ortoli and Moissenko put forward a proposal for the agenda and timetable of the Fadeev-Ortoli meeting. Possible questions for discussion included improvement of conditions for trade; possibilities to develop economic and scientific-technical cooperation; and the exchange of information.⁵⁷

The meeting turned out to be a disappointment. No progress could be made through negotiations as the positions of the two sides were wide apart, not to mention the differences in each representative's ability to speak on behalf of their organization's member states. The EC Commission insisted that before the Fadeev-Ortoli meeting could take place, a precondition had to be met: the CMEA would need to be on the same international footing as the EC. That is, to be able to start negotiations for an agreement, the CMEA needed to have an institutional equivalent of the Commission.⁵⁸

The reason for the absence of diplomatic relations between the organizations was political. Neither party wanted to give up their positions. The EC had agreed to the establishment of a Community--based foreign trade policy in the Treaty of Rome. The CMEA

54 Fadeev had approached the Danish presidency of the EC in August 1973, but did not receive an encouraging answer to his overture. SAPMO, DY 30/14003, Information über die 64. Sitzung des Exekutivkomitees des RGW (Moscow 25.-28.9.1973) Weiss to SED Politbüro, Berlin, 2.10.1973.

55 SAPMO, DY 30/J IV 2/2J 5393, Kurt Hager to SED Politbüro, Berlin 23.7.1974.

56 Yamamoto, *Détente or Integration?*, p. 86.

57 SAPMO, DY 30/IV.2/2.036/59, Tschanter to Verner (Arbeitsgruppe RGW), 13.2.1975.

58 Yamamoto, *Détente or Integration?*, p. 87.

had engaged in an effort to formulate a foreign policy but subsequently surrendered that right to the political leadership of the bloc.

8. Conclusions

As economic integration on both sides of the Iron Curtain progressed, the EC and the CMEA had to deal with the issue of how they would organize their trade relations with non-members, and with one another. At the core of the CMEA's need to formulate a policy towards the EC was its member states' gradual admission of their dependence on the West European market. Its EC policy became a means to try to evade the subsequent detrimental effect of this dependency on their ideology and system. The policy was detached from the Comprehensive Programme negotiations as a separate field of policy-making, because – as the member states themselves acknowledged – it was a high-level foreign policy issue that the organization was not equipped or even allowed to resolve. In this sense, the CMEA functioned according to its statutes.

To be able to act on the international arena, which was brought on by the necessity to adapt to global changes, the CMEA would have had to have a well-functioning decision-making mechanism. This situation presented the Soviet leadership with the means to try to tighten control within the CMEA – an issue that had been vigorously opposed by Romania in the early 1960s when the Soviet Union had previously attempted this. The Soviet Union seems to have investigated ways to enhance the CMEA policy-making process through a reorganization of its mechanisms. The materials used for this study nevertheless show that the question was not included on the agenda of the Executive Committee. The only organizational decision that the CMEA took in the period under analysis was to amend its charter in 1974, which was done to enable the organization to engage in negotiations and consequently to sign international agreements with third parties. No major revision of CMEA powers was pushed through at the time even though Brezhnev repeatedly criticized the organization's inability to reach decisions because of excessive room for national manoeuvring.

The negotiations on the Comprehensive Programme and particularly on the policy towards the EC saw the rise of national lobbies to make the CMEA stand up for its members' trade interests and to oppose unwanted developments. National manoeuvring within the CMEA was made possible by the weak decision-making structure of the organization. The amendment of the Charter in 1967 to include the "interested-party principle",⁵⁹ to allow member states to opt out of a CMEA plan that they did not want to participate in, did not apply in this particular policy. The question at hand – a common policy towards the EC – was a high-level foreign policy issue. There could be no choice for the members not to participate. In the face of the Cold War, the socialist bloc had

59 Bloed, *The external Relations*, pp. 27-32.

to be unified. Unanimity was the principle adhered to in the face of the threat coming from the West.

Any proposal to change the CMEA working mechanisms would demonstrate the paradox that CMEA cooperation entailed for the Soviet allies. If they needed to let the Soviet Union have more control, could they simultaneously affect Soviet policy choices? Based on the findings of this study, the CMEA should be seen as an instrument that all members used to advance their particular aims and interests. It acted as a multilateral forum of debate and a channel for airing even radical views. It can no longer be labelled simply as a Soviet weapon to control its bloc. In fact, the CPSU was not able to overpower the inter-governmental CMEA due to the organization's decision-making principles and, more importantly, because the member states were not willing to let that happen. Therefore, the Soviet leadership failed in its two goals: to bind the member states into the policy of non-recognition of the EC through the Comprehensive Programme at the initial stage and to forbid the CMEA to establish contacts with the supranational EC Commission at the later stage.

Nonetheless, it must be noted that the CMEA could not act without Soviet consent. Firstly, this was due to the unanimity rule, that is, the rapprochement with EC had to be accepted by all members. Secondly, there was a consensus of accepting the guiding role of the Soviet Union that was forcefully imposed on the allies after the Prague Spring through the Brezhnev Doctrine.⁶⁰ However, in this case, when estimating Soviet power over its allies there is one very rational reason as to why the East European states allowed the Soviet Union to lead the way towards a common position. They needed the Soviet Union to protect their economic interest vis-à-vis the EC. For the smaller CMEA states, the possibility that the Soviet leaders would only negotiate for their own relations with the EC was a particularly threatening one. This would leave them in a difficult situation. Their interests would no longer be protected and they would have to face the negotiators in Brussels alone. If they negotiated with the EC on an individual basis, each would be going up against a far superior economic power. With the Soviet Union on their side in the negotiations, they could rely on the main leverage that the socialist countries had, which was the vast raw material reserves of the Soviet Union.

Ultimately, the two organizations settled for an unofficial compromise and East-West trade continued without any institutional arrangement between the two. Official relations were established almost 15 years after the first meeting in 1988.

60 For a thorough discussion of the doctrine in Soviet-East European relations, see: M. Kramer, The Kremlin, The Prague Spring, and the Brezhnev Doctrine. (<https://archive.org/details/TheKremlinThePragueSpringandtheBrezhnevDoctrinebyMarkKramer2009-09-01>, 2009).