

## A Meeting of the Politburo, March 10, 1988

About COMECON.

**Gorbachev:** The HPR [Hungarian People's Republic] and the PPR [Polish People's Republic] have a volume of differentiated trade with the West three times as large as we have. We look at them askance when they walk away toward the West, but we cannot replace [Western goods] with anything. In COMECON we almost have no trade. Only primitive exchange. The essence is in oil [from the Soviet Union]. And our representatives feel no need to trade with them. And they do not feel it either. In the European Union there is a market, but not in COMECON. They [Eastern Europeans] even sell us food for currency.

Our assistance [programs to Eastern Europe] alone take 41 billion [rubles] annually from our budget. Cuba takes 27 billion. In relations with COMECON we must take care, first of all, of our own people. It has become excessively hard for us to conduct business as we have been doing for the last decades. The program [of socialist integration] is dead...

For instance, Poland, [First Secretary Eduard] Gierek. What was it all based on? On the credits from the West and on our cheap fuel. The same is [true] with Hungary. There are specific features in Yugoslavia. But even Yugoslavia is on the brink of collapse. We should draw lessons from all this.

What is our approach? Our priority is the political stability of the socialist countries. This is our vital interest, including the perspective of our security.

... We need the goods from socialist countries. And we bear our responsibility for [the future of] socialism. In an economic sense socialism has not passed the practical test. Therefore we should hang on. Although the situation is gripping us at the throat [*dushit*]. This is the first thing we should keep in mind. We cannot isolate ourselves from COMECON. But what is to be done? The main objective in our approach is what we have been trying to achieve today – to accelerate [*nazhimat na*] the scientific-technical revolution, development of machine-building interests, technological reconstruction. This will liberate [the socialist camp] from the purchase of technologies [from the West]. Consequently, this will free up hard currency...

We should be candid with COMECON and tell them: should we become integrated or not? And they must make up their mind, because we cannot forever remain a provider of cheap resources for you. If they tell us "no," then our hands are free...

*Source: Notes of Anatoly Chernyaev. The Archive of Gorbachev Foundation, Fund 2, Opis 1*

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