Comecon: The Council for Mutual Economic Assistance (1949)

Comecon was Stalin's answer to the Marshall Plan. Stalin was aware that the Marshall Plan was very attractive to some Eastern European governments. Having ordered his satellite states to boycott Marshall Aid, he needed to set up a communist alternative. Therefore, in 1949 he established Comecon. In the first year, Comecon comprised the USSR, Bulgaria, Czechoslovakia, Hungary, Poland and Romania. Albania and Eastern Germany joined in 1950. Comecon aimed to encourage the economic development of Eastern Europe. It also attempted to prevent trade with Western Europe and America. This had political and economic implications.

- Politically, it would minimise American influence in Eastern Europe and the USSR.
- Economically, it ensured that the benefits of economic recovery in Eastern Europe remained within the Soviet 'sphere of influence'.
- It also meant that Eastern Europe did not have access to the prosperity of Western Europe.

'Two camps'

The USSR and America both recognised that, following the Potsdam Conference, Europe had divided into 'two camps'. This division had hardened as a result of Marshall Aid, which brought Western Europe into America's camp, and Cominform and Comecon, which established a Soviet camp in the East. In 1945, there had been two unofficial 'spheres of influence' in Europe. Marshall Aid and Comecon turned these 'spheres of influence' into two official economic alliances.