

L. Krasnov

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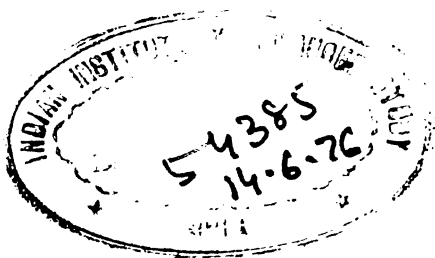


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Introduction

One of the distinctive features of the modern world is the rapid expansion of economic, scientific, technological and cultural ties between nations. World trade is booming. Between 1951 and 1972 it increased more than six times reaching the huge sum of more than 800 thousand million dollars while during the preceding 40 years it barely doubled in size. Significantly, unlike the previous period, the rate of growth in foreign trade is now far ahead of the increase in material production. The role of external ties is rapidly increasing both in the economies of individual countries and in the world economy as a whole. Exchanges in the field of science and engineering are expanding at an even faster rate. For instance, over the past few years the sum total of the world turnover in licence agreements has been growing three to four times faster than goods turnover.

Progress in the economic relations between states is an objective phenomenon. It is based on the expanding social division of labour and also on the fact that the economic activities are becoming more and more internationalized.

This trend was revealed and analyzed by the founders of Marxism-Leninism. For instance, Lenin said that "there is a tendency towards the creation of a single world economy, regulated by the proletariat of all nations as an integral whole and according to a common plan.

This tendency has already revealed itself quite clearly under capitalism and is bound to be further developed and consummated under socialism.”¹

Nowadays the internationalization of the economic activities has assumed an especially deep and comprehensive character. This is closely linked with radical changes in the development of modern productive forces, marked by the rapidly growing importance of science, the manifold increase in overall production, a steep rise in the level of its concentration and socialization both on a national and an international scale.

Industries and even individual factories often produce much more than domestic markets can absorb. On the other hand, production is expanding in volume and variety. The production cycle is being increasingly broken down into a multitude of stages and operations. These developments make it practically impossible for any country to meet all of its needs from its own production alone. They create an urgent need for international specialization and co-operation in the output of manufactured goods and their components and accessories.

The world scientific and technological revolution is making itself felt in this field with even greater force. Science has become the main source of production growth. Major progress is being made in the use of new types of energy and in space exploration. Artificial materials of much higher quality are being made and automatic production lines and control systems are

¹ Lenin. *Coll. Works*, Vol. 31, p. 147.

being introduced. These developments have opened up unprecedented prospects for developing productive forces and increasing labour productivity. However, even relatively big and economically advanced countries are often unable to mobilize the vast sums of money and resources required to exploit these opportunities and ensure further scientific and technological progress.

International economic co-operation has become indispensable to social progress. As countries are developing scientific and technological exchanges and industrial and technological ties, this co-operation exerts an increasing influence on their economies. It affects not only the sphere of circulation but also other stages in the production cycle.

In the course of this development individual countries are gradually establishing deep, stable and ramified ties in production, science, technology and the market. International economic organizations and enterprises are being established and, what is especially important, joint machinery including inter-state machinery for managing economic co-operation is being set up. As a result, what is emerging is a system of harmonious interdependence in which various branches of production and various national economies interweave with and supplement one another within the framework of various international complexes. These factors combine to make up what is known as economic integration which represents a fundamentally new, higher stage in the internationalization of production. Economic integration is comprehensive. It embraces productive forces, production

relations and key elements in the superstructure. It leads to close co-operation between the integrating countries in every sphere of life, including politics, ideology and culture.

In the second half of this century international economic integration is becoming one of the vital factors in the development of world economy. More and more states in both the capitalist and socialist systems are being affected by this process. There are now about 10 broad inter-state agreements on integration, embracing several dozen countries of Europe, Asia, Africa and Latin America. They account for more than half of world industrial output and foreign trade turnover.

But there is more to it than that. The influence of international economic integration goes far beyond the countries involved. It cannot fail to affect the entire fabric of world economic relations.

To begin with, economic integration is one of the main areas of peaceful competition between socialism and capitalism. In this area it will become clear which of the two world social systems is best able to draw the people together into a closely-knit and firmly established community and which of them can make the fullest and most rational use of the potentialities offered by the international division of labour to speed up production growth and raise its economic efficiency.

In the advanced capitalist countries the people led by the working class are fighting hard against the trend to use economic integration to bolster up the domination of imperialist monopolies and to encroach on the workers' so-

cial and political rights. In the developing countries the progressive forces are vigorously opposing the neo-colonialist policy of the imperialist integrated groups. On the other hand, these countries are seeking to promote their own economic integration in an effort to overcome economic and cultural backwardness and to free themselves of dependence on the imperialist states. Last but not least, economic integration in the capitalist world is sharply aggravating inter-imperialist conflicts. The imperialist monopolies clash in their cut-throat competition to dominate the integrated groups and promote economic expansion outside them. This struggle involves the most powerful forces of the capitalist world: Western Europe, the United States and Japan.

It is little wonder, therefore, that the problems of economic integration arouse keen interest among the scholars and experts working in the field of international relations and of world public opinion. The search for answers to questions about the nature and mechanics of integration leads to the most conflicting and diverse views and often gives rise to totally unsubstantiated theories.

The latter particularly applies to what is being said about socialist economic integration. It is typical of capitalist ideologists and Western propagandists that when they write about the socialist countries they try to play down their achievements in economic development and international co-operation. They distort the class essence of socialist economic integration and attribute to it capitalist forms and methods. Many Western theoreticians also hope that in-

tegration will help bring about what they describe as the "convergence" of the two systems. They claim that socialism and capitalism will overcome their antagonisms, draw closer together and later merge into one, without, of course, touching the basis of the capitalist system. As often as not Western theoreticians deny the logical and natural character of socialist integration alleging that the idea of integration has been borrowed from the West. The purpose of such conjectures is plain enough. They are aimed at hampering the efforts to build up the power and cohesion of the socialist community, and at whitewashing capitalist integration. Last but not least, they are intended to convince the peoples of the capitalist countries and the Third World that the hardships that accompany economic integration are inevitable.

Nationalist and revisionist elements of every kind and persuasion who deviated from Marxism-Leninism, also spread such concepts directly or indirectly. As for the Peking leaders, they act as the most diehard enemies of socialist integration. They have completely joined forces with the extreme reactionaries in their fight against the socialist community. The Chinese splitters are doing their utmost to undermine co-operation between the socialist countries, set them against one another, prevent them from coming closer together economically and from consolidating the unity of the socialist world. On the other hand, the Maoists praise capitalist economic and political integration, hoping to make use of it in their fight against the socialist community.

The capitalist ideologists and revisionists claim that there is no difference between socialist and capitalist economic integration. This is the starting point of their theories. They cover up the fundamental differences between the two types of integration, and deny the fact that as regards their social character they are opposites.

This approach is wrong from the theoretical point of view and has nothing to do with reality. Its main methodological shortcoming lies in the fact that it regards integration as something prompted by the development of productive forces and the scientific and technological revolution, and completely divorced from the nature of production relations. Meanwhile, it is the latter that determine the essence, motive forces and forms of economic development. Socialist integration is a natural product of the world socialist economic system and is governed by its laws and principles. Likewise, integration in the West is part and parcel of state monopoly capitalism and embodies all of its specific features and peculiarities. Since the two world social systems are direct opposites, basic differences inevitably arise in the nature, objectives, forms and methods of socialist and capitalist economic integration. This is borne out by the development of integration processes in the West European countries, who belong to the Common Market or the European Economic Community (EEC), and in the socialist countries who are members of the Council for Mutual Economic Assistance (CMEA).

Socialism paved the way to managing the development of international economic, scientific

and technological ties and to bringing nations closer together economically in a conscious manner. The Council for Mutual Economic Assistance is the world's biggest inter-state organization of economic co-operation. It now embraces socialist countries in Europe, Asia and Latin America—Bulgaria, Hungary, the GDR, Cuba, Mongolia, Poland, Romania, the USSR, and Czechoslovakia. When it emerged in January, 1949, it became a milestone in international economic co-operation. It marked the beginning of the co-ordinated economic activity of socialist countries on a collective basis and made it possible to shape the international socialist division of labour in a planned manner.

The CMEA member-countries are gradually coming closer together economically. This development stems logically from the entire progress of world socialism. Socialist production relations are based on the public ownership of the means and instruments of production and rule out the exploitation of man by man. The member-countries have political systems based on the government of the working people led by the working class. They have a common Marxist-Leninist ideology imbued with the ideas of proletarian internationalism. These factors provide a firm objective basis for drawing together the fraternal nations on all fronts and for increasing co-ordination and pooling of efforts in the interests of building socialism and communism.

The CMEA member-countries led by their Communist and Workers' Parties are steadily improving their new ramified system of inter-state economic co-operation. This system makes

it possible to combine successfully the interests of each country with those of the community as a whole, to develop and deepen the co-ordinated activity of their national economies, and to systematically bring them closer together on a planned basis. As far back as the mid-fifties they began to co-ordinate their five-year economic development plans and carry out measures on specialization and co-operation in production and also to build a number of important joint economic projects of common interest. By that time there was a broad and steady exchange between the fraternal countries of the latest advances in production, science and technology. These countries had developed their own international market with its systems of planned commodity deliveries, prices and payments. CMEA set up bodies for intersectoral co-operation as well as organizations specializing in various industries and branches of science to promote social production.

Consequently, integration in the socialist world was developing on its own simultaneously with and sometimes ahead of economic integration in the West. Indeed, the European Coal and Steel Community, the first inter-state industrial organization in Western Europe was formed in the early fifties while economic integration on a national scale began practically from 1958 after six countries (the Federal Republic of Germany, France, Italy, Belgium, the Netherlands and Luxembourg)¹ signed the Treaty of Rome, which outlined a long-term pro-

¹ In 1973 they were joined by Britain, Denmark and Ireland.

gramme for setting up a Common Market and also an economic and currency union.

Even a cursory glance at these facts gives the lie to the claims that socialist integration was *borrowed* from the West. Actually, it is just the other way round. It is common knowledge that the emergence of the European Economic Community was largely the reaction of West European imperialism to the growing strength and international prestige of the CMEA countries. Moreover, in choosing ways and means of regulating integration, the Common Market leaders are turning to CMEA's experience in expanding economic co-operation according to a plan. They also have to take into account the influence on the whole fabric of international relations exerted by the new standards and principles that have emerged in the relations between socialist countries.

When the 25th session of CMEA in July, 1971 adopted a Comprehensive Programme for the Further Extension and Improvement of Co-operation and the Development of Socialist Economic Integration, the whole process moved into a new phase. This phase is marked by a fuller use of the potentialities offered by integration. The Programme laid down guidelines for bringing the member-countries closer together in all aspects of their economic activities over the next 15-20 years and mapped out specific measures to secure steady progress in this direction.

The Programme defines socialist economic integration "as a process that is consciously and systematically regulated by the Communist and Workers' Parties and the Governments of the CMEA member-countries. It is a process of the

international socialist division of labour, the drawing closer of their economies and the formation of modern, highly effective national economic structures, of a gradual drawing closer and evening out of their economic development levels, a formation of deep and enduring ties in the basic branches of the economy, science and technology, and expansion and consolidation of the international market of these countries, and an improvement of commodity-money relations.”¹

The effort to implement this Programme is now the key element in economic, scientific and technical co-operation between the CMEA countries. The advantages of socialist economic integration are being translated into reality and becoming more and more apparent with every day. This is evident from the rapid growth of their social production and living standards, from the growing unity and cohesion of the socialist community, and from the increasing influence of socialism on the march of world events and on the efforts to ensure a lasting peace and international security.

The Economic and Social Progress of the CMEA Member-Countries

The CMEA is the world's biggest inter-state association. The territory of its member-countries is 25 million square kilometres or 19 per cent of the earth's surface. They have a combined population of 360 million, which is

¹ *The Comprehensive Programme*, Progress Publishers, Moscow, 1971, pp. 14-15.

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¹ *The Comprehensive Programme*, Progress Publishers, Moscow, 1971, pp. 14-15.

about 10 per cent of the world's total. In these respects they surpass the European Economic Community. Though Britain, Denmark, and Ireland have recently joined the Six, the territory of the EEC countries makes only 1 million 600 thousand square kilometres (about 1 per cent of the earth's surface) and their population is some 250 million (7 per cent of the world's total).

The CMEA countries have made big headway in developing their productive forces. In 1972 their gross national income went up almost 5.4 times as compared with 1950. Industrial output increased 7.9 times. In the advanced capitalist countries the corresponding figures were 2 and a half and 3 respectively. CMEA is ahead of the Common Market in the rate of economic growth—this has become a stable trend. For instance, since the beginning of the last decade, when the tendencies towards integration became pronounced, the CMEA countries have increased their industrial output about 2.6 times while the current member-countries of the European Economic Community boasted an increase of 1.7 times. The average annual growth rates in industrial production were 8.1 and 4.6 per cent respectively.

As a result of its higher rate of economic growth, the socialist community benefits from the time it gains in the competition between the two systems. While the CMEA members double their industrial output every 9 to 10 years, it takes the EEC more than 20 years to do likewise.

What is more, unlike the socialist countries whose economies are steadily moving ahead

without slumps or recessions, the economic growth in the Common Market countries is marked by sharp fluctuations. Integration does not cure the capitalist economy of its inherent anarchy in the sphere of development of production or from recurrent crisis phenomena. Between 1971 and 1972 the annual growth of industrial output in the European Economic Community as a whole dropped to 2.7 per cent while Italy even registered an absolute drop in production. Manifestations of an economic recession have been observed in the Common Market countries since 1974.

The rapid growth of productive forces in the CMEA countries is accompanied by profound and progressive changes in the structure of social production. While earlier they had a low level of industrial development, as a rule, and mostly a backward agriculture, at present most of them have many-sided, advanced economies based on modern industries.

Of special importance is the emergence in the socialist community countries of a powerful heavy industry, in particular, power engineering, machine building and chemical industries. Incidentally, the industries shaping over-all technological progress are moving ahead faster than the rest. This is a law which governs the economic growth of the CMEA countries. In the early seventies these industries accounted for more than two-fifths of the gross industrial output.

Since the socialist countries have developed their own industries to produce the means of production, they have become independent both technically and economically. Their own pro-

duction and mutual exchange system enable them to meet practically all their needs in power, mining, oil and many types of industrial equipment, in tractors and other farm machines, the means of railway, motor and air transport as well as in the output of power, the main types of fuel, metals and fertilizers.

Moreover, since they have a heavy industry of their own, it enables them to pay more and more attention to raising the output of consumer goods, increasing variety and improving quality. The production of these goods is moving ahead at a faster rate than in the advanced capitalist countries. Requirements in various foodstuffs and manufactured goods are being met more and more fully.

Of tremendous importance to the development of the CMEA countries is the complete reorganization of agriculture. Nearly all of them have completed the transformation of agriculture along socialist lines. Millions of small farmers have joined forces to set up big co-operatives. State-owned farms are also doing well. In spite of the allegations of Western propagandists about "crisis" in socialist agriculture, it is steadily advancing. The socialist community's gross farm output has more than doubled over the past 20 years while in the capitalist countries it increased roughly about 50 per cent. Labour productivity in agriculture is growing even faster. The socialist community is catching up with the advanced capitalist countries in the main crop yields and in the level of farming equipment.

The fact that the socialist countries are far ahead of capitalist countries in the rate of eco-

conomic growth is so obvious that even the enemies of socialism now have to admit it. But they often claim that the gap between the absolute volumes of production is still not eliminated. When the Common Market was enlarged a short while ago, the Western press was quick to declare its alleged economic superiority over CMEA. In West Germany the magazine *Stern* claimed that with the entry of Britain, Denmark and Ireland the EEC had turned into an economic bloc of world-wide importance second only to the United States.¹

But what is the real situation? Statistical data indicate that in the second half of this century a radical shift is taking place in the correlation of forces in the world economy in favour of socialism. The CMEA countries now have the world's biggest economic potential. In 1972 their total share in world industrial production was about 33 per cent against 18 per cent in 1950. Meanwhile, the share of the enlarged EEC dropped from 23 per cent to 17 per cent and that of the United States from 43 to 25 per cent.

As recently as the early sixties the Common Market Nine were ahead of the CMEA countries in the output of electricity, steel, mineral fertilizer and many other products. Now the situation is different. In 1972 electricity output in the latter countries was 1,146 thousand million kilowatt-hours exceeding that of the EEC by 21 per cent. The output of steel was 170 million tons or 15 per cent more, of mineral fertilizer

¹ *Stern*, No. 50, 1972, p. 208.

24 million 200 thousand tons (in terms of effective content) or 58 per cent more than in the EEC. CMEA produced 1,100 million pairs of leather shoes or 27 per cent more than the EEC. The CMEA member-countries produce more than twice as much sugar and grain as the EEC does. In the gross output of most of these products the CMEA countries are also ahead of the United States.

Since countries differ in size, it is customary to measure the level of their economic development not so much by the volume of production as by its per capita output. If we compare the share of the CMEA countries in world industrial production (32 to 33 per cent) and their share in the world population (about 10 per cent), we shall find that in 1972 their gross industrial output per head of the population was more than three times the world's average.

Although the CMEA countries are still behind the advanced capitalist countries in per capita output of key products, they are closing the gap very fast. In 1960 the CMEA countries were behind the EEC 30 to 40 per cent in per capita output of electricity, steel and cement. At present the difference is not more than 15 to 20 per cent. Accordingly, the per capita output of mineral fertilizer was only 50 per cent of that in the EEC while at present CMEA produces about 10 per cent more.

The socialist community holds leading positions in a number of key areas in world science and technology. It accounts for one million 200 thousand scientists or about one-third of the world's total. Soviet scientists and experts opened up outer space to mankind and laid the

ground work for using atomic energy for peaceful purposes. Scientists in the socialist countries have made outstanding contribution to the development of mathematics, modern theories on management and information processing, the study of solids and high energies, the making of lasers and computers, the development of automation and remote control, and knowledge of the physical and chemical processes of the living organism. The socialist community has developed the most efficient steel and non-ferrous metal industries, put up the world's biggest power stations and evolved highly efficient techniques for transmitting power over long distances.

A steady growth of labour productivity is achieved by introducing new machines and techniques and by organizing production on a scientific basis. In the CMEA countries this growth provides the major factor in boosting material production, and accounts for four-fifths of their national incomes. They are ahead of the capitalist world in the rate of labour productivity growth. Between 1966 and 1970 the output per industrial worker of the CMEA countries rose by 5.5 per cent a year on the average while in the United States and Britain it rose between 2 and 3 per cent and in Italy and the Federal Republic of Germany by 5 per cent. What is important to remember is that labour productivity in the socialist countries as distinct from the capitalist countries is increasing within the normal limits of labour intensity and without physical or nervous overstrain. On the other hand, it is estimated that in a number of US industries labour intensity is between 50

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and 100 per cent higher than in the Soviet Union.

However, the area of social relations is perhaps the one where the basic difference between socialism and capitalism and, accordingly, between the two types of economic integration, is particularly pronounced.

What has always been and remains the supreme goal of socialism is the all-round development of every member of society and the satisfaction of the steadily growing material and cultural needs of all. It is the effort to achieve this goal that, in the final analysis, constitutes the principal meaning of the economic co-operation between the CMEA countries and that is reflected in every document defining the objectives of co-operation between the socialist countries. This also applies to the Charter of the Council for Mutual Economic Assistance and to the Comprehensive Programme for the Further Extension and Improvement of Co-operation and the Development of Socialist Economic Integration.

The CMEA countries have made good progress in raising the standard of living. Working people in these countries enjoy social benefits unattainable in capitalist society. They are completely free from exploitation, from any forms of social or national discrimination. They are safe from economic crises and unemployment.

In the socialist countries the national income is distributed in the interests of society as a whole. As a rule, about three-fourths of the national income goes to meet current social and personal needs while the rest is spent on expanding material production and other require-

ments of socialist society. The funds set aside for individual consumption are distributed strictly in accordance with the principle of equal pay for equal work in keeping with its quantity and quality.

While advancing their economies, the CMEA countries also maintain full employment. The average number of factory and office workers in these countries went up from 88 million in 1960 to 134 million in 1972 (or about 50 per cent).

Priority goes on raising the income of the low-paid workers and on increasing the minimum wage. The member-countries follow a consistent policy of keeping retail prices and the cost of services at a stable level or reducing them in a number of cases, which produces a steady rise in real income. In the Soviet Union, for instance, per capita real income went up nearly 70 per cent between 1961 and 1972. During the same period real wages and salaries in Bulgaria, Czechoslovakia, Hungary, Poland and Romania increased between 40 and 50 per cent.

The supply of consumer goods is increasing with every year. From 1961 to 1972 per capita retail sales in the Soviet Union, Bulgaria, Hungary, Poland and Romania more than doubled while in the rest of the member-countries they rose 40 to 70 per cent.

The socialist countries are steadily improving working and living conditions. Working hours are being reduced and paid holidays are being extended.

The CMEA countries hold one of the world's leading places in scale of housing cons-

truction. They build about 3 million flats a year as compared with 2 million flats in the Common Market countries. What is more, in the socialist countries most of the housing is built at state expense. Rent and rates are kept at the minimum level. They are never above 3 to 4 per cent of a family income while in capitalist countries they account for more than one-fourth.

Only 25 years ago illiteracy was widespread in most of the CMEA countries. They had few schools, cultural and medical centres. The death rate was high.

At present, however, they are among the leading countries in the world in level of education, culture and health protection. In the Soviet Union the number of students per every 10 thousand of the population is 187, in Bulgaria 108, in Poland 101, in the German Democratic Republic, Hungary and Czechoslovakia 88 to 90, while in Britain the ratio is 87 and in the Federal Republic of Germany 62. The CMEA countries now have 26 doctors per 10 thousand of the population, while Britain has 15, the Federal Republic of Germany 21, and Italy and France 18.

The social objectives and consequences of capitalist integration present a sharp contrast to this. The experience of the European Economic Community shows that the main objective of capitalist economic integration is completely determined by big monopolies. In spite of the rules of "fair" competition proclaimed by the Common Market leaders and the numerous "antitrust" investigations and bans, the most powerful industrial monopolies and financial

groups are tightening their grip. In the Federal Republic of Germany the share of the joint stock companies with a capital over 100 million marks in the total assets of all joint stock companies increased from 32 per cent in 1954 to 62 per cent in 1968. In the period of 1961-1969 according to the EEC Commission, there were about 1,300 international mergers and take-overs involving Common Market companies. They gave rise to a number of giant monopolies with numerous subsidiaries in Western Europe and other parts of the world.

American concerns are also active in the drive to centralize and monopolize capital in Western Europe. The attempts of EEC agencies to contain their penetration have produced no results. American monopolies control a number of key enterprises in Western Europe, in particular, in the electronic, oil refining and motor industries. According to the French weekly *Le Nouvel Observateur*, the annual turnover of the 25 most powerful industrial and banking groups of the Common Market is more than double France's national budget. These and similar international giants employing tens and hundreds of thousands of workers are the real controlling force of the Common Market.

Even the most loyal supporters of West European integration have to admit this fact. "Politicians are for the most part only nominal leaders," says Jean-Jacques Servan-Schreiber, a prominent champion of a "united Europe". "Real power is almost exclusively in the hands of the company presidents."

Naturally, the omnipotence of Big Business is used to increase the exploitation of the work-

ing people. It is on them that the capitalist monopolies are shifting the burden of the costs connected with the "rationalization" of production in the Common Market.

Earlier the EEC leaders promised better working and living conditions for workers, in particular, programmes designed to provide more jobs, professional re-training, new openings in the less developed areas, and so on. Yet all this still remains on paper.

Foreign workers are mercilessly exploited. They are widely employed in the Common Market countries in keeping with the Treaty of Rome, which provides for the free movement of the labour force. The total number of immigrants working in France runs into 2.5 million (20 per cent of the labour force), in the Federal Republic of Germany 2.3 million (11 per cent) and in Belgium 200 thousand (11 per cent). Foreign workers are given the hardest, most unskilled jobs and are paid less than local workers. In fact, they have no rights, either political or social. Monopolies use foreign labour to intensify competition on the labour market, bring pressure on local workers and divide the working class.

Significantly, the rate of unemployment in the Common Market countries remains high. Even according to official figures, the number of totally unemployed reached 3.2 million in the nine countries of the EEC in 1972, having increased more than 50 per cent as compared with 1965. What is more, these countries also have millions of underemployed.

Galloping inflation has become a plague for every category of workers in the EEC countries.

Though tariff barriers were removed, prices of consumer goods, far from going down, began to soar. Neither joint nor individual measures of the EEC countries have been able to curb inflation. In the sixties food prices in France went up 45 per cent, in the Federal Republic of Germany 24 per cent, in Italy 34 per cent, and in Britain 58 per cent. Prices continue to climb together with rent, rates and fares.

Naturally, this situation results in mounting antagonisms between labour and capital and in the intensifying class struggle in the Common Market countries. In France strikes between 1966 and 1970 involved more than 3.7 million workers against 2.1 million in the preceding five years, in Italy more than 4 million against 3 million. In Britain the working class is also stepping up its resistance to attempts to freeze wages under the pretext of readjusting the economy to Common Market requirements. In Denmark the workers organized a mass demonstration in the spring of 1973 against the employers' attempts to make them bear the burden of the price increases caused by entry into the EEC. Even the staff of EEC bodies is not free from social conflicts, and in the autumn of 1972 a strike of office workers and technicians, involving about 2 thousand, was organized.

In the course of this struggle the working class of the Common Market countries is building up its unity. Local and foreign workers are increasingly joining forces. Workers employed at the factories of international companies in various countries organize joint protests. Trade

unions and working-class parties are broadening their international contacts.

The aggravation of class antagonisms vividly illustrates the collapse of the policy of reconciliation and "partnership" between labour and capital proclaimed in the EEC. The former Chairman of the Common Market Commission, S. Mansholt, had to admit, in a statement made early in 1973, that the process of integration had led to serious social tension and to serious social problems. The gap in the living standards between the various regions of the community, far from narrowing, had become perhaps even more noticeable. There had been no improvement in the general position of the broad mass of people.

Against the background of the irreconcilable antagonisms pulling the Common Market apart, the integration of the CMEA member-countries is more and more establishing itself as a real alternative opening up the way to rapid economic and social progress.

The International Socialist Division of Labour

The economic, scientific and technological co-operation between the CMEA countries is a powerful factor in speeding up their progress both in the economic and social fields.

There is a rapid increase in trade between the CMEA countries, and profound changes in its structure have taken place. The total volume of their trade reached over 68 thousand

million roubles¹ in 1972 which is an increase of eight times over the 1950 level, and 2.7 times over the 1960 level. Foreign trade grows faster than production. For instance, between 1961 and 1972 the annual growth rate of goods turnover between them was 8.7 per cent while their national income and industrial production were going up at the rate of 6.5 and 8.1 per cent respectively. As a result, external ties are coming to play an increasing role in their economies. Over the past few years the share of exports in the national income has been in Czechoslovakia and the German Democratic Republic about 25 per cent, in Bulgaria 30 per cent and in Hungary 34 per cent. The figure was much lower in the Soviet Union (6 per cent) because of its vast economy, but it did show a tendency to rise gradually.

Incidentally, the defenders of West European integration are usually inclined to underestimate the level and degree of integration between the CMEA countries, claiming that the Common Market is much stronger than CMEA in this respect.

However, the facts show that such allegations are totally unfounded. Firstly, the EEC is virtually nothing but a closed customs union with a common trade policy and a joint mechanism to regulate farm development. Its members cooperate in trade and industry and, though this

¹ The foreign trade turnover of the CMEA countries is measured in transferable roubles. The official rate of exchange against the US dollar before 1972 was 0.9 roubles, after 1972 0.8234 roubles and after February, 1973 0.7461 roubles.

is no small thing in itself, it is far short of the original plans.

In October, 1972 the Paris summit of the West European Nine decided to set up an economic and monetary union. But this decision was never carried out. The Nine are also failing to meet the targets of their few inter-state programmes for joint industrial, scientific and technological activities. Nor can they work out a common policy on the energy and financial crises. Significantly, the former President of the EEC Council, Ivar Norgaard, once admitted that there was a huge gulf between what the Common Market had achieved and the beautiful dreams of its future.¹

On the other hand, the economic relations of the CMEA countries are developing at a rapid pace. For instance, the value of goods exchanged between them reached 43 thousand million roubles in 1972 or about 62 per cent of their total foreign trade turnover. This figure characterizes the degree of integration of national economies to a large extent, and in this respect CMEA is ahead of the EEC, where mutual trade accounts for less than half of the total volume of foreign trade.

The fraternal socialist countries sell the bulk of the goods produced by their key export industries through their system of mutual contacts. This system enables them to satisfy also most of their import needs in new machines, fuel and raw materials. Mutual trade enables the CMEA countries to meet more than 70 per cent of their import needs in machines and

¹ *Berlingske Tidende*, November 28, 1973.

equipment, rolled steel, mineral fertilizers and 80 to 90 per cent in iron ore, coke, coal and oil.

The proportions developing in their mutual trade determine the overall commodity structure of their foreign trade, helping actively to improve it. Industrial goods, in particular, high-quality goods, are figuring more and more prominently in their exports. This progressive tendency is making particular headway in mutual trade. At present machines and equipment make up more than 40 per cent of the cost of their mutual exports, and together with industrial consumer goods they amount to about 60 per cent of its volume, though back in 1960 the total share of these goods was around 40 per cent.

The successful trade between the CMEA countries is in fact the outward, most pronounced aspect of their profound, widely ramified integration links. Their key feature is that they are based on the solid foundation of planning. The CMEA countries have been co-ordinating their economic development plans over the past 20 years to ensure the purposeful shaping of guidelines and proportions in economic, scientific and technological co-operation.

Specialization in the production of many important items has been put on a stable footing. For instance, the German Democratic Republic and Poland have become the biggest suppliers of marine transport and fishing ships in the socialist community. The production of rolling mills is chiefly concentrated in the Soviet Union, the German Democratic Republic and Czechoslovakia while that of oil equipment in the So-

viet Union and Romania. The demand in the socialist countries for battery-driven trucks and telfers is chiefly met by developing specialized production in Bulgaria. Thanks to the Organization for Co-operation of the Axle-bearing Industries (OCAI) the production of all the main types of antifriction bearings has been specialized too.

Co-operation in the production of machine parts and units is also developing. For instance, Bulgarian, Czechoslovakian, Hungarian, Polish and Yugoslav factories are supplying more than 60 types of component parts for the cars produced at the Volzhsky car factory in the Soviet Union. Other industries are also becoming more integrated. The exchange in rolled steel of different types has increased from 800 thousand tons in 1964 to 2.5 million tons in 1972 within Intermetall.

Since the socialist countries have combined their power systems, they have been able to make the power supply more reliable, install big plants, reduce the loss in transmission and increase exchanges of electricity from 3,300 million kwh in 1963 to 20,500 million kwh in 1972. Their rolling stock pool fully services freight traffic in the European part of the community and a considerable part of the internal traffic as well.

In the fuel and raw material industries the socialist countries are jointly building a number of big projects of common interest. The countries concerned are contributing to the development of the Soviet Union's oil, gas and iron ore industries. Their investments are later paid off by the produce of these industries. The

same arrangement helps to expand the mining of coal, sulphur and copper ore in Poland and to build big potassium fertilizer factories in the German Democratic Republic and calcinated soda factories in Bulgaria, etc. The jointly built Friendship Oil Pipeline, the world's longest, is also functioning well. It runs from the Volga river basin in the Soviet Union to European CMEA countries. The pipeline carried 190 million tons of oil between 1963 and 1972. The building costs were paid off in the fourth year after it was put into operation.

Scientific and technological co-operation is also increasing in scale. Over the past 20 odd years the Soviet Union has exchanged tens of thousands of sets of blueprints and other technical documentation free of charge with the other fraternal countries. This has helped them save a lot of money and to some of them was of crucial importance in building their own modern industries. Every year the CMEA countries exchange thousands of scientists, experts and workers to study each other's experience in production and specialization and to attend training courses. They also accept large numbers of students and postgraduates. Over the past few years there has been marked progress in the joint development and studies of scientific and technological problems.

The CMEA countries are also expanding their co-operation in the sphere of circulation.

Western ideologists often describe the system of planned management of international economic co-operation as almost a complete repudiation of commodity-money relations and a switchover to the system of barter. In fact, how-

ever, co-operation between the socialist countries is characterized by its advanced commodity-money relations, including market, monetary and credit ties.

The CMEA countries mostly exchange goods on the basis of long-term inter-state trade agreements and annual protocols. They fix the quantities or costs of the key goods vital for the economic development of the socialist countries, which provides a planned and stable character to trade. The concrete commercial terms or specifications concerning the lists of mutual deliveries are regulated by contracts between trading agencies.

The planned nature of their trade is also backed up by a system of stable foreign trade prices. Since 1958 the socialist countries have been fixing the latter on the basis of world prices adjusted to discount the transitory fluctuations of the capitalist market. The planned regulation of the flow of goods, the absence of exploitation and competition, the high degree of serialization and the long-term character of exchanges of goods between them are all factors which offer considerable practical advantages to the socialist countries in their mutual trade as compared to the conditions of the capitalist market.

There has also been major headway in the shaping of an international system of socialist monetary relations. The International Bank for Economic Co-operation (IBEC) was established in 1964 and the CMEA countries adopted a system of multilateral settlements based on the transferable rouble which is their collective currency. This system has been successfully meet-

ing the needs of socialist economic integration for a number of years.

Experience shows that the transferable rouble is the most stable currency in the world. It has a fixed gold content (0.987412 gram of pure gold) and a real commodity basis in planned organized trade at fixed prices. The stability of the international socialist currency is particularly striking against the background of the deep crisis the capitalist financial system is now going through. The purchasing power of the dollar is falling. Its conversion into gold has been stopped. Capitalist currencies are being devalued or revalued. And it is an indisputable fact that the transferable rouble has reliably protected the CMEA countries from the upheavals creating such havoc in the capitalist money markets.

Last but not least, there has emerged a harmonious organizational system to manage co-operation between the CMEA countries. It is backed by the leading role of the Communist and Workers' Parties. The conferences and bilateral meetings of their leaders make it possible to consider the key problems of co-operation between the CMEA countries and determine ways for its development. For instance, the decisions jointly worked out by the leaders of the fraternal parties at the 23rd special session of CMEA in April, 1969 were taken as a basis for a Comprehensive Programme. Moreover, in their respective countries the Communist Parties organize and direct the entire effort to implement the joint decisions.

In the course of socialist economic integration the relations between the CMEA countries are first of all being shaped as those between

states. The policy is to expand participation in external economic activities of various ministries and departments, economic, research and designing centres under the centralized guidance of the socialist states.

In accordance with the basic principles of socialist economic management, a system of international bodies has been set up to regulate economic, scientific and technological co-operation between the socialist countries. The key role is played by the Council for Mutual Economic Assistance which is responsible for organizing and co-ordinating their efforts in developing external economic ties. The Council sessions and its Executive map out the major steps towards integration and establish joint economic and legal organizations designed to carry out the whole system of mutual economic contacts. They also determine the main content and procedure of joint measures to co-ordinate economic development plans and also to promote co-operation in production, science, technology, foreign trade and monetary relations. The main practical issues involved in economic, scientific and technological co-operation are jointly dealt with in the CMEA bodies in charge of various industries. These bodies include the leaders of national ministries and departments and their deputies. At present the system of CMEA specialized agencies embraces practically every sector of the fraternal countries' economies.

CMEA has a Secretariat, which is its general economic and executive body. It consists of experts from the member-countries and is made up on an international basis. The Secretariat draws up reports for the CMEA representative

bodies, analyzes problems which arise, sums up the experience of co-operation, and sees to it that the adopted decisions are carried out.

The activities of the CMEA bodies are being more and more supplemented by the development of a network of such specialized economic and research centres as Intermetall and the International Bank for Economic Co-operation. Their mission is to co-ordinate and pool the efforts of the socialist countries concerned on specific problems.

Besides multilateral co-operation, the CMEA countries are also active in developing bilateral integration ties. In the sphere of organization a great deal is being done in this respect by bilateral inter-governmental committees and commissions on economic, scientific and technological co-operation.

It should not be concluded from what has been said earlier that every problem of socialist economic integration has been solved. The 10 per cent share of the CMEA countries in world trade turnover is far below their share in world industrial output. They are still considerably behind the Common Market countries in the volume of foreign trade turnover. There are also shortcomings in the development of specialization and, in particular, co-operation in production and in the technological and quality standards of certain products, etc.

To see what has given rise to these problems, one should take into account the different historical conditions in which socialist integration and capitalist integration are developing. What has been said in the preceding section indicates

that the process of integration started in the West with productive forces being at a comparatively higher level and, what is particularly vital, with the economic structure having been mainly established. One should also not forget that by that time the West European countries already had a highly developed system of international division of labour which had taken shape over the centuries, whereas the socialist community countries had to develop their co-operation virtually from scratch. To make matters worse, their economies had been wrecked by the Second World War, and the imperialists' economic blockade. They had simultaneously to reshape their economies along socialist lines and re-orientate their external ties, overcome economic backwardness and build the basis for modern production. As a result, the economies and external economic ties of the CMEA countries had been developing for a time on a horizontal plane, so to speak, while the intensification of production, which increases the need for extensive international specialization and co-operation, had not yet acquired priority.

The CMEA countries are facing complex problems. It takes a great deal of effort and a high level of management to solve them. Of special importance in this respect is the Comprehensive Programme adopted by these countries. Though based on the positive experience in co-operation between fraternal countries accumulated in the past, the Programme also takes account of the new conditions and needs that have arisen at the present stage of building socialism and communism.

The main feature of this stage is that the So-

viet people, having built an advanced socialist society, began to build communism, while most of the other CMEA countries began to build an advanced socialist society. Socialist relations in production have fully triumphed within the community. The production, scientific and technological potential of the fraternal countries has increased many times over. A system of close economic ties has been built up. These factors provide a solid basis for making full use of the advantages of socialism on a national and international scale. On the other hand, most of the community countries have by now mainly completed the building of diversified economies. As a result, the possibilities of increasing production by extending the industrial base are largely exhausted. An imperative need has arisen to intensify production through the wide use of the latest achievements in world science and technology. In order to deal with this problem, it is first necessary to develop to the utmost the creative abilities of the workers who are the main productive force of society.

The 24th CPSU Congress held in April, 1971, mapped out the strategy for the Soviet Union's further social and economic development. The main objective of the development of Soviet society is to obtain a substantial rise in living standards by achieving a high rate of growth in material production, by harmoniously combining the achievements of the scientific and technological revolution with the advantages of a socialist economy, and by speeding up the growth of the productivity of social labour and by increasing the efficiency of all economic activities. This plan of action now also deter-

mines the economic development of the rest of the community.

This policy has been clearly laid down in the five-year economic development plans for 1971-1975 adopted by the CMEA countries. Under these plans the CMEA countries are to increase their national incomes by 40 per cent over the 1970 level, industrial output by 50 per cent and farm production by 20 per cent. Advanced industries such as the petrochemical industry, radioelectronics and the production of computers and automation systems are to develop at the highest rate.

Priority goes to the development of science and technology, to improving the quality and technical level of products, to expanding comprehensive mechanization and automation in production, to introducing advanced techniques, and to a better organization of labour and raising labour productivity. When these plans are put into practice, they will lay a solid material foundation for raising the standard of living in the CMEA countries. By 1975 real income is to go up by at least 30 per cent.

The future holds out even greater prospects. The trend of the CMEA countries' economic development suggests that they will increase their industrial output 4 to 5 times by 1990. Estimates show that the socialist community has a real chance to achieve a very high level of economic progress and a further advance in cultural and living standards.

Socialist economic integration is moving forward because of certain aspects in the current phase in the economic competition between the two systems. The main emphasis is now con-

centrated on the spheres of scientific and technological progress and efficiency of production. The socialist system has convincingly demonstrated its advantages over capitalism in obtaining a high rate of economic growth and in the progressive reorganization of its economic structure. The issue today is to establish in practice the superiority of socialism in putting to rational use all its resources both on a national and international scale. When this is achieved, socialism will be on a strong footing to strengthen its positions in the world economy and to increase its influence on the development of society.

Moreover, the development of the CMEA countries' economic integration serves under these circumstances as a material base for furthering the consolidation of the socialist community politically, which is the most important factor guaranteeing the socialist gains won by the fraternal countries and an effective instrument in the struggle for strengthening peace and international security. This furnishes the necessary requisites for stepping up the economic co-operation of the fraternal countries with the developing countries and advanced capitalist nations, and their participation in restructuring international relations on the principles of equality. Therefore, the Comprehensive Programme is aimed at achieving the key economic, social and political objectives facing the CMEA countries at the present stage of their development.

A little more than three years have passed since the Programme was adopted. Undoubtedly, in terms of the long period it covers, this is

too short a time to achieve all its objectives and make full use of the potentialities of socialist economic integration. Nevertheless, even the first steps in achieving the targets set by the Programme strikingly confirm the fact that the road the socialist countries have chosen is correct. The intensity and efficiency of economic, scientific and technological co-operation between the CMEA countries have considerably increased and they have become more united. Important results have been achieved in consolidating the positions of socialism on the world scene.

Making Economic Co-operation Work

At present the role of conscious, planned management in shaping and extending the division of labour and co-operation among the CMEA countries is substantially increasing. This also applies to the management of the whole system of their external economic, scientific and technological ties.

The change-over to mass, serial production, the high degree of its concentration and socialization, and the universal nature of the scientific and technological revolution are increasing the objective necessity of managing the growth of productive forces in a conscious and centralized manner. Even in the capitalist world, where private property puts insurmountable obstacles in the way of this process, there is a growing tendency for government to intervene in economic affairs. Measures are being taken to cen-

tralize management in a number of industries, introduce forecasting and programming in individual areas of economic activity. Sometimes, this is even done on a national scale.

However, the regulating role of capitalist states in economic affairs is rather limited. They exercise an indirect influence on the international division of labour chiefly by action in the monetary sphere and in the field of commodity circulation. This influence is actually aimed at giving greater freedom of action to the biggest monopolies without eliminating competition or other uncontrollable market forces.

The public ownership of the means and instruments of production opens up unlimited opportunities of managing economic and social development in a conscious manner by using the objective laws of socialism.

“Socialism is inconceivable... without planned state organization,”¹ Lenin once pointed out.

It is government leadership that gives planning the necessary obligatory character and legal backing.

However, the world socialist economic system consists of the independent, though closely connected, economies of sovereign countries. Under these circumstances the planning and management of the processes of international development have certain specific features differing from the planning and management of national economies. What is subject to international planning and management is separate industries and problems voluntarily chosen by the

¹ Lenin. *Coll. Works*, Vol. 32, p. 334.

socialist countries for such purposes and not national economies as a whole. There is no single centre to issuing directives. The relevant decisions are jointly worked out and adopted by the Communist and Workers' Parties and governments of the socialist countries and their central agencies of management and planning.

Since the role of the international division of labour is increasing in the economic development of the CMEA countries, the range of economic, scientific and technological problems directly regulated on a collective basis is steadily expanding. For instance, the Comprehensive Programme lists more than 200 specific problems that are to be tackled jointly. They embrace practically every key sector of production, science, technology, foreign trade and monetary relations. On most of the major questions, which are not directly involved in joint planning, the fraternal countries widely exchange information and views about the measures, adopted or planned, that will be used to solve them. Each country has the possibility of using the results of such exchanges in its own economic policy or planning.

The co-ordination of their economic development plans long ago became the chief means of developing the international socialist division of labour.

Incidentally, the centralized management and planning of a socialist economy are being fiercely attacked by both open enemies of socialism and by various "reformers". And this also applies to the planned management of socialist economic integration. While the socialist coun-

tries were busy drawing up their Comprehensive Programme, reactionary propaganda predicted hopefully that the development of co-operation between the CMEA members would give rise predominantly to the growth of commodity-money and financial relations. Significantly, similar theories were adopted by the Czechoslovak counter-revolutionaries and other revisionists.

However, these hopes were not destined to come true. In 1970 *The Financial Times*, commenting on the progress in drawing up the Comprehensive Programme, observed with apparent bitterness that the ideas of centralized planning had got the upper hand in CMEA over the concept of regulation by market and competition.

And this assumption is quite correct. The Comprehensive Programme is firmly based on the socialist principles of economic management. It established the leading role of joint planning as the chief method of organizing co-operation and economic integration.

Over the past few years there has been a marked improvement in the direct co-operation of the CMEA countries' central planning agencies. In order to use the possibilities offered by international planning, the CMEA member-countries set up a Committee on Co-operation in Planning Activity consisting of the chairmen of state planning committees. There is a marked improvement in the management of economic, scientific and technological co-operation. The question now is not only to co-ordinate the five-year plans but also to set up an integral sys-

tem of collective planning using new forms and methods.

It is proposed to promote this plan by organizing mutual consultations on the main questions of economic policy. A broad spectrum of topics will be discussed ranging from questions of economic, social, scientific and technological policies and external economic relations to improvements in the system of planning and economic management and external economic contacts.

In order to draw up more researched economic programmes for many years ahead co-operation in long-range forecasting has been organized. The CMEA member-countries exchange the results of their forecasts and work out joint prognoses on the key problems concerning production growth, science, technology, external economic relations and also on the main trends in world economic, scientific and technological development. The CMEA agencies are now working on more than 100 such prognoses covering the period between 1990 and 2000.

Alongside with the improvements in co-ordinating five-year plans, the member-countries have also begun to prepare co-ordination of their long-term plans. This work has produced a fundamentally new approach to the joint study and gradual solution of major economic problems over a period longer than five years.

The organization of the joint drawing-up of new five-year and long-term plans was the key issue discussed at the CMEA sessions held after the Comprehensive Programme had been adopted. For instance, the 24th session held in July, 1972 decided to co-ordinate plans for another

five years from 1976 to 1980 and by 1974 to ensure the conclusion of long-term agreements before the new planning period began. It was also decided that the work would be done both on a bilateral and multilateral basis and in conjunction with the plan to co-ordinate programmes for a period up to 1990.

Preparations are under way by decision of the 27th CMEA Session for drawing up a five-year programme, the first in the history of the socialist community, for multilateral integration measures which will provide for pooling the resources of the CMEA countries on a planned basis in order to implement major joint projects in regard to fuel, raw materials, specialization and co-operation of production, research and development.

Such a promising form of collective planning as the joint planning of certain industries and types of production is developing. This has the great advantage of making it possible to concentrate the efforts and funds of the countries concerned on solving a whole set of interconnected problems ensuring the development of these industries. These joint programmes are generally intended to cover the whole period from the research and blueprint stage to production. The main emphasis will be on extensive specialization and co-operation with a wide use of standardized and unified parts and ready products. The programmes will also cover the terms on which exchanges between the participants take place.

At present joint planning is restricted to certain industries of the CMEA member-countries, and not all of its possibilities have been suffi-

ciently explored. There is no doubt, however, that as experience is accumulated, joint planning will become widespread. The first steps have already brought tangible benefits to the fraternal countries. For instance, the jointly planned production of metal-cutting machine tools with digital programme control will make it possible to catch up, for the most part, with other countries in this field in the near future. The output and exchange of these machine tools in the CMEA countries are to increase by more than five times in 1975 as compared with 1971. Estimates show that elimination of parallelism makes it possible to develop new modern machine tools 3-5 years ahead of schedule and to reduce the total expenditure by 5 times.

Computers are also being produced and introduced in national economies through joint planning programmes. A system of highly efficient third-generation computers has been developed through the common efforts of the socialist countries in only 2 to 3 years. They have a standard design and peripheral devices and also the same mathematical "language". The countries co-operating in this field have begun serial production of a number of computers on the basis of extensive specialization. In the fraternal countries 70 factories employing 300 thousand are working under a joint programme. The programme involves 20 thousand scientists and designers. In the current five-year period the value of exchanges in the field of computer production runs into hundreds of millions of roubles.

One of the main objectives of this joint planning is to solve fuel and raw materials prob-

lems. Under the Comprehensive Programme steps are being taken to expand co-operation in prospecting, in building additional enterprises on mutually advantageous terms to produce fuel and raw materials in short supply with a view to exporting them to the countries who need them, in building and running joint enterprises in the fuel and raw materials industries, in setting up more international organizations in these industries, and in expanding the activities of the existing ones.

The 28th CMEA session passed a decision on preparations for establishing a united power grid of the interested CMEA countries which will incorporate the entire power system of the Soviet Union. The first step in this direction will be the joint construction of a 750,000 volt transmission line between the USSR and Hungary.

The CMEA Committee for Co-operation in Planning Activity is working on several major joint projects to produce fuel and raw materials. Agreements have been signed to build a factory with a capacity of 500 thousand tons of pulp at Ust Ilim in Siberia, in the Soviet Union, by the joint efforts of the countries concerned, the Kiembayevo factory to produce 500 thousand tons of asbestos, new plants to produce iron-ore concentrates and ferro-alloys, and giant gas pipeline from Orenburg to the Western frontier of the Soviet Union. The material and financial resources made available to the Soviet Union by the countries involved make it possible to speed up the completion of these projects. Each country will receive its share of output on a regular basis.

The proposals of other socialist countries on the joint use of their sources of fuel and raw materials are also being considered. The CMEA member-countries are discussing the possibility of pooling their efforts with developing countries in order to co-operate with them in a steady and mutually advantageous fashion in building up the fuel and raw materials industries.

Another important aspect of industrial co-operation between the CMEA countries is the expansion of contacts in the field of engineering. The Comprehensive Programme lays down guidelines which cover the production of power equipment, including installations for atomic power plants, of mining, oil-drilling, ore-dressing and steel plants, of metal-cutting machine tools, of rail and road transport equipment, ships and marine equipment, of installations for the chemical, oil-refining, paper and pulp industries, equipment for the light and food industries, of tractors and other farm machines, equipment for the construction and building-materials industry, of electronic and other instruments, and consumer goods.

On the basis of this Programme multilateral and bilateral agreements and treaties have been signed on the production of several hundred types of goods.

Among them are sea-going ships and vessels for inland navigation, heavy-duty lorries, products of the tractor and farm machine industries, complete production lines designed to obtain phosphoric, nitric and sulphuric acids, and equipment for the glass and ceramic industries.

These agreements are being successfully carried out. Experts from the Soviet Union and

the German Democratic Republic have developed in less than two years the techniques and design for installations producing high pressure polyethylene and polyamide silk by a continuous method. Estimates show that the worker's average output at a polyethylene mill going up in Polotsk, in the Soviet Union, will be 1,200 tons against 1,000 tons at such mills abroad. Labour efficiency in the production of polyamide silk will be double what it was with previous types of machines.

The joint effort of experts from the Soviet Union, the German Democratic Republic and Bulgaria has made it possible within a short time to design a wide-cut harvester combine, which has made the harvesting of sugar beet-root four times quicker. Soviet and Polish designers have made a model of a highly efficient potato-picking combine. It has passed government tests and has been recommended for serial production. Soviet and Czechoslovak experts have developed a series of asynchronous electric motors, a tremendous achievement in world electrical engineering. Meanwhile, Soviet and Czechoslovak research centres have evolved an advanced techniques of spindleless spinning.

The 26th and 27th CMEA sessions also outlined steps to improve joint work in specialisation and co-operation in the engineering industry. This effort is closely connected with the co-ordination of economic development plans for 1976-1980. To speed up the fulfilment of joint programmes and enhance their efficiency, a number of inter-state associations have been

set up in several branches of the engineering industry (for example, associations dealing with the production of equipment for atomic power plants and for the textile and knitted goods industries).

A number of major integration programmes are also under way in other industries. In the chemical industry, for instance, a network of pipelines is being laid for the exchange of petrochemical products. A pipeline is being laid to carry 130 thousand tons of ethylene from Hungary to the Soviet Union every year in exchange for ethylene products. Another such pipeline is being laid between the German Democratic Republic and Czechoslovakia.

As far as the production of consumer goods is concerned a number of joint steps are designed to meet in full the demand for consumer goods, and to improve quality and variety. The fishing fleets of the socialist countries co-operate particularly closely. They regularly exchange information on the situation in fishing areas, share their professional experience and co-operate in the processing and delivery of fish products and in organizing fuel supplies.

Joint measures are being taken to build up the material and technical base of agriculture, the food and light industries, and promote specialization in seed production and pedigree livestock breeding and a number of other areas. Comprehensive plans are being drawn up to use water resources, in particular, those of the Tisza and Danube rivers.

In the field of construction efforts are being made to promote specialization and co-opera-

tion in design and certain types of building work. A single base is being created to enable the CMEA countries to make wide use of standardized blueprints and building techniques and expand the exchange of services in this area. Their common programme for the introduction of a unified system of containers for shipping goods is going to revolutionize freight traffic. By the end of 1975 this system will be in operation on a regular basis between Moscow and the capitals of the CMEA European members as well as on other heavy traffic routes such as Sofia-Prague-Rostock, Budapest-Gdynia and Prague-Szczecin.

In order to combine harmoniously the achievements of the scientific and technological revolution with the advantages of a socialist economy on an international scale, the fraternal countries are introducing new, effective forms of co-ordinating and pooling their scientific and technological potentials on a planned basis. A great deal of organizational work in this field is being done by the CMEA Committee on Scientific and Technological Co-operation, including leading officials in central departments in charge of science and technology. Under the joint programme of co-ordinating scientific and technological research for 1971-1975 more than 260 major problems are being tackled on a multilateral basis and about 2,400 problems on a bilateral basis. In the Soviet Union scientists from the other CMEA countries are taking part in working on about one-third of the objectives of the current five-year programme for science and engineering. In the German Democratic Republic Soviet scientists

are collaborating on around 80 per cent of the research problems envisaged in the national plan.

Under the Comprehensive Programme priority in scientific and technological co-operation goes to a number of basic and applied fields of key importance for the national economy. These include studies in biological physics, the conservation and improvement of the environment, the use of the world ocean resources, the development of new types of plastics, semiconductors and high purity metals, seed production, mechanization, electrification and automation in agriculture, the development and use of the new types of computers, cybernetics and management, and the use of atomic energy on an industrial scale.

To sponsor the study of most of these problems on the basis of joint programmes, 36 international co-ordinating centres have been set up at research institutes of the CMEA countries, which take the lead in their respective fields. A number of problems are being tackled by international research teams. One of these teams made up of CMEA experts has three laboratories at its disposal to study the organization of management. The CMEA countries also have the Joint Institute for Nuclear Research, the Institute of Standardization, and the International Institute for Economic Problems of the World Socialist System charged with working out on a collective basis the theoretical problems of socialist integration and providing an improved scientific basis for practical decisions in the field of co-operation.

The socialist countries are also co-operating in space research. They have jointly launched

several artificial earth satellites to study outer space as part of their Interkosmos programme. They have signed an agreement to set up an international organization known as Intersputnik which is to establish a common system of space telecommunications with the use of earth satellites.

Much attention is being paid to the standardization and unification of output. The CMEA countries are to carry out a comprehensive standardization of their basic finished articles by 1980. This also applies to the unification of the most important kinds of machines and parts used in general engineering and exchanged within the CMEA system. A convention signed in 1974 introduced uniform CMEA standards in the interested countries.

To meet as soon as possible the requirements of the socialist countries for a number of the most important instruments and types of equipment, the first inter-state research and production associations, Interatominstrument and Interetalonpribor were set up. At the same time large-scale co-operation is under way in training scientists and in the co-ordination of inventions and patents.

Great importance is attached to co-operation in the field of information. The world's biggest international system of scientific and technological information is emerging which will include the respective systems of the CMEA member-countries and separate information subsystems on various branches of the economy. An important part is played by the International Scientific and Technological Information Centre where experts from the CMEA countries are

developing up-to-date ways and means of information and are organizing the establishment of a joint system.

Affirming the key role of joint planning, particularly, in material production and scientific and technological progress, the Comprehensive Programme also calls for improving socialist commodity-money relations as an important element in the overall system of planned regulation of co-operation between the CMEA countries. Among the chief ways and means of extending and improving economic, scientific and technological co-operation and promoting socialist economic integration the Programme mentions the planned expansion of trade and raising the level of its efficiency, improvement of its organizational forms on the basis of state monopoly and development of mutual trade links in conjunction with improving currency and financial relations and the system of foreign trade prices.

The main framework for trade among the CMEA countries continues to be the tested system of long-term agreements and annual protocols. They are based on the co-ordination of economic development plans and various treaties on co-operation in production and they fix firm commitments regarding deliveries of key goods.

The question of improving the pricing system in the international socialist market of the CMEA countries is being given serious consideration.

In the field of currency and financial relations the emphasis is on enhancing and deve-

loping the role of the transferable rouble as a collective socialist currency.

The development of the CMEA countries' international banking system promotes the greater role of the collective socialist currency and its wider sphere of action. To reach the objectives of the Comprehensive Programme, the International Bank for Economic Co-operation has considerably expanded its activity in the field of multilateral transactions and short-term credits. The gross volume of its operations in 1972 increased more than 20 per cent as compared with 1970, reaching over 43 thousand million transferable roubles. Contacts were established with more than 300 banks in other countries.

The International Investment Bank or IIB has also emerged providing a new, important element in the collective financial system of the CMEA countries. Its functions include the supply of medium- and long-term credits for investments primarily linked with integration measures. The Bank's authorized capital was fixed at over one thousand million transferable roubles, thirty per cent of them being in convertible currency and gold. Since it was founded in 1971, the IIB, using its own and other funds, has supplied its members with large credits to finance the construction and expansion of 29 important projects of common interest.

Co-operation between the CMEA countries at the present stage shows increased participation of government branch agencies and economic organizations of various kinds. Their initiative and activity in foreign trade has considerably increased as well as their responsibility in pro-

moting socialist economic integration. Close direct contacts have been established between dozens of national ministries and departments, hundreds of research and design institutes, and also between many production associations and enterprises. This direct co-operation makes it possible to expand exchange of experience, determine the possibilities of specialization and co-operation within specific industries and carry out a number of joint measures, including research, design and development. And, last but not least, the staffs of the departments and enterprises concerned and their Party and public organizations are establishing and expanding their friendly contacts. Socialist economic integration is becoming the direct concern of a broad section of the people in the fraternal countries.

The Council for Mutual Economic Assistance plays the key role in developing and carrying out the main integration measures. It also amends and defines the Comprehensive Programme as it is being carried out. It has been established that the rest of the multilateral and bilateral agencies for economic, scientific and technological co-operation among the CMEA member-countries, while retaining independence in deciding on matters within their terms of reference, should take into account the Council's recommendations.

In the meantime the socialist countries have set up a number of new international economic, and scientific and technological organizations. These include research and production and economic associations, co-ordinating centres, joint research institutes and the International Invest-

ment Bank, to mention just a few. Priority goes to giving the joint specialized agencies not only co-ordinating functions but also joint economic tasks in the fields of research, design, production, services and foreign trade.

Inter-state activities, ensuring the co-ordinated economic development of the socialist community countries remain the organizational basis of socialist economic integration. However, they are being more and more supplemented by the development of direct co-operation between the socialist countries' economic bodies and by expanding the network of international associations and joint enterprises. This trend, in the long run, helps draw the fraternal countries closer together.

On the Principles of Friendship and Brotherhood

The rational and effective use of the CMEA countries' economic resources is only one aspect of the problems that are being resolved while the Comprehensive Programme is being carried out. The other, no less important aspect, consists in asserting and developing international relations of a fundamentally new type.

Experience shows that the national problem is of extreme importance in developing any type of international economic integration. In his day Lenin underlined the tendency towards the internationalization of economic activities, politics and science, and also pointed to yet another historical tendency, the tendency towards the

revival of national life and establishment of national states. As has been mentioned, the first tendency has made great headway and provided an objective basis for integration processes. However, the second tendency is developing everywhere with no less momentum and, in turn, is making a strong impact on contemporary social development. When the peoples of the socialist countries abandoned the imperialist system, they won genuine sovereignty and independence and are now successfully developing their national economies and culture. National liberation movements in the capitalist world have become a very powerful force. New sovereign states have emerged from the ruins of collapsed colonial empires. These states are fighting for a complete liberation from imperialist rule, first of all, for economic independence.

How, therefore, can integration processes be compatible with the tendency towards assertion of national sovereignty and development of national economies and cultures.

As Western scientists and politicians see it, international integration is inevitably accompanied by a rejection of national and political sovereignty, by encroachments on the interests of individual peoples and their subordination to larger and more advanced nations. In approaching socialist economic integration with this yardstick, capitalist ideologists claim that it is incompatible with national individuality. They also ascribe elements of "inequality and exploitation" to the relations between the socialist countries and allege that nationalist feelings and centrifugal tendencies will inevitably arise

and develop within the socialist community. These charges provide ammunition for anti-communist propaganda whose main purpose is to whip up nationalism in the socialist countries, to divide them and sow discord and mistrust between them. The Peking leaders and other revisionists of all kinds also follow the same line.

The Communist and Workers' Parties of the socialist countries oppose all these prophecies and hopes of the capitalist ideologists and revisionists with the time-tested Marxist-Leninist principles of socialist internationalism. These principles express both the common and basic national interests of the socialist countries and determine their approach to building an international socialist community.

The Communists have always been the most consistent internationalists working for the unity and solidarity of all working people, regardless of race or nationality. One of the supreme ideals of the Marxist-Leninists is the removal of all kinds of national barriers and the formation of a world-wide brotherhood of working people. As Lenin once pointed out, "the aim of socialism is not only to end the division of mankind into tiny states and the isolation of nations in any form, it is not only to bring the nations closer together but to integrate them."¹

However, the only way to achieve this is by reshaping society along socialist lines and by stamping out both social and national oppression and its consequences. This is an axiom of Marxism-Leninism. Lenin warned that "...na-

¹ Lenin. *Coll. Works*, Vol. 22, p. 146.

tional and state distinctions... will continue to exist for a very long time to come, even after the dictatorship of the proletariat has been established on a world-wide scale.”¹ He urged the Communists to give very careful consideration to the relations between nationalities. And as the Communist and Workers’ Parties of the CMEA countries are loyal to Lenin’s principles, when dealing with the problems of drawing closer together and consolidating the fraternal nations, they proceed from the need to advance their economies and cultures in every way and promote their friendship and close co-operation on the basis of complete trust and agreement.

The very nature of socialist society creates a favourable climate for this development. Since the socialist system, Marxist-Leninist ideology, and communist ideals have asserted themselves in the CMEA countries, any kind of social or national oppression is excluded, thus removing the objective causes of strife and conflicts between nationalities. Hence the basic national and international interests of the socialist countries coincide. Moreover, the two historical tendencies, the tendency towards internationalization and the tendency towards national development, are harmoniously combined within the single dialectical process of the socialist community’s development.

In the economic field this objective law is expressed in the deep interconnection and interdependence between the production growth in the CMEA countries and the progress of their economic, scientific and technological co-opera-

¹ Lenin. *Coll. Works*, Vol. 31, p. 92.

tion. Internationalism has become the motive force of economic advance in the socialist community countries and part and parcel of all their economic policies and activities.

Of course, this is far from meaning that the common and specific interests of the socialist countries become absolutely and automatically identical. In practice differences can and do arise between them. They stem from the specific situations in the countries concerned and, first of all, from the different levels of their economic development. However, such differences are not antagonistic in essence. They are dealt with, and the common and national interests are harmonized as a result of the conscious activities and joint efforts of the Marxist-Leninist parties and socialist states.

Every major problem of economic development and co-operation is discussed collectively and in a spirit of friendship and mutual understanding. The successful harmonizing of national and international interests is guaranteed by the fact that the fraternal countries consistently observe the Marxist-Leninist standards of international relations. These include socialist internationalism, respect for state sovereignty, non-interference in each other's domestic affairs, complete equality, the principle of mutual benefit and comradely mutual assistance. And, last but not least, such relations stem from the objective need to develop both the community as a whole and each individual socialist country.

The idea of using all the advantages of co-operation for the benefit of each socialist country and of the community as a whole stands

out both in the Charter of the Council for Mutual Economic Assistance and in the Comprehensive Programme of Socialist Economic Integration. The Programme emphasizes, for instance, that socialist economic integration should proceed on a strictly voluntary basis and should not be accompanied by either the setting up of supranational bodies or interference in domestic planning, economic and financial activities.

These principles underlie the entire organizational system of economic, scientific and technological co-operation between the CMEA countries. They also determine the procedure in selecting, working out and solving all problems under joint consideration. None of the CMEA countries, no matter what their size, has any privileges. All of them have the same rights in deciding on any questions concerning their interests. In the Council agencies and other international bodies of the CMEA member-countries each participating country has equal representation regardless of the size of its economic potential or its material contribution. On all vital issues decisions are taken on the basis of unanimity.

The principle of respect for the particular interests of each participant also has considerable importance in tackling the practical problems of co-operation between the CMEA member-countries. It rules out coercion and makes it possible to carry out projects of interest to individual member-countries. The Comprehensive Programme stipulates, for example, that in carrying it out such forms, ways and means should be found which would enable every CMEA member-country to take part and increase

its interest in broader co-operation. If a member-country is not interested in co-operating on a particular problem, it has a perfect right not to participate, yet this does not prevent the other countries concerned from deciding on the question and putting the project into effect. Naturally, the relevant decisions do not extend to the non-participating country, though it has the right to join the project later if it wishes to.

Agreements reached in such a way are finalized in the CMEA bodies in the shape of recommendations addressed to the countries concerned. The specialized international agencies of the socialist countries dealing with immediate practical problems also take decisions on them and these, naturally, apply only to those involved in the particular project. Last but not least, the co-ordinated steps on co-operation are also given legal force through treaties, agreements, protocols and contracts. Though they are binding on all the countries involved, their recommendations are subject to the additional approval of competent national agencies.

Each country, participating in socialist economic integration, has every opportunity to use the advantages of the international division of labour, comradely mutual assistance and support. And at the same time each remains sovereign in her decisions and in choosing any type of co-operation she likes by agreement with the rest of the fraternal countries.

Moreover, socialist integration, by building up the economic potentials of the countries involved helps them to give full play to their national sovereignty. As a result, the socialist

countries are building up their relations of mutual trust and support, fraternal friendship and cooperation and laying a solid basis for steady rapprochement and unity.

Capitalist integration follows a different course. The very basis of the exploiter system—private ownership of the means and instruments of production—rules out the free development of nations or a stable harmony of interests even between the ruling classes of the integrating countries. Integration is taking place in conditions of a cut-throat competition between the imperialist monopolies, seeking to build up and expand their domination, suppress and oust the weaker partners and step up the exploitation of the people in various countries. The most powerful international corporations, the chief motive force of imperialist integration, are encroaching on the nations' rights and sovereignty under the slogan of introducing what is claimed to be a "supranational" government.

The whole purpose of West European integration is plainly meant to limit the national sovereignty of the participating countries and establish the dominant position of the big imperialist powers. The main idea of the Treaty of Rome is to transfer gradually to the EEC agencies the powers of national governments in regulating both internal and external economic activities. It was envisaged that such agencies would make decisions, binding on all the EEC countries, by a majority of votes. The membership of such agencies was determined, based on the balance of forces and completely ignoring the principle of the sovereign equality of states.

For instance, in the EEC Council of Ministers Britain, the Federal Republic of Germany, France, and Italy have 10 votes each, while Belgium and Holland have 5 votes each, Denmark and Ireland 3 each and Luxembourg only 2. Likewise, in the Common Market Commission the first four countries have 2 representatives each, while the rest have only one each. It was also envisaged that the EEC Assembly or the "European Parliament" would have supranational legislative and budgetary powers and the right to control the other EEC agencies.

True, these ideas actually failed to materialize in view of the sharp differences between the Common Market members and the continuing fight for domination between the Federal Republic of Germany, France and Britain. The terms of reference of the EEC Commission, which has "supranational" powers, have been limited so far to foreign trade policy (mainly to fixing customs duties), and to regulating the conditions of farm production and sales. Decisions on any important issues are taken only by common agreement. The "European Parliament" has no real powers either.

However, attempts are still being made to turn the Common Market into a military political bloc and even into a "superstate". Representatives of West Germany and Britain support "Pan-European" ideas because they want to build up the dominant position of their concerns in the European community. Significantly, of the top ten monopolies of the Common Market, five are controlled by West German and four by British Big Business.

The main difference between the socialist and

capitalist types of integration in solving the problems of inter-state relations is vividly expressed in the directly opposite approaches to countries lagging behind in economic development.

In the socialist world there is an objective law of gradually bringing the countries closer together and evening out the levels of their economic development. This is regarded as a common objective for the socialist countries, both advanced and less developed, and as an important condition for the progress of the socialist community as a whole. It is also one of the main goals envisaged both by the Comprehensive Programme and the constituent acts of the international bodies set up by the socialist countries.

The Comprehensive Programme has a special section devoted to the problem of the evening out of the levels of economic development of the CMEA countries. It is pointed out that to solve this problem the CMEA member-countries should concentrate on mobilizing their own efforts and resources to the maximum and on using the advantages of the international socialist division of labour. In case of need the less developed countries are to be granted preferential terms of co-operation, especially, in mastering the latest achievements in science, technology and production.

What is more, they have every opportunity to take an active part in co-ordinated and joint research and development and in the effort to promote international specialization and co-operation in production. They receive technical assistance in building up-to-date factories and other projects, in prospecting and utilizing na-

tural resources. Their partners provide technical documents, models and licences, in some cases free of charge, and send experts to give a hand on the spot. These countries are also assisted in training their own scientists and technical personnel and supplied with credits both by the more advanced countries and by joint banks.

These factors have enabled the less developed socialist countries, within a short space of time, to do away with their economic backwardness, utilize their natural and labour resources in a full and rational manner and boost their national production. In the less developed countries productive forces are moving ahead at a pace higher than in other states. This is a steady trend of economic development in the socialist community, and it helps gradually to even out the level of social and economic development in the socialist countries.

For instance, such countries as Bulgaria, Poland and Romania have largely overcome their economic backwardness. Once backward, chiefly agrarian countries, they have now become industrial-agrarian states with diverse and advanced economies based on modern industry. Between 1961 and 1972 gross industrial output went up in Bulgaria 3.5 times, in Romania 4.2 times, with the overall growth in the CMEA member-countries being 2.6 times. In the growth rate of industrial output Bulgaria and Romania are 50 to 100 per cent ahead of the German Democratic Republic and Czechoslovakia, the most industrially developed countries in the socialist community.

Mongolia, a country moving from feudalism

and extreme economic and cultural backwardness to an advanced socialist economy, is another case in point. When it began to participate in the process of socialist integration, it made a tremendous advance. Though just a short while ago it had nothing but extensive nomadic cattle breeding, Mongolia has now become an agrarian-industrial country, with industry accounting for 23 per cent of the national income and about 40 per cent of export revenue.

The Comprehensive Programme takes into account the considerable and particular problems facing Mongolia which arise from the natural conditions, manpower shortage and need of large capital investment. To deal with these problems, the Programme calls for specific measures by the CMEA countries to give extensive aid in pushing up the rate of growth and increasing efficiency of the Mongolian economy. These include the joint building and exploitation of industrial and other projects, assistance in getting production under way, easy-term credits and, in a number of cases, free assistance, and preferential prices for Mongolian goods.

Mongolia is now building large industrial centres at Darhan and Choibalsan with the technical and financial assistance of the Soviet Union and other socialist countries. Extensive aid is given in prospecting for natural resources by geologists from nearly every CMEA country. Agreements have been signed to set up a Soviet-Mongolian association, Mongolsovtvetmet, and to build and run jointly with the Soviet Union a big enterprise for mining and processing copper and molybdenum ores. Under study are several projects aimed at attracting

the interested member-countries in developing Mongolia's phosphorite deposits, coking coal and other natural resources. The question of meeting the demands of scientific and technological progress is also very much in the spotlight. In the next few years the CMEA countries are to build 11 research laboratories and a centre of scientific and technological information in Mongolia.

Cuba also has to deal with the acute problem of developing her economy. It inherited a typically colonial, one-crop economy from imperialism. And Cuba firmly links its effort to solve the problem with its involvement in socialist economic integration. When the head of the Cuban delegation to the CMEA 26th session, Carlos Rafael Rodriguez, was submitting a request for his country's admission, he made this point: "At present one cannot conceive Cuba's economic development without systematic cooperation with the socialist community or without Cuba's involvement in socialist integration. The distances only make it more difficult but cannot prevent it."

The CMEA countries are extensively helping Cuba to improve its traditional industries and build new ones. With Soviet financial and technical assistance Cuba is modernizing its sugar and nickel industries, building a fishing fleet, big power stations and fertilizer plants. Experts from both countries have jointly designed a sugar cane harvester combine, and Cuba is soon to start its serial production. The Soviet Union is also helping Cuba to put up its first assembly factories for television sets and transistor radios. Other socialist countries are also involved

in the construction of a number of factories in the cement, food and consumer goods industries.

Of course, the effort to overcome the substantial differences in the levels of economic development between the socialist community countries is far from being completed. The problems in this field are still a matter of serious concern for their Communist and Workers' Parties and governments. The CMEA 27th session in June, 1973 specifically pointed to the need to give more consideration to the drawing closer and evening out of the economic development levels of the CMEA member-countries in carrying out the Comprehensive Programme, and in fact this problem is being successfully resolved in the socialist community.

Over the past few years Western propaganda has been spreading the idea that it is possible to bridge the economic gap between various countries within the world capitalist economy too. It is claimed that nowadays the imperialist powers view with increasing understanding the need to do this and to give what is described as "effective aid" to developing countries.

However, the facts do not bear out these assurances. The economic gap between the advanced capitalist countries and the developing ones, far from narrowing, is steadily growing wider. While in 1950 the per capita gross national product in the first group of countries was about 9 times greater than in the second group, in 1972 it was 11-12 times. Though the developing countries account for more than 70 per cent of the population in the capitalist world, they possess only 10-11 per cent of its

industrial potential. Their share in world capitalist exports is steadily falling. It was 28 per cent in 1955 and it dropped to 19 per cent in 1972.

The chronic backwardness of the developing countries is the inevitable result of their economic dependence on the imperialist monopolies which regard these countries as agrarian and raw material appendages and an area for profitable investments. Foreign companies directly control 20 per cent of industrial production and 30 per cent of foreign trade in Asian, African and Latin American countries. Since the imperialist monopolies dominate the world capitalist economy as a whole and the economies of the developing countries in particular, they appropriate a considerable part of these countries' national incomes. This more than compensates the imperialists' expenditure on "aid" to developing states. For instance, from Latin America alone 13 thousand million dollars were taken out as net profit between 1950 and 1967. This is four times the total of foreign investments. The developing countries are also losing a great deal because of the unfair trade practices of the imperialists when the prices of exports from the developing countries go down, while the cost of imports from the advanced capitalist countries goes up. Their annual loss from this artificial price gap between raw materials and manufactured goods runs into 3 thousand million dollars.

The West European monopolies, which figure prominently in the plundering of the developing nations, are also using the Common Market for this purpose. The experience of several African countries shows, for instance, that their "asso-

ciation" with the European Economic Community leads to their enslavement. It dooms the developing countries to the role of agrarian and raw material appendages to the West European Nine and slows down the building of national industries.

The Common Market imposed unequal terms of trade on the associated countries. For instance, the prices of the goods Senegal imported from EEC in 1971 were five times higher than the prices of her exports. What is more, the available figures indicate that the profit the Common Market countries derive from "associated" Africa is between two and three times the amount they give in financial "aid". Significantly, when the developing countries were invited to become associated members of the Common Market in July, 1973, most of them turned down the offer. They sharply criticized the so-called principle of "mutual concessions" it contained because it actually implied concessions to the monopolies. The Third World nations are learning from their own experience that it is sheer illusion to hope for "mutual understanding" with the imperialists.

Aided by the socialist states, they are rising to fight for removing the remnants of colonialism and inequality in international economic relations, for the right to make free use of their own resources.

One of the constant refrains in the pronouncements of Western and revisionist propaganda on socialist integration is the assertion that the Soviet Union "dominates" the socialist community. Acting hand in hand, the imperialists and Peking's "revolutionaries" constantly

hold forth about the alleged Soviet "dictate and control" in CMEA.

Of course, the Soviet Union is the most powerful nation in the socialist community. This is an objective fact. It accounts for more than 70 per cent of the CMEA countries' industrial potential. It paved the way to communism for mankind, having accumulated vast experience in building a new society. But it has never had any special rights or privileges. It is firm and consistent in building its relations with the other fraternal countries on the Marxist-Leninist principles of socialist internationalism. And it has no aims that would run counter to the interests of the socialist community as a whole. The Communist Party of the USSR and the Soviet government always co-ordinate their effort to build up the socialist community and its foreign policy with the parties and governments of the other fraternal countries. They work for a united, co-ordinated policy on all these matters, taking into account both the common and specific objectives of the socialist countries. In CMEA agencies and other international bodies the Soviet Union has the same status as the rest of the participants.

Loyal to its internationalist duty, the Soviet Union is giving all-round help and support to the other socialist countries in their economic development. It accounts for about one-third of the CMEA countries' total foreign trade turnover. With the help of Soviet blueprints, complete installations and specialists the other CMEA countries are building 1,300 up-to-date industrial enterprises. Nearly 800 of these projects went into production in 1973. Among them are

steel works, oil refineries, chemical plants, big power stations, including atomic power plants, engineering works, food factories and farms.

The Soviet Union's scientific, technical and industrial knowhow is playing a vital part in the development of science in the rest of the CMEA countries and in their effort to master the production of advanced types of goods and production processes. In Bulgaria, for instance, factories built with Soviet assistance account for about 95 per cent of iron and steel output, 80 per cent of the output of the oil refining and chemical industries and 60 per cent of power output. Over the past 20 years Soviet schools of higher learning have trained 600 thousand engineers, 1,200 thousand technicians and 100 thousand researchers for the other socialist countries. More than 2 million workers from these countries have taken industrial training courses at Soviet factories.

The Soviet Union plays the key role in delivering fuel, raw and other materials in short supply to the other fraternal countries. Soviet deliveries meet nearly all of their needs in oil and pig iron, up to 90 per cent of their needs in iron ore, up to 80 per cent in timber, 75 per cent in oil products, rolled steel, and phosphorous fertilizer, and more than 60 per cent in cotton, coal and manganese ore. It should be pointed out that contrary to the allegations of the anti-communist and revisionist "experts" about the prices and terms of Soviet supplies, these deliveries are very advantageous for the importing countries. For instance, Czechoslovak economists have found that metal made of 'So-

viet iron ore costs their country much less than metal made, say, from Swedish ore.

Moreover, the Soviet Union is also the biggest buyer of the commodities produced by the CMEA countries. They sell about half of their exports of machinery and consumer goods on its vast market. Big Soviet orders promote efficient serial production and push up the level of its concentration and specialization.

However, it would be wrong to think that the Soviet Union's co-operation with the other socialist countries amounts to one-way assistance only. Nor is it correct, as it is sometimes said, that the Soviet Union is interested in socialist integration for political reasons while the economic aspect is of no great importance to it. In fact, co-operation with the other fraternal countries plays an important role in achieving a number of the vital objectives of Soviet economic development. While taking part in socialist economic integration, the Soviet Union is increasing the efficiency of its social production and speeding up economic growth, scientific and technological progress.

The Soviet Union receives about 75 per cent of its imported machines and equipment from the CMEA countries. In its total economic resources between 1971 and 1975 the deliveries from these countries of cargo and fishing ships, automatic telephone exchanges, all types of loading machines and passenger railway cars account for 30 to 50 per cent, of printing equipment 25 per cent, and of buses 10 per cent. Imports of consumer goods figure prominently on the Soviet Union's domestic market. These include shoes, clothing, knitted wear and furni-

ture. Deliveries of canned vegetables, grapes and fresh fruit make up about 20 per cent, and of shoes up to 15 per cent of planned sales in the current five-year period.

It is customary to believe in the West that equitable co-operation between countries with different economic potentials and levels of development is impossible in principle. Yet the CMEA countries' experience of integration convincingly refutes this contention. Under the exploiter system international economic integration, progressive in itself, runs counter to the national aspirations of many peoples and aggravates national and social conflicts. But when it develops on the basis of a socialist system, it paves the way for the flourishing and rapprochement of the fraternal nations and consolidates their voluntary alliance, unity and cohesion.

For Peaceful Co-existence and Equality in Co-operation

The nature and specific features of any type of international integration not only influence the development of the countries involved or their relations. Integration processes are part and parcel of the contemporary world economy. Accordingly, the integrating countries also maintain broad economic relations with the rest of the world. However the countries involved in the capitalist and socialist types of integration basically differ in their approaches to the development of such relations. Here, there is ano-

ther demarcation line between socialist integration and the capitalist one.

From the beginning the European Economic Community set out to establish a closed group. Its activities are at variance with the basic standards of world economic relations. They flagrantly violate such principles of relations as equality and the impermissibility of discrimination. Contrary to most-favoured-nation treatment widely practised in international trade, the EEC countries, having abolished tariffs and quotas in mutual trade, refuse to give the same advantages to others. The uniform external tariffs, fencing off the Common Market, have substantially worsened the conditions for imports from the third countries. There are especially rigid limits on agricultural imports from these countries liable to "compensatory" and other additional duties.

All kinds of strings are attached to access to the Common Market system by other countries. The countries entering EEC have to agree to change not only their foreign trade regulations but also "unify" a number of their internal economic standards, including taxation. Britain, Denmark and Ireland are cases in point. The countries that want to establish "associated" or any other contractual relations with the EEC have to meet the counterclaims of "equivalent" concessions. As often as not their acceptance practically means throwing the doors open to the expansion of Common Market monopolies. At the third session of UNCTAD in April and May, 1972 many delegates from developing countries observed that the tariff preferences given to them by EEC in fact had no practical

value because of the advantages to local producers within the community and the unified trade policy of its members.

The Common Market's discriminatory measures are largely directed against the socialist countries. It is against them that EEC first of all applies its unified system of import quotas, which holds back the growth of their deliveries. The socialist countries are also the main target of the common trade policy of the West European Nine who try to form a united front against each of them. The well-known decision of EEC bodies stipulated that as of 1975 trade agreements with socialist countries should be concluded only on behalf of the community. What is more, the EEC Commission insists on drawing up uniform rules and principles of concluding treaties on economic and industrial co-operation with these countries and on the harsher terms of export credits.

As a matter of fact, the reactionary nature of EEC external actions does not only affect the socialist countries. For instance, in defiance of UN resolutions and the demands of the Organization of African Unity, Common Market bodies have cut down tariffs on citrus fruit imported from South Africa, though the restrictions on the imports of fruit from developing countries, including the associated ones, are still in force.

Or to take another case. In March, 1973 the EEC Commission demanded a postponement of the earlier promised trade concessions on fish imports from Iceland to force her to give way in the dispute with Britain and the Federal Republic of Germany on the territorial waters limits.

By contrast, the socialist community countries have invariably advocated broader trade, economic, scientific and technological ties with the states of another social system on the basis of equality, respect for national sovereignty, non-interference in domestic affairs, mutual benefit, and the impermissibility of any forms of discrimination. This has been a consistent policy of the Soviet state since its very first years. It was Lenin who laid down its principles. He was the first to formulate the principles of peaceful co-existence and businesslike co-operation between states with different social systems.

The Soviet Union and the other socialist countries, following Lenin's policy, regard the development of economic relations with other countries as an important element in their foreign political and economic strategy and not as a temporary phenomenon based on considerations of the moment. They believe that this is a class-oriented, anti-imperialist policy aimed at ensuring favourable conditions to build socialism and communism. They also believe that this policy is in the interests of the international working-class and national liberation movements and of all the progressive and peace forces of today.

The fact that this policy does not alter has been recorded on more than one occasion in the programmes and other basic documents of the fraternal parties and governments. All their activities on the world scene confirm this. Relying on the Peace Programme worked out by the 24th Congress of its Communist Party, the Soviet Union, together with the other socialist countries, has taken a number of major constructive steps to develop and expand economic

co-operation with other countries. These steps have been taken in conjunction with measures to ease world tension.

There have been profound changes in international affairs. The world is turning from cold war to détente and from military confrontation to the strengthening of security and peaceful co-operation. The Vietnam war has been stopped. The well-known agreements with the United States, the Federal Republic of Germany and other capitalist countries have been signed. The German Democratic Republic has been fully recognized in accordance with international law. The European conference on security and co-operation has been held. The talks on disarmament and the reduction of armed forces in Central Europe have got under way. International economic, scientific, technological and cultural co-operation is increasing every day. When the leaders of the Communist and Workers' Parties from socialist countries met in the Crimea in 1973, they expressed the firm resolve of the fraternal nations to press ahead jointly to consolidate the positive changes in the world climate so that a lasting world peace could be achieved.

Nevertheless, anti-communist propaganda persists in its attempts to discredit the high-minded aims of the socialist countries' foreign policy. This is the purpose of its attacks on CMEA and socialist economic integration. The usual practice of Western "experts" on international trade is to complain about the "excessive" development of mutual ties between the countries of the socialist community. They allege that these ties "hamper" their economic

relations with the other countries of the world. What is more, reactionary ideologists and various revisionist elements claim that the objective of CMEA in general is to set up a closed group, isolated from the rest of the world and that the integration of CMEA countries is going to hold back the growth of trade.

It is hard to see where these conclusions spring from. The struggle against closed economic blocs continues to be the principled line of the socialist countries in their foreign economic relations. Their party and government leaders have repeatedly denounced the discriminatory practices of such groups, in particular, of the Common Market. As for the socialist community, as Leonid Brezhnev once underlined, "we have never regarded our community as some kind of a closed bloc with its interests opposed to the interests of other countries. On the contrary, what makes our joint policies effective is that they conform to the aspirations of all the progressive movements, to the hopes and aspirations of all nations."

From the outset the Council for Mutual Economic Assistance has been acting as an open body. Any states are welcome to join if they share its objectives and principles and if they agree to commit themselves to the obligations laid down in its Charter. The Council has always been ready to search for mutually acceptable forms of business contacts and co-operation with other countries and international organizations. The corresponding principles are recorded in its Charter and are strictly observed. In 1950 the German Democratic Republic was admitted to CMEA. In 1962 Mongolia join-

ed it, and in 1972 Cuba became a member. Yugoslavia is also active in a number of CMEA agencies under an agreement signed in 1964. Her representatives take part in tackling problems of mutual interest practically on an equal footing with CMEA members. Yugoslav delegates are also invited to meetings of CMEA bodies on many other issues to keep them informed. It is also widespread practice to invite representatives from other socialist countries as observers to meetings of various CMEA bodies. Active contacts are being maintained with dozens of international economic, scientific and technological organizations.

When the CMEA countries adopted their Comprehensive Programme, they were not tied to any decisions limiting or harming their co-operation with the third countries. On the contrary, the Programme emphasizes that "in accordance with their policy of peaceful co-existence, and in the interests of social progress, and also because the international socialist division of labour is effected with due account taken of the world division of labour, the CMEA member-countries shall continue to develop economic, scientific and technological ties with other countries, irrespective of their social and political systems, on the principles of equality, mutual advantage and respect for sovereignty." The readiness to expand economic co-operation with the rest of the countries of the world on these principles was reaffirmed at the subsequent sessions of the Council for Mutual Economic Assistance.

In the spirit of these principles the Comprehensive Programme offers ample opportuni-

ties for countries outside CMEA to take part in its projects. Of course, full participation in carrying out the Programme implies that the given country shares its objectives and principles and is a member of the Council. But partial involvement is not linked with this condition. Its framework can be specified by agreement between the Council and the country concerned in a separate treaty. As to integration measures outside the CMEA framework, the interested non-member-countries or their economic organizations can join them by direct agreement with the countries or organizations involved.

As the positions of world socialism are growing stronger and socialist economic integration is gaining momentum, interest is growing in various countries in the activities of CMEA and in the possibilities of taking part in the multilateral co-operation of its members. And CMEA readily responds to this interest.

A case in point is the agreement on co-operation between CMEA and Finland signed in May, 1973, the first accord of this kind with a non-socialist country. Its objective is to promote multilateral co-operation between the CMEA countries and Finland on matters of mutual interest in various spheres of the economy, science and technology. A joint committee of CMEA members and Finland has been set up to carry out this co-operation. Significantly, the agreement in no way affects the political or economic independence of the countries involved. It proceeds from the full equality of the partners, rules out interference in each other's domestic affairs and sets up no discrimi-

natory barriers in the way of developing their foreign trade and economic relations.

A discussion is under way on co-operation between CMEA and the interested developing countries. The granting of an observer's status at the UN General Assembly to CMEA is another confirmation of its mounting international prestige.

The facts show that the integration of the CMEA countries, far from hampering their active role in international economic exchange, is expanding and consolidating the basis for it. Between 1961 and 1972 their trade with the non-socialist world has trebled. At present it is over 22 thousand million roubles. The non-socialist countries account for about one-third of the total cost of the CMEA members' goods turnover.

As is specified in the Comprehensive Programme, the CMEA countries attach particular importance to expanding economic, scientific and technological co-operation with the developing countries. The idea is to help such countries in Asia, Africa and Latin America in every way to build up their political and economic independence and promote their development. The main emphasis is put on building major state-owned enterprises, meeting up-to-date technical standards, in these countries. These enterprises built with the assistance of socialist countries remain the property of the developing countries, comprising the backbone of their independent economies. As a result, they become less dependent on imperialist powers and can restrict the operations of foreign monopolies. What is more, they can

also expand their export resources and take part in the international division of labour on an equal footing.

At present about three thousand industrial, agricultural and other projects are going up in nearly 60 countries of the Third World with economic and technical assistance from the Soviet Union and other CMEA countries. The vast majority of these projects are being financed by the long-term low interest credits supplied by the socialist countries. The interest rate is between two and two and a half per cent.

Many enterprises built thanks to co-operation with socialist countries now play a key role in the developing states. For instance, the projects built with Soviet help in India account for 30 per cent of her steel, 35 per cent of oil products and 85 per cent of heavy engineering equipment. A major power and hydro-engineering complex has gone up in Aswan on the Nile river by a joint Soviet-Egyptian effort. It makes it possible to double per capita electricity output in Egypt, irrigate and reclaim almost 600 thousand hectares of land where two to three harvests a year are possible.

The socialist countries are also making every effort to help the young independent states to solve another acute problem—that of training their own skilled personnel. Over 140 schools, colleges and other training centres are going up in the Third World with Soviet help. Ninety of them are already functioning. They have trained 100 thousand citizens of the developing countries. In addition, over the past few years Soviet experts have trained more than 200 thou-

sand skilled workers and foremen in these countries on the spot. During the 1972-73 academic year there were 30 thousand students from over 100 countries of Asia, Africa and Latin America studying in various schools in the CMEA countries.

As the integration of the CMEA members is gaining momentum, their economic ties with the developing countries are not only expanding but also becoming more and more stable and mutually advantageous. Evidence of this are the changes taking place in the export of the Asian, African and Latin American countries to the socialist community. Between 1960 and 1970 its volume rose 10 per cent annually or twice as fast as their exports to advanced capitalist countries. Over the same period the share of the developing countries in imports of the socialist states went up from 8.8 to 10.3 per cent while in imports of the industrially developed capitalist countries it fell from 25 to 18.5 per cent.

In keeping with the recommendations of UNCTAD the Soviet Union and the other CMEA members either have abolished or substantially lowered their customs duties on imports from the developing countries. Long-term agreements have been concluded with the latter, providing for the purchase of their traditional export goods at prices free from the fluctuations of the world market.

At present the socialist countries account for more than one-third of the exports from Afghanistan, Egypt, Syria and Mali and for 10 to 20 per cent of those from India, Malaysia, Morocco, the Sudan and Sri Lanka. The socialist coun-

tries are steadily expanding their purchases in the Third World not only of traditional export items but also of various industrial goods, especially those produced by the factories built with the help of the CMEA countries. This development makes it possible to improve systematically the structure of the developing countries' exports. For instance, over the past few years industrial goods have accounted for more than 40 per cent of Indian exports to the Soviet Union.

The collective bodies of the CMEA countries also have a major part to play in promoting co-operation with the developing countries. A special fund was set up at the International Investment Bank in early 1974 to provide credits for economic and technical assistance to developing countries at a sum of up to one thousand million roubles. In keeping with the decisions of the 27th CMEA session the Council's scholarships fund has been set up for the 1974-75 academic year, to assist the Third World countries in training their own experts in the most important fields at schools of higher learning in the CMEA countries.

Substantial changes are also taking place in the trade and economic relations between the socialist and industrially developed capitalist countries, in the sphere of what is often described as East-West relations. Over the past 12 years the volume of their trade has almost trebled reaching 17 thousand million roubles. The traditional forms of trade are being supplemented with new, more stable and intensive ties. The CMEA countries have now signed long-term trade and economic treaties and con-

tracts with their main Western partners and are expanding co-operation in production, science and technology.

These developments have made particularly big headway in Europe. Trade with European states accounts for nearly four-fifths of the CMEA members' goods turnover with the advanced capitalist countries. Finland became the first capitalist state to choose the road of constructive co-operation with socialist countries on the basis of long-term agreements. Large orders from the Soviet Union and other CMEA members enabled Finnish shipbuilding and other key industries to expand and run at full capacity and helped reduce unemployment. Finnish companies have participated in building four hydro-power stations in the Soviet Union and in erecting a hotel in the city of Tallinn. At present several of them are taking part in modernizing a paper and pulp mill at Svetogorsk. For their part, Soviet organizations are helping Finland build two atomic power plants, a steel mill, and lay a gas pipeline.

Important results have also been achieved in developing economic co-operation between the CMEA countries and France, Italy, the Federal Republic of Germany and other European states. The Soviet Union has built its biggest car factory in the city of Togliatti on the Volga river in co-operation with the Italian company, *Fiat*, and several other Western companies. The factory's capacity is 660 thousand cars a year. Poland is also expanding her car output through this co-operation. Moreover, co-operation is also developing in the production of industrial goods, units and parts.

Over the past few years positive tendencies have also emerged in the development of trade and economic contacts between socialist states and other capitalist countries. Japan has become one of the CMEA members' chief trading partners. As a result of the talks between the Soviet and US leaders in 1973, there has been a turn towards normalizing relations and developing businesslike co-operation between the United States and the socialist community countries.

A number of mutually advantageous contracts have been signed with American companies, providing for the delivery of equipment and the sales of licences on a compensation basis for many important projects in the socialist countries. An example of this is the 20-year agreement concluded by Soviet organizations with the American Occidental Petroleum Corporation. Under this agreement Occidental Petroleum is to supply the Soviet Union with superphosphoric acid and help build a chemical complex for the production of ammonia and urea with a pipeline to feed liquid ammonia. Equipment and services are to be paid for out of part of the goods produced by this complex.

Scientific and technological co-operation is now playing a larger and larger role in the economic relations between socialist and Western countries. Mutual sales of patents and licences are increasing as well as exchanges of lecturers, students, scientists and specialists. Joint research is making headway. For instance, in 1972, 430 Soviet organizations co-operated with 420 companies, enterprises and offices in capi-

talist countries on more than 600 scientific and technological problems.

Co-operation with France is making particularly good progress. Soviet and French experts are jointly developing the colour television system SECAM, studying outer space for peaceful purposes and conducting research into high energy physics, to mention just a few areas. The Soviet moon rovers had French-made laser reflectors. A proton accelerator at Serpukhov is equipped with the unique French-made liquid hydrogen chamber Mirabelle, and Soviet and French scientists are conducting joint research.

The positive changes in the development of economic ties between the socialist and capitalist countries undoubtedly point to a certain turn of influential quarters of the capitalist countries towards easing world tension and normalizing trade and economic relations with the socialist world. This turn is the direct result of the increased power and prestige of the world socialist community. It vividly shows the futility of the cold war, economic boycott and isolation the imperialist forces have been practising against the socialist countries for such a long time in the hope of slowing down their development. A further reason is the growing need of the capitalist monopolies to expand the sales of their products, the import of raw materials and equipment and the international division of labour in production, science and technology. Last but not least, a key role is played by the vigorous and persevering policies of the Soviet Union and the other fraternal socialist countries to consolidate world peace and security, and promote international economic co-

operation on the basis of equality and mutual benefit.

Yet, on the whole, the economic ties between the socialist and capitalist countries still leave much to be desired. Their trade accounts for only 3 per cent of the world's total, though, taken together, they account for up to nine-tenths of world industrial output. There are still many serious obstacles in the way of developing mutually advantageous businesslike co-operation between the CMEA countries and the West.

To begin with, there are still artificial barriers in the capitalist market against socialist states. The Committee of the NATO countries and Japan which decides on the list of goods to be banned for export to the socialist countries, is still functioning. The quotas and licences on imports from the socialist countries are still in force, though their scope has been reduced. And the overall trade policy within the EEC is tending to be more and more discriminatory.

Western companies are chiefly interested in increasing their exports to the socialist countries without taking due steps to increase purchases, in particular, of industrial goods. This creates difficulties in paying for these purchases.

Finally, there are the attempts of the reactionary forces to use economic ties with the socialist countries to undermine or at least "to erode" their social and state systems, their unity and cohesion. Many of those who preach and practise anti-communism, in defiance of facts, present the activities of the Soviet Union and other socialist countries in favour of peaceful

co-existence and international co-operation as a sign of "weakness" of the socialist world. In this connection stories are spread about "economic difficulties" in the socialist countries, their "unilateral interest in Western technology," and outright appeals are made demanding that the socialist community be compelled to make political and ideological concessions. At the same time use is being made of old theories, long ago discredited by the march of events, which claim that a socialist economy is not adaptable to international trade and that the CMEA countries might dump their goods on the world market, etc.

All this is a further reminder that East-West economic relations are developing against a background of acute class confrontation between socialism and capitalism, and the CMEA countries draw the necessary conclusions from this fact. Among the most important conditions for furthering progress in world economic relations and for consolidating international peace and security are a high degree of vigilance, readiness to repulse vigorously the attacks of the forces hostile to socialism, strengthening the unity of the socialist countries, and joint action by them on the world scene.

As to the claims that co-operation offers "unilateral" advantages to socialism, they are just not true. It is a very real practical interest that induces the West to develop economic contacts with the socialist world. Lenin once pointed out that "there is a force more powerful than the wishes, the will and the decisions of any of the governments or classes that are hos-

tile to us. That force is world general economic relations, which compel them to make contact with us.”¹

This idea of Lenin’s assumes particular importance now that international trade, scientific and technological exchanges are developing at such speed. The capitalists would have never begun to develop economic co-operation with socialist countries if they had not been interested in it.

But there is more to it than that. Economic co-operation between the socialist and capitalist countries provides a material foundation for peaceful co-existence. In view of the huge nuclear potential today, this co-existence is the only alternative to the threat of a disastrous world-wide conflict. To realize this fact and adopt a standpoint of political realism have become the really important issues today.

As for the Soviet Union and other socialist countries, they are determined to do everything to consolidate the turn for the better in world relations. The Soviet Union, for one, has recently proposed a number of large-scale long-term projects for constructive co-operation with capitalist countries. For instance, agreement has been reached in principle on building a steel mill near the city of Kursk, in co-operation with West German companies. The mill is expected to produce up to 5 million tons of steel a year with a fundamentally new method of iron reduction from ore. The Soviet Union,

¹ Lenin, *Coll. Works*, Vol. 33, p. 155.

France and Finland have developed and endorsed ten-year programmes in trade, economic exchanges, specialization and co-operation and joint research.

Apart from this, the CMEA countries have come out with a number of important joint initiatives on European co-operation. These proposals formed the basis for the agenda of the European conference on security and co-operation. The socialist countries believe that a lasting peace and security in Europe would clear the way to solving major economic problems of mutual interest. Among other things, this means co-operation in building high voltage transmission lines to set up a unified European power system on this basis. Coupled with laying transcontinental oil and gas pipelines, this would lead to radical changes in meeting the European countries' needs in fuel and electricity. The organization of a transcontinental freight service and a unified navigational system, linking major European rivers, could also play an important role in expanding and developing effective shipping routes.

It is extremely important that all European countries co-operate in measures to protect the environment, including the seas which border them, and to use their resources in a rational manner. The 27th session of the CMEA in 1973 considered an extensive programme of the CMEA member-countries' multilateral co-operation in protecting and improving the environment. Its decisions point out that in carrying out measures in this field it would be expedient to co-operate with every interested country and

international body and co-ordinate these measures with those carried out on a European scale.

Business contacts between CMEA and EEC could also be of substantial importance in developing European trade and economic co-operation. It was the socialist countries that broached the subject first. Of course, this should not be taken to mean that they no longer regard EEC as a closed state-monopoly group or have changed their view of its discriminatory practices in international relations. However, since they want to consolidate the atmosphere of peace and co-operation in Europe and since EEC plays a very real part in Western Europe, they find it necessary to establish business contacts with the Common Market.

In a number of recent statements the leaders of the Communist and Workers' Parties of the CMEA countries have outlined their basic views on the principles of possible relations between these countries and members of EEC. It was emphasized that the relations with the participants of the West European group would depend, among other things, on whether they would recognize the real situation in the socialist part of Europe, including CMEA. In his report on the 50th anniversary of the Soviet Union in December, 1972, Leonid Brezhnev said, "Is it possible to find a basis for some forms of businesslike relations between Europe's two inter-state trade and economic organizations—the Council for Mutual Economic Assistance and the Common Market? It could probably be found, if the Common Market countries refrain from all attempts at discrimination of the other

side, and if they help develop natural bilateral ties and all-European co-operation.”

The efforts the CMEA countries are making to expand and consolidate ties with other states clearly show their considerable positive contribution to developing international economic relations and to reshaping them on the basis of equality, non-discrimination and mutual benefit.

Conclusion

The socialist community is still very young and virtually at the beginning of the road. The Council for Mutual Economic Assistance, the oldest of the socialist countries' joint bodies, celebrated its 25th birthday in 1974. Other bodies and associations which make up the system of socialist countries' co-operation today are still younger.

This point was emphasized by Leonid Brezhnev at the 24th Congress of the CPSU when he said that “the present-day socialist world, with its successes and prospects, with all its problems, is still a young and growing social organism, where not everything has settled and where much still bears the marks of earlier historical epochs. The socialist world is forging ahead and is continuously improving. Its development naturally runs through struggle between the new and the old, through the resolution of internal contradictions. The experience that has been accumulated helps the fraternal parties to find

correct and timely resolution of the contradictions and confidently to advance along the path indicated by Marx, Engels and Lenin, the great teachers of the proletariat.”

This also fully applies to socialist economic integration. In general, integration processes are a new phenomenon in international relations. They made headway mostly in the second half of this century. Socialist integration stems from an objective tendency towards internationalization of economic, political and cultural life. It is developing in accordance with the laws inherent in socialism and proceeding along new, unexplored tracks. The CMEA countries are the first to discover the fundamentally new forms and methods of international economic co-operation. These ensure that effective use is made for the benefit of the working people of the potentialities offered by the world scientific and technological revolution and the international division of labour, and promote fraternal friendship and co-operation among nations and their voluntary rapprochement and cohesion.

In this respect socialist and capitalist integration basically differ. The latter is developing by ways and means inherent in the exploiter system. Hence it is natural that the two types of integration play different roles in world economic relations.

Under imperialism integration processes, though progressive in themselves and making for a higher degree of socialization in production and for higher labour productivity, are helping the biggest monopolies to make more profits and consolidate their domination. The objec-

tives of capitalist integration are attained by stepping up exploitation of the working people, by enslaving and suppressing the economically weaker countries, and by the cut-throat competition being waged between imperialist monopolies. Therefore, capitalist integration is accompanied by mounting social and national antagonisms. It impedes the normal development of world relations, the free national development and the tendency towards the internationalization of material and cultural life.

On the contrary, socialist economic integration more and more shows its progressive character. Its development consolidates the positions of socialism in the world. The working class of the capitalist countries and the national liberation movements in the Third World regard the community of the CMEA countries as the embodiment of the advantages of socialism on a world-wide scale and as a realistic alternative to capitalist integration. At the same time, socialist integration is contributing a great deal to reshaping world economic relations along progressive lines and to freeing them from imperialist discrimination and dictate. It enables the CMEA countries to give increasing material support to the newly liberated states and expand their participation in world trade and scientific and technological exchanges, thus helping establish a firm basis for the relaxation of world tension and promote world peace.

Socialist economic integration is gaining in scope with every passing year. It is becoming more extensive and diversified. The socialist countries are steadily moving towards their objective, the world's highest level of economic,

scientific and technological development, towards the fullest satisfaction of the people's material and cultural needs, and towards setting up a close-knit family, the prototype of the future world community of free nations.

Л. Краснов
СОЦИАЛИСТИЧЕСКАЯ ЭКОНОМИЧЕСКАЯ ИНТЕГРАЦИЯ
В СИСТЕМЕ МИРОХОЗЯЙСТВЕННЫХ ОТНОШЕНИЙ
на английском языке

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