

What
Socialist
Economic
Integration
Means

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**WHAT
SOCIALIST
ECONOMIC
INTEGRATION
MEANS**

**(WHAT HAS BEEN ACHIEVED,
AND PLANS FOR THE FUTURE)**

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INTRODUCTION

In July 1971, the 25th session of the Council for Mutual Economic Assistance (CMEA) adopted a Comprehensive Programme of Socialist Economic Integration worked out under the guidance of the communist and workers' parties of the socialist countries. This programme summed up the results of economic relations between the CMEA countries over a period of more than 20 years and defined the new stage of development in their economic co-operation.

Economic integration is now an objective need in both the capitalist and the socialist countries, but its aims and methods differ greatly in the two groups of countries.

For all the successes of economic integration in the capitalist world, it has not helped to do away with its fundamental contradictions and cannot do so. On the contrary, there is a growing struggle between the imperialist states for marketing outlets, sources of raw material and spheres of capital investment, while the capitalist system is being rocked by an unprecedented currency crisis, sharpening social conflicts, growing unemployment, the wholesale bankruptcy of

farmers and declining living standards among the working people. Throughout the capitalist world there is increasing instability, uncertainty of the future and mounting class battles.

Economic integration in the socialist world has been advancing on different lines and with different results. Because it is based on socialist principles it creates all the conditions for a balanced harmonisation of the interests of each country and of the community as a whole, expressing the principles of proletarian internationalism, which are the foundation of relations between the fraternal socialist countries.

The effort to implement the Comprehensive Programme of Socialist Economic Integration was started in the Soviet Union and other socialist countries within the CMEA area as soon as the Programme was adopted. This is an intensive and purposeful effort which is being carried on at an ever faster rate with the dynamism inherent in the socialist system, overcoming the various difficulties and refuting the pessimistic forecasts of the politicians and ideologists of imperialism.

The Comprehensive Programme of Socialist Economic Integration is essentially a general plan for the joint economic activity of the CMEA countries over a period of 15-20 years. The communist and workers' parties and the governments of the CMEA countries have elaborated concrete tasks in implementing this plan. Having considered the results of CMEA's 25th session, they adopted resolutions instructing the competent national bodies to work out and implement the necessary economic, organisational, legal and other measures for the effective fulfilment of the

Comprehensive Programme. They stressed the special role of the Council for Mutual Economic Assistance, within whose framework the effort to implement the concrete measures set out in the long-term programme of socialist economic integration is to be organised and co-ordinated.

The Comprehensive Programme has become a vital concern of the people of all the socialist countries, because, together with greater efficiency of social production and economic development, it means a higher standard of living for everyone. This concern of millions has been expressed in material terms in the earliest results of fulfilment of the Comprehensive Programme.

In 1971, the CMEA countries, relying on their sound material and technical foundation, and their system of economic relations, scored more major successes in developing every branch of the national economy. As in the past, they continue to constitute the most dynamic industrial area of the world. In 1971, their industrial production increased by 7.8 per cent, whereas in the advanced capitalist countries, which account for 90 per cent of the world capitalist production, industrial growth came to no more than 1 per cent, including 2.6 per cent in the Common Market countries, and roughly 1 per cent in the USA, the leading imperialist power, as compared with 3.4 per cent in 1970, and an average of 5.7 per cent for the 1960's.

Thus, for the capitalist countries, 1971 was a year marked by a further growth of instability of the economy, a very slow overall growth of production, crisis phenomena and recessions in some countries, continuing inflation, growing unemployment, mounting social conflict, the

sharpest flare-ups of the currency and financial crisis, and an acute aggravation of the contradictions between the leading capitalist countries.

The instability of the capitalist economy is having a damaging effect on the condition of the working class and other working people in both town and countryside. In most capitalist countries there is a growing army of unemployed. By the end of 1971, the USA had, according to official data, over 5 million fully unemployed, which was 6 per cent of the labour force; in Italy the figure was 1 million, and in Britain—almost 1 million, the highest figure since the 1930's. In 1971, the development of the capitalist economy once again provided convincing confirmation of the conclusion drawn by the 24th Congress of the CPSU that the attempts of capitalism to adapt itself to the new conditions do not help to stabilize it as a social system. The general crisis of capitalism continues to worsen.

The growing unemployment, and the undermining by the monopolies of the working people's rights and living standards have resulted in more class battles in the capitalist countries. In his speech at the 15th Congress of the Trade Unions of the USSR in March 1972, Leonid Brezhnev, General Secretary of the CPSU Central Committee, noted: "The capitalist world is being shaken by a tremendous upsurge of the working class movement. In a number of countries this upsurge has become an important factor of socio-political life. The class battles which are unfolding today have given rise to a tendency to which the Communists have called attention, namely the gradual turning of the economic struggle into actions directed against the entire system

of state-monopoly domination. Evidence of this is the recent successful strike of the British coal miners, the great strike actions of the Italian workers, and the large-scale strikes in a number of other countries."

The sharp contrast between the state of affairs in the capitalist and in the socialist world has become more apparent. In 1971, there was steady economic growth in the CMEA countries, with production in the most progressive industries—engineering, radio electronics, chemistry and petrochemistry, industries which determine technical progress and the efficiency of production—developing at faster rates as in the past, while the whole structure of the national economy was being improved. Almost 80 per cent of industrial growth in the CMEA countries came from higher labour productivity; in Hungary, Mongolia and Czechoslovakia the whole industrial increment came from higher labour productivity.

The CMEA countries, building up their economic strength and furthering their economic and political co-operation, have been working to combine the achievements of the scientific and technical revolution and the advantages of the socialist economic system, a synthesis of science and production. That is the scientific basis for the increasingly close co-ordination of the economic activity of the socialist countries and a deepening and improvement of the process of socialist economic integration.

* * *

The policy of deepening economic, scientific and technical co-operation and unfolding integration processes in the economy of the CMEA

countries is planned for a long period. Its implementation is bound to be connected with the tackling of many theoretical and practical problems. The Directives of the 24th Congress of the CPSU for the Ninth Five-Year Plan say that in the economic sphere there will be "... greater emphasis on the developing of the most effective forms and methods of applying the objective economic laws to the practice of planned economic management, on improving long-term planning, on examining the problems of accelerating scientific and technical progress and intensifying social production and increasing its economic efficiency to the utmost, and also on solving the key problems in the development of the socialist economic integration of the USSR and the other CMEA countries." The breadth and complexity of the theoretical and practical problems of integration predetermine the need to involve in their elaboration all of the leading academic and departmental research institutes of the socialist countries and also to ensure all-round co-ordination of their activity.

The decisions of the 24th Congress of the CPSU and of the congresses of the communist and workers' parties of the other CMEA countries have mapped out an extensive programme of research in fundamental and applied sciences. This, together with the intensive development of integration links, opens up the broadest prospects for the further growth of the economic strength of the international socialist community, for its increasing prestige and influence on the course of world developments.

The tasks facing science in connection with the fulfilment of the Comprehensive Programme

of Socialist Economic Integration are complex and highly diverse. Besides, as experience is gained, and as new requirements and possibilities emerge in the process of integration of the economies of the CMEA countries, more and more new tasks are bound to present themselves.

Let us consider some of these.

The documents and decisions of the CPSU and of other fraternal Marxist-Leninist parties and the materials of the world communist movement show that the economic integration of the socialist countries is a new regularity. In this context, Marxist-Leninist economics faces the task of revealing the essence of this regularity and the place and role of socialist economic integration as a new regularity within the system of specific regularities springing from the nature of international socialist relations of production. Lenin wrote: "Anybody who tackles partial problems without having previously settled general problems, will inevitably and at every step 'come up against' those general problems without himself realising it. To come up against them blindly in every individual case means to doom one's politics to the worst vacillation and lack of principle."

Guided by Lenin's teaching, the 24th Congress of Soviet Communists instructed the Central Committee of the Party "to go on strengthening and developing co-operation with the communist and workers' parties of the socialist states, on which primarily depend the unity and cohesion of the world socialist system; to extend to the utmost co-operation with the socialist states in

¹ Lenin. *Coll. Works*, Vol. 12, p. 498.

the sphere of international policy and economic relations, including the development of economic integration; to strengthen scientific and cultural ties."

The formation and development of the world socialist system is not a spontaneous but a purposeful and creative process. The communist and workers' parties of the socialist countries are the guiding force and organisers of the multifaceted activity in the all-round strengthening and development of the world socialist system and the broadening of integration ties. The Marxist-Leninist parties exercise this function by means of constant contacts at Central Committees level, through the Council for Mutual Economic Assistance and the Warsaw Treaty Organisation, and through bilateral and multilateral meetings, in the course of which they consider the fundamental questions arising from the development of the community as a whole, elaborate rational forms for economic, scientific and technical ties and collectively determine their common foreign policy line.

An analysis of available facts shows that from the content of socialist integration spring the specific features of its economic mechanism, which is in fact a mechanism of planned socialist economic operations on an international scale.

The socialist economy is inherently free from the play of spontaneous market forces, which is characteristic of the world capitalist system. The Comprehensive Programme says: "The CMEA member-countries consider co-operation in planning activities, especially the co-ordination of plans. the main method for organising co-opera-

tion and extending the international socialist division of labour."

The Comprehensive Programme provides for roughly 200 scientific and practical measures. These being closely connected with one another in implementation, it is possible to organise the management of integration processes not only on a broad front, but also in close interaction between the separate elements.

What is the concrete role of the Comprehensive Programme in carrying forward integration processes in the economy of the CMEA countries, what are the large-scale economic, scientific and technical problems that are being solved along the lines of integration, and what is the legal basis for the co-operation of the CMEA countries?

In this epoch of fierce struggle between the two ideologies—the socialist and the bourgeois—the question of the substance of integration, of the economic mechanism to be used, and the social, political and economic consequences of integration becomes an especially acute political question. The monopolies, their politicians and ideologists are being increasingly worried by the fact that everything CMEA has been doing has been aimed at strengthening its members economically and politically, at raising the material and cultural levels of their peoples, and at accelerating the advance of these countries towards communism. That is why the advocates of capitalism seek in every way to throw a false light on the true aims and purposes of socialist economic integration, to denigrate the socialist system and to drive a wedge between the socialist countries.

In their efforts to cover up the fundamental distinctions between socialist and capitalist integration, and to clear capitalism of the blame for the sharpening plunderous competition, the uneven development, the plight of vast numbers of people resulting from unemployment, deprivation, and growing poverty, the politicians and ideologists of imperialism frequently try to make out that the CMEA and the EEC are on a par. Many of them deliberately present relations between the socialist countries as being the same as relations in the capitalist world, where everything depends on the spontaneous play of market forces, the oppression of the weak by the strong, and exploitation.

These slanderous inventions by Western ideologists and their wishful thinking are far removed from reality. Zdenek Sedevy, Deputy Chairman of Czechoslovakia's State Planning Committee, wrote: "Integration in the capitalist world is expressed in an acceleration of the process in which the weaker partner is swallowed up by the stronger, providing the basis for the growing process of uneven development. By contrast, our community (CMEA) is based on the principles of equality and sovereignty of all the states, and on their mutual interests."

The Communique of CMEA's 26th session, which was held in Moscow in July 10-12, 1972, says that the year since the adoption of the Comprehensive Programme has confirmed the correctness of the jointly formulated line of carrying forward socialist economic integration. The steps already taken to implement it have shown the real advantages and the further development of the socialist type of international eco-

omic relations, combining the national and the international interests of the fraternal countries.

The Comprehensive Programme provides for co-operation in the sphere of economic forecasting, and co-ordination of plans over a long term for the most important branches of the national economy. The drawing up of plans for 1976-1980 is to be tied in with the co-ordination of plans for a longer period—up to 1990.

Thus, the outlines of a grand programme for the development of the socialist community are to be determined in the near future. Realisation of this programme should almost double the production strength of the socialist community in a matter of ten years. The two five-year periods immediately ahead will raise the material and technical basis of the socialist countries to an unprecedented level, in the interests of their own peoples, and in the interests of peace and social progress.

CMEA's 26th session unanimously decided to admit the Republic of Cuba to CMEA membership. Cuba's participation in CMEA activity will help in carrying out the tasks of socialist construction in Cuba and in further strengthening the socialist community. CMEA now has member-states on three continents. Yugoslavia has extended its participation in the work of CMEA agencies. Economic ties with other socialist countries are also being developed.

The purpose of this pamphlet is to show the essence of socialist economic integration, and its role and importance in the development of each CMEA country and the socialist community as a whole.

WHAT IS SOCIALIST ECONOMIC INTEGRATION!

Among the great revolutionary processes of our epoch the emergence of the new socialist world is undoubtedly the most important and crucial. Socialism, which on November 7, 1917, was first marked on the map of the world with a red flag over revolutionary Petrograd in Russia, now extends to over a quarter of the globe. The victory of socialism in the Soviet Union and then in a number of countries in Europe and Asia, the victory of the revolution in Cuba, and the establishment and growth of the world socialist system all bear witness to the triumph of Marxism-Leninism and the start of a new era in the life of mankind.

An important role in the formation and development of the socialist community is being played by the CMEA, the first international economic organisation of the socialist countries, set up in 1949. Its purpose, according to its Rules, is to help, by means of pooling and co-ordinating the economic efforts of its members, the planned development of their national economies, to accelerate economic and technical progress in these countries, to raise the industrial level of countries with less developed industries, steadily to boost labour productivity and raise the standard of living of the people.

In its more than 20 years, CMEA has done much successful work in organising the planned economic co-operation of the members of the socialist community. Experience has confirmed the historical necessity of establishing such an orga-

nisation, arising from the formation of the world socialist system.

With the spread of socialism beyond the borders of one country and its transformation into a world system, economic relations between the socialist countries have been steadily developed and improved. The CMEA countries have advanced from bilateral agreements on economic, scientific and technical co-operation to multilateral agreements, and from foreign trade ties to co-operation in the sphere of material production. In the course of this co-operation they have evolved a new type of international economic relations.

The CMEA countries have built up a powerful economic and scientific base. With a territory of 25 million square kilometres, which comes to 18.5 per cent of the earth's surface, they have a population of nearly 350 million, or 10 per cent of the total world population. In 1971, their share of world industrial output came to 31 per cent, as compared with 18 per cent in 1950, which was over double that of the Common Market countries. With only 10 per cent of the world's population, the CMEA countries are estimated to account for over one-third of the world's national income growth and almost one-half of the industrial growth. In the past 20 years, trade between the CMEA countries increased more than 7-fold, creating reliable prerequisites for its growth by another two-thirds in the 1971-1975 period.

No capitalist grouping has such a powerful production potential, such great fuel and raw material resources, such a vast army of research and design personnel, or such a large number of institutes, experimental bases and laboratories as

the CMEA countries. They lead in many decisive fields of science and technology. The CMEA countries have one-third of the world's research workers. CMEA's policy of evening out the economic and industrial levels has brought about a situation in which countries which had never before made any machinery or other industrial products now export them. Increasing importance attaches to specialisation and co-operation in production and science, with a deepening and improvement of economic, scientific and technical co-operation, all of which helps to increase the efficiency of social production.

At the present stage of historical development, the objective process in which the CMEA countries are being drawn economically closer together acquires a new quality which is expressed in socialist economic integration. The International Meeting of Communist and Workers' Parties in June 1969 noted that "the socialist world has now entered a stage of its development when the possibility arises of utilising on a scale far greater than ever before the tremendous potentialities inherent in the new system. This is furthered by evolving and applying better economic and political forms corresponding to the requirements of mature socialist society, which already rests on the new social structure."

The Report of the CPSU Central Committee to the 24th Congress of the Party, which was delivered by the General Secretary of the CPSU Central Committee, Leonid Brezhnev, said: "The economic integration of the socialist countries is a new and complex process. It implies a new and broader approach to many economic questions, and the ability to find the most rational solu-

tions, meeting the interests not only of the given country but of all the co-operating participants. It requires firm orientation on the latest achievements of science and technology, and the most profitable and technically advanced lines of production." The heads of delegations of the fraternal communist and workers' parties attending the 24th Congress of the CPSU affirmed the determination of their parties firmly to pursue the line of strengthening co-operation and developing economic integration. Edward Gierek, First Secretary of the Central Committee of the Polish United Workers' Party, declared: "Our efforts aimed at strengthening, and speeding up the development of People's Poland are inseparably connected with our desire for long-range socialist economic and scientific-technical integration within the framework of the Council for Mutual Economic Assistance."

The economic integration of the CMEA countries is a natural result of the achievements of these countries in their economic, scientific and technical co-operation. At the same time it is a new stage in a process which economically brings them closer together. The new conditions for the development of economic, scientific and technical co-operation among the socialist countries are determined, first, by the great economic and scientific potential they have built up, second, by the possibilities and requirements of the current scientific and technical revolution, and third, by the growing tendency towards the internationalisation of economic life.

There are numerous facts to show that the internationalisation of economic life and the integration processes arising on that basis now

range over the whole world. The all-round economic, scientific and technical ties between countries are deeply rooted in the development of the modern productive forces, which are now characterised by a high level of concentration and require a powerful scientific basis, vast markets and great raw material and fuel resources. In these conditions, economic activity can no longer be confined to the isolated efforts of individual countries. Any attempt to erect a "great wall" between one country and the rest of the world or to pursue a policy of "relying on one's own strength" cuts it off from the world achievements in scientific and technical progress, results in a useless waste of effort and resources, and consigns its people to cultural and technical backwardness.

At the present time there is a great increase in the exchange of licences and patents, and countries conclude agreements on specialisation and co-operation in scientific and technical activity, production and the marketing of products. The technical re-equipment of production in any country is now carried out, not only by the efforts of its own scientists, engineers, technicians and workers, but also through the application of foreign design and technological novelties. This tendency for economic life to be integrated and internationalised is a progressive one, because this consolidates the basis for co-operation between states.

Under the impact of the scientific and technical revolution, which modifies technology and organisation in production, increases the range and improves the quality of products, economic, scientific and technical ties between the countries of the world have been steadily growing. In the

20 years from 1950 to 1970 world trade increased from 114 thousand million roubles to 570 thousand million roubles, or by 400 per cent. It should be noted that world trade steadily embraces a growing share of products involving a high degree of manufacture, particularly machinery and equipment, and consumer durables. This tendency is a reflection of the international division of labour on the basis of co-operation and specialisation in manufacturing.

Over the past 10-15 years, the role of international relations in the life of mankind has been enhanced and economic, scientific, technical and cultural ties have been considerably extended. That is why the documents and decisions of the CPSU and other Marxist-Leninist parties and of the world communist movement devote so much attention to the problems of present-day international relations. The latter are taken to mean the aggregation of economic, political, ideological, legal, diplomatic and military ties and relations between nations, between states and systems of states, economic and political forces and organisations, operating in the world arena.

At the present stage of development, the industrialised capitalist countries sell from 7 to 40 per cent of their national product through international economic relations. At present, the CMEA countries exchange through their foreign trade roughly one-eighth of their aggregate national income, with the figure as high as 30 and more per cent for some countries.

The gradual drawing together of the national economies of various groups of countries is a process that has acquired the nature of economic integration. As a consequence of this there has

arisen a tendency, which is becoming increasingly pronounced, towards the establishment of regional economic complexes within the framework of various groups of states.

The socio-economic essence of integration, the forms in which it is being implemented and its consequences are determined by the nature of the social system under which it is being carried on. In this context, there are three clear-cut groups of integration processes—socialist integration, capitalist integration, and integration processes between the developing states.

Co-existence, economic competition, the struggle between the socialist and the capitalist systems, and contradictions between them, constituting the basic contradiction of the epoch, have left their mark on all the processes at work at the present time, including economic integration.

Political and economic writings in the industrialised capitalist countries contain various attempts to give a clear-cut definition of economic integration. Harold Macmillan declared in a speech in the House of Commons: "The word 'integrate' is a vague word and I do not know what is meant by that."¹ In their efforts to cover up the reactionary essence of the integration groupings of the imperialist countries, many politicians and ideologists of imperialism insist that integration embodies the ideas of "European unity", which were voiced long ago. The French scientist, E. Bonnefous, wrote: "The concept of European unity in fact emerged in the Middle Ages. It was materially embodied in Charlemagne's Empire." Other advocates of the capitalist system have made similar assertions.

¹ *The Times*, July 27, 1962, p. 9.

The key to a scientific understanding of the internationalisation of economic life and the integration links which arise on its basis is contained in the works of Marx, Engels and Lenin and in the documents and decisions of the communist parties and the world communist movement.

Karl Marx said that in the course of the class struggle the working class had to attain a "harmonious national and international co-ordination of the social forms of production."¹ In laying the foundation of international proletarian solidarity, Marx and Engels tirelessly stressed that the working class would achieve emancipation only when it forged a fraternal international alliance of the proletariat of all countries. Marx wrote: "Past experience has shown how disregard of that bond of brotherhood which ought to exist between the workmen of different countries, and incite them to stand firmly by each other in all their struggle for emancipation, will be chastised by the common discomfiture of their incoherent efforts."² He observed that the capitalists would seek to pool their forces in the economic, military and political spheres in their fight against the revolutionary movement of the working class. "Capitalists form a veritable freemason society vis-à-vis the whole working class, while there is little love lost between them in competition among themselves."³

Marx and Engels foreshadowed the basic principles of relations between states in a socialist community. In his Inaugural Address of the

¹ Marx and Engels. *Works*, Vol. 17, p. 553, *Russ. Ed.*

² Marx and Engels. *Sel. Works*, Vol. 2, p. 17.

³ Marx. *Capital*, Vol. 3, p. 194.

Working Men's International Association, Marx urged the establishment of "the simple laws of morals and justice, which ought to govern the relations of private individuals, as the rules paramount of the intercourse of nations.

"The fight for such a foreign policy forms part of the general struggle for the emancipation of the working classes."¹

It was Lenin who carried forward the theoretical elaboration of the principles underlying the new type of international relations. These principles are the basis for the foreign policy of a number of states firmly guided by the Marxist-Leninist teaching. He substantiated the ways of establishing various social and state institutions under socialism and formulated the basic regularities governing the development of the new system.

Lenin observed that the most fundamental regularity of the international development of the new system was the socialist internationalisation of the life of society. He wrote: "Already under capitalism, all economic, political and spiritual life is becoming more and more international. Socialism will make it completely international."²

Elaborating his ideas on the prospects of the development of states after the victory of socialism, Lenin stressed the objective historical tendency of social development "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 ca-

pitalism and is bound to be further developed and consummated under socialism."¹

Under the impact of such a powerful accelerator as the solidarity of the socialist nations there is a steady intensification of the process of internationalisation of their economic, political and cultural life. This is required for the defence of their revolutionary gains against the schemes of the monopolies and all the forces of international reaction, and for the utmost strengthening of socialism.

In the present situation, with the politicians and ideologists of the capitalist system resorting to a highly diverse range of means, from local wars to economic blockade, from economic corruption to ideological subversion, in their efforts to split the socialist world and discredit the very idea of socialist integration, these warning words of Lenin's carry an especially powerful message: "There must be a close military and economic alliance between the ... workers, for otherwise the capitalists ..., the alliance of the richest capitalist countries... will crush and strangle us separately."²

The experience of the USSR and other socialist countries has provided fresh material for strengthening the theoretical propositions concerning the general regularities of socialist construction. The question of these regularities was fully dealt with at the recent congresses of the Marxist-Leninist parties of the socialist countries. In the Central Committee Report to the 24th Congress of the CPSU, Leonid Brezhnev, General Secretary of the CPSU Central Committee, said: "Not only are we now theoretically aware but al-

¹ Marx and Engels. *Sel. Works*, Vol. 2, p. 18.

² Lenin. *Coll. Works*, Vol. 19, p. 246.

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

² *Ibid.*, Vol. 30, p. 296.

so have been convinced in practice that the way to socialism, and the main features of socialism are determined by general regularities, which are inherent in the development of all socialist countries. We are also aware that the effect of these general regularities is manifested differently depending upon the concrete historical conditions and special national features. It is impossible to build socialism without basing oneself on general regularities or taking account of the specific historical features of each country. Nor is it possible without a consideration of both these factors correctly to develop relations between the socialist states."

Relying on the Marxist-Leninist doctrine and summing up the experience of the socialist countries, the communist and workers' parties have formulated the general features which spring from the nature of international socialist relations of production, such as the drawing closer together of the socialist nations and states on the principles of proletarian internationalism; planned and proportional economic development; socialist economic integration; the gradual evening out of the levels of development of the socialist countries; constant exchange of experience in socialist and communist construction, which becomes an international socialist achievement of all the nations; close foreign policy and military co-operation in the struggle against imperialism.

Political and economic writings in the USSR and other CMEA countries draw a distinction between the concept of "regularity" and "principle", which are close to each other but not identical. The requirements of objective laws are reflected in the policies of the Marxist-Leninist

parties in the form of definite principles, and this needs to be emphasised especially in view of the fact that the participants in international relations are sovereign states and their ruling communist and workers' parties.

Proletarian, socialist internationalism is the guiding principle of the political and economic relations within the world socialist system. This fundamental principle implies a harmonisation of the interests of each country with those of all the countries of the socialist community, fraternal mutual assistance and economic, political and cultural co-operation and co-operation in international relations. Solidarity and fraternal mutual assistance provide a sound basis for the equality of all the socialist countries and the strengthening of their independence and sovereignty.

Such are the theoretical principles of socialist economic integration, which the CMEA countries take into account and rely upon in working out the ways, methods and means of developing their integration links.

At the present stage of historical development there is an increasingly pronounced contradiction between what each country has the possibility of producing from its own potential and resources and what it needs to meet its steadily growing requirements. It is not right to insist that "everyone must produce everything", for this is economically inexpedient and, in fact, impossible. The goal to be aimed at is that each country should produce those products for which it is best suited and which are best for the socialist community as a whole. That is the import of the requirement written into the Main Document of

the 1969 International Meeting of Communist and Workers' Parties—to voluntarily deepen and extend the division of labour and co-operation of production, without infringing the national interests of the individual states. Many large-scale economic problems facing the socialist countries can be solved with the maximum efficiency if every sector of their national economy has a stake in economic integration.

The contradiction between what a country is capable of producing and what it needs is evident not only in the small countries but also in those with vast economic, scientific and technical potentials.

For instance, in 1971, almost 20 million different types of producer and consumer goods—from foodstuffs to computers and spaceships—were turned out all over the world. The USA, the USSR, the FRG, Japan and other industrialised countries produce over 500,000 different machines and mechanisms (type-size apart). The Consolidated Commodity Nomenclature of the Foreign Trade of the Member-Countries of the Council for Mutual Economic Assistance (1970) consists of 9 sections, 57 groups, 317 sub-groups and 3,945 commodity items. Furthermore, under the impact of the scientific and technical revolution the range of goods produced is being rapidly extended. It is safe to say that thousands of new types of goods, now not even on the drawing-board, will appear on the world markets by 1980. From this it follows that the role of international ties is bound to grow rapidly.

Various writers have repeatedly tried to formulate criteria to define a small country. Western economists have advanced these different

criteria: first, size of territory and population, with some advocates of this view suggesting a population of under 10 million and others 15 million; second, size of domestic markets, gross national product, national income per head of the population, and the extent to which the country's national potential is being used, with most advocates of this view holding that the optimal size of market for large-scale production requires a population of at least 100 million; third, exceptional dependence on external markets, the best criterion being the share of exports in the gross national product. For example, Belgium has a population of 9 million and her exports come to 43.6 per cent of the gross national product; two Belgians in five employed in the national economy work for export.

Countries within CMEA differ in size of territory, population, natural resources and level of industrialisation.

The need to keep up with scientific and technical progress calls for vast capital outlays to develop material production, and this entails a vast increase in spending for research, frequent replacements of obsolete equipment, changes in technology and in the organisation of production. It is fairly hard and sometimes even impossible for a country to tackle such problems alone. But together these can be solved with benefit for individual socialist countries and the community as a whole.

That is why the CMEA countries look to the concentration of production and a further intensification of the international socialist division of labour. The leaders of the communist and workers' parties and the heads of government of the

CMEA countries have repeatedly said that the continued socio-economic development of each fraternal country inexorably dictates the need for furthering economic integration, pooling and harmonising material production and developing integration links to the utmost.

"For us," says Todor Zhivkov, First Secretary of the Central Committee of the Bulgarian Communist Party, "socialist integration is of fundamental importance because it helps us to overcome the obstacles caused by our small territory and population, and makes it possible for Bulgaria to utilise fully the developments of the scientific and technical revolution."

"We are aware," says Piotr Jaroszewicz, Chairman of the Council of Ministers of the Polish People's Republic, "that we are unable to produce everything we need to develop our economy. Consequently, we must use deliveries from other countries, we must specialise in producing a considerably narrower range of goods than the one we are turning out at present."

At the present stage of historical development, socialist economic integration is, according to the Comprehensive Programme, "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, an expansion and conso-

lidation of the international market of these countries, and an improvement of commodity-money relation."

THE MECHANISM OF SOCIALIST ECONOMIC INTEGRATION

Implementation of the Comprehensive Programme depends not only on definite material conditions, or on the economic, scientific and technical potential of the CMEA countries, but also on the mechanism which creates the conditions for the successful development of integration processes.

From the content of socialist economic integration spring the specific features of its economic mechanism, which is the mechanism of planned socialist economic operations on an international scale. Planned development is an integral feature and the most important advantage of socialist integration. The state plan is its most effective instrument.

The idea of planned development has been expressed in practical terms in the voluntary co-ordination of five-year national-economic plans of the CMEA countries, which has been carried on from the mid-1950's and which has become the most important factor of co-operation between the CMEA countries.

"The leading role in the co-operation in planning activities, especially in the co-ordination of plans, shall belong to the central planning bodies of the CMEA member-countries, who are responsible for the organisation of the entire work involved in the co-ordination of plans, both bila-

teral and multilateral; this work shall entail the broad participation of the relevant CMEA agencies, ministries, boards, associations, big enterprises, and the utilisation of the direct links between state bodies in charge of branches and economic organisations." Indeed, success in carrying forward the integration processes in the economy of the CMEA countries lies in their joint planning activity.

"Our long-term plans, designed for the solution of fundamental economic and social tasks," Leonid Brezhnev stated in his Report on the Centenary of the Birth of Lenin, "must also include our targets and outline the best ways of attaining them, arriving at these by comparing different variants."

Planned development is the greatest advantage of the world socialist system. This is a form of co-operation which is impossible under capitalism. In the Common Market, foreign economic ties are regulated through joint determination of various instruments of trade policy, customs tariffs and economic subsidies. Under capitalism, direct planned co-ordination of integration links, whether in the sphere of production or in the sphere of circulation, is ruled out. Under capitalism, integration further sharpens the inter-imperialist contradictions, as the interests not only of individual countries but of whole economic alliances contrast and clash with one another. The clash of these interests is expressed in acute competitive struggle, as is seen from the whole history of the Common Market and other integration groupings in the capitalist world.

The planned nature of the international socialist division of labour has demonstrated its ad-

vantages over capitalist market regulation. Between 1950 and 1970, the CMEA countries increased their national income by 4.8 times, the Common Market countries by less than 3 times, and the advanced capitalist countries combined—by 2.3 times. In the same period, industrial production in the CMEA countries went up by 6.8 times, in the Common Market by 3.8 times, and in the advanced capitalist countries combined—by 2.8 times. In 1971, industrial production in the capitalist world increased by roughly 1 per cent, the smallest figure since the 1958 crisis, and only a fraction of the annual average rates characterising the 1960's. In 1971, industrial output in the CMEA countries was 7.8 per cent higher than in 1970, and in the Common Market countries—2.6 per cent. Let us note that while the CMEA countries have continued their dynamic economic development, there has been growing instability, and a deepening and sharpening currency crisis, together with contradictions and competitive rivalry in the capitalist countries.

Co-operation between the CMEA countries in planning activity, above all the co-ordination of the national-economic plans, is the main instrument and the principal method of organising the international socialist division of labour and advancing socialist economic integration.

Until recently, co-operation between the CMEA countries in planning activity was expressed chiefly in the co-ordination of their five-year economic development plans, being mainly aimed at overcoming the various bottlenecks in economic development and eliminating any shortages in the process of production. The co-ordination of five-year plans involved mainly mutual deliveri-

es of key lines of raw materials, fuels, machinery, equipment and foodstuffs.

The Comprehensive Programme provides for measures to improve joint planning activity. A new approach in this sphere consists above all in facts that the CMEA countries are moving on from co-ordination of developments of individual aspects of the economy to complex co-ordination of production, science, technology, capital investment, specialisation and co-operation of production, to an extension of each country's participation in the international socialist division of labour. An important role in tackling these tasks is assigned to the CMEA Committee for Co-operation in Planning Activity, which was set up under a decision of the CMEA's 25th session and which consists of the Chairmen of the Central Planning Agencies of the CMEA countries. Its main task is to bring out the key problems of co-operation in the basic spheres of the national economy requiring complex consideration on a multilateral basis, and to work out effective ways of tackling them.

The Comprehensive Programme provides that the further development and improvement of co-operation between the CMEA countries in planning is to run on these lines:

- forecasting in the key spheres of the economy, science and technology;
- co-ordination of long-term plans for the key branches of the national economy and lines of production;
- further improvement of co-ordination of five-year economic development plans;
- joint planning by the countries concerned

of individual branches of industry and lines of production;

— exchange of experience in improving the system of planning and management of the national economy.

Let us take a closer look at each of these new lines of co-operation between the CMEA countries in the sphere of planning activity.

Forecasting is a totally new form of joint planning activity by the socialist countries. The vast scale and dynamism of modern production, the close interaction of the economy, science and technology, the intricate structure of the modern national economy, and the advance of integration processes both in the sphere of production and in the sphere of circulation demand an extension of forecasting. Economic forecasting is the initial stage of the overall process of socialist planning and essential for the drawing up of long-term plans. It is a scientific substantiation of economic strategy on the strength of a knowledge of the substance and quantitative characteristics of the tendencies in economic growth and the extent of their influence on future development. Economic forecasting is an important element in the management of social development in general, and in the narrower sense, a part of the overall process of socialist national-economic planning.

Scientific theory is designed to explain not only events in the past, but also to anticipate the possible course of future development. The communist movement, in formulating its strategy, puts it on a scientific basis "not only in the sense of explaining the past but also in the sense of a bold forecast of the future and of bold practical

action for its achievement.”¹ Dealing with scientific prediction, Lenin said that “if any social phenomenon is examined in its process of development, relics of the past, foundations of the present and germs of the future will always be discovered in it.”² It is possible to anticipate the future without succumbing to Utopianism only by studying the present. A reliable basis for the scientific forecasting of the future consists of the phenomena which, even in embryonic form, are in evidence in the present, together with an understanding of the laws governing their development.

Until recently, forecasting was practised mainly within the national framework. However, a deepening of the international socialist division of labour and the advance of integration processes in the economy of the CMEA countries insistently demand the formulation of long-term forecasts envisaging the potentialities and requirements, not only of the individual countries, but of the whole socialist community. Economic, scientific and technical forecasting in the CMEA countries has been acquiring increasing importance as a key instrument in substantiating economic policy and consolidating the scientific basis for long-term and medium-term economic development plans. In this context, the Comprehensive Programme of socialist economic integration provides for a broad exchange of experience in the use of methods and in the organisation of forecasting, regular flows of information on the results of national forecasts and the practice of joint forecasting.

¹ Lenin, *Coll. Works*, Vol. 21, p. 72.

² *Ibid.*, Vol. 1, p. 179.

From 1971 to 1975, the CMEA countries are to engage in forecasting mainly in the key branches of social production: fuel and power (including nuclear energetics), raw materials, petrochemistry, key ferrous and non-ferrous lines, and complex systems of machinery and instruments. Committees for co-operation in planning activity and for scientific and technical co-operation, CMEA standing sectoral commissions and other agencies have mapped out concrete topics for co-operation, its organisational forms, procedures and deadlines. They have formulated the general organisational and methodological principles for co-operation in forecasting, and also sets of methods in effecting individual sectoral forecasting. At present, much work is being done in forecasting in the CMEA countries and agencies. CMEA standing commissions alone—and these number over 20—are working on almost 60 forecasts. This will provide the basis for plan co-ordination and will play an important role in strengthening integration links.

The co-ordination of long-term plans for the key branches of the national economy and lines of production does not range over the whole complex of national-economic plans, but deals only with the selected problems in which all or several CMEA countries have an interest. The range of branches covered by this form of co-ordination is fixed by mutual arrangement in bilateral and multilateral negotiations.

The co-ordination of plans over a longer term takes account of the main tendencies in the development of the key branches of the national economy and lines of production over a period of 10-20 years. It has been decided that as plans are

co-ordinated for the development of individual branches over the long term, the CMEA countries concerned are to conclude long-term complex bilateral and multilateral agreements with each other, setting out their mutual obligations. It has been provided, for instance, that proposals are to be formulated over the next few years on the construction by the CMEA countries concerned of enterprises in the USSR and other socialist countries to meet the requirements of the fraternal countries in various types of raw materials, fuel, machinery and mechanisms.

The Comprehensive Programme pays great attention to the further improvement of co-ordination of five-year plans. The CMEA countries regard the co-ordination of these plans as one of the basic methods of planned economic development and as one of the principal instruments in shaping stable and mutually advantageous economic, scientific and technical ties with each other. There is good reason why this is so. In the present situation, work on plan co-ordination is designed to tackle problems promoting the rapid economic growth and improving the national-economic structure, specifically developing engineering, the chemical industry and electronics on the basis of intensifying international specialisation and co-operation of production and scientific and technical co-operation.

The decision on co-ordination of long-term plans was adopted by CMEA's 4th session in 1954. From 1955 on, work was carried out in co-ordinating the national-economic five-year plans and these have been five in number, including the 1971-1975 period. The experience so gained has made it possible to improve the methods of

plan co-ordination and to define the fundamental principles which should be used as guidelines. The "Fundamental Principles of the International Socialist Division of Labour", approved by the Moscow Meeting of the First Secretaries of the Central Committees of the Communist and Workers' Parties and Heads of Government of the CMEA Member-Countries (June 1962), says that co-ordination of economic plans should be seen as "voluntary joint planning activity by the socialist states aimed at making the maximum use of the political and economic advantages of the socialist system for the purpose of ensuring the earliest victory of socialism and communism."

How is national-economic planning in each CMEA country combined with the co-ordination of their national-economic plans?

Each CMEA country works out its own economic plan for the year, the five-year period or a longer term on the basis of its own drafts and forecasts, on the strength above all of its internal conditions, and concrete economic and political tasks facing the country. Each socialist state fully retains its sovereign right independently to define the national tasks in the distribution of the national income, development of material production, improvement of the national-economic structure, involvement of fresh natural resources, and so on.

Since the adoption of the Comprehensive Programme, the co-ordination of five-year plans has been growing closer and stronger. The range of the problems co-ordinated will, as in the past, be determined by mutual agreement between the CMEA countries both on a bilateral and a multi-

lateral basis, while arrangements in the course of co-ordination of decisions will, as a rule, be completed before the countries approve their national five-year plans, thereby making it possible for international measures to be considered beforehand in the process of national planning.

The Comprehensive Programme of Socialist Economic Integration, summing up the experience in plan co-ordination, lists the basic items to be considered and agreed between the planning bodies of the CMEA countries, including: the basic lines of scientific and technical progress and scientific and technical co-operation, development of specialisation and co-operation of production, co-ordination of capital investments for individual projects, and the nomenclature, volume and deadlines for the mutual delivery of the key types of goods. Co-ordination of national-economic plans is continuous.

Describing the Comprehensive Programme, the West Berlin newspaper, *Die Wahrheit*, wrote in its August 11, 1971, issue: "The most important conclusion to be drawn from a study of this document is that it provides for greater planned development of relations between the CMEA states on the basis of an improvement of national planning and an extension of co-ordination of the national-economic plans of these states. Thus, this involves the process of integration which is fundamentally distinct from the integration process in evidence in the capitalist part of the world."

Joint planning by the countries concerned of developments in individual branches of industry and lines of production is a new form of co-

operation in the planning activity of the CMEA countries.

CMEA countries have experimentally carried out joint planning of production in some lines of metal-cutting machine-tools, computers, and scarce rolled sheet and pipes. The experience gained in this area gives a deeper insight into the workings of joint planning by the countries concerned in individual branches of industry and lines of production.

Exchange of experience in managing and planning the national economy is an important aspect of the further effort to carry on integration processes in the economy of the CMEA countries. The CMEA countries have already exchanged experience in formulating and applying long-term forecasts in setting the main targets for national-economic development and also in their use in long-term planning.

Correct organisation of currency and financial relations is of especial importance in developing every form of economic, scientific, technical and cultural co-operation between the CMEA countries. The conscious and balanced use of money and credit is an objective necessity so long as commodity-money relations remain. Lenin attached much importance to the establishment of a socialist financial and credit system and a stable currency, stressing that "any radical reforms will be doomed to failure unless our financial policy is successful."¹ The Comprehensive Programme adopted by CMEA's 25th session contains a section setting out the basic lines for improving currency and financial relations and

¹ Lenin. *Coll. Works*, Vol. 27, p 383.

allied economic instruments among member-countries.

The International Investment Bank (IIB), set up in 1971, has an important part to play in furthering socialist integration. Its main task is to make available long and medium-term credits chiefly for measures arising from the international socialist division of labour, specialisation and co-operation of production, for outlays on extending raw material and fuel production, for the construction of other projects of mutual interest, and also of projects helping to develop the national economies, and for other purposes connected with the tasks of the IIB.

The IIB has a statutory capital of 1,052 million transferable roubles.¹ Of these 70 per cent is in transferable roubles and 30 per cent in freely convertible currencies or gold. The Bank has already made available credits for the electrification of a transit railway line in Hungary, for expanding the production capacities at the Tatra motor works in Czechoslovakia, for reconstructing and expanding the Icarus coach works in Hungary and a railway-car works in Romania, and for building and modernising enterprises in Poland and in the GDR.

Foreign trade is an important factor in the development of socialist economic integration. The CMEA countries trade with each other on the basis of long-term trade agreements concluded for five-year periods, and annual protocols on mutual goods deliveries, which specify and enlarge

¹ The transferable rouble is a collective currency established by the CMEA countries for the exclusive purpose of servicing trade between them.

the contingents of goods earmarked for delivery by trade agreements in the given year. The Comprehensive Programme puts a high value on the role of long-term trade agreements in developing mutual trade, which "guarantee stability in developing the economy of the CMEA countries and their trade relations."

The Comprehensive Programme devotes much attention to the development of the world socialist market and the improvement of external economic ties. One of its sections says: "Now that the share of industry in the economies of the CMEA member-countries is steadily growing, the development of the international socialist division of labour, the co-ordination of national-economic plans, and specialisation and co-operation of production shall serve as the basis for the development of their mutual trade at ever increasing rates and help to raise its effectiveness. . . The development of the trade ties between CMEA member-countries shall continue on the basis of the state monopoly of foreign trade and shall be attended by a strengthening and improvement of planning principles."

Because trade on the world socialist market is planned, there must be stability of prices (contractual prices) in trade operations. The prices effective in trade between the CMEA countries are protected from short-term fluctuations. The Comprehensive Programme provides that in the immediate period ahead the CMEA countries are to continue to apply the present principles of price-fixing in mutual trade, which means establishing them on the basis of world prices, freed of the harmful influence of short-term factors on the capitalist market. Contractual prices are, as a

rule, fixed for the period in which long-term trade agreements are in effect, that is, for at least five years. The fact that these prices are stable makes it much easier to plan foreign trade, simplifies commercial operations and the settlement of accounts and cuts overhead costs.

The Comprehensive Programme says that the CMEA countries are to work out and put through concrete measures for improving the activity both of existing and newly established international economic organisations, specifically economic organisations in the sphere of production, trade and other areas, based on the general principles of economic co-operation between the socialist countries. These organisations are not to be supranational, and are not to deal with domestic planning problems.

In strengthening the integration links of member-countries, CMEA has set up a number of organisations which, at the present stage, will help to realise to the fullest possible extent the advantages of the international socialist division of labour in accordance with the requirements of the current scientific and technical revolution. The number of these organisations will grow as integration links between the countries of the socialist community grow deeper.

A characteristic feature of socialist economic integration is the gradual drawing closer together and evening out of economic development levels in the CMEA countries. This will be seen from the figures on page 45.

The utmost mustering and effective use of the country's own efforts and resources, and also the use of the advantages of the international socialist division of labour are among the most impor-

National Income, Gross Industrial and Agricultural Output Per Head in the CMEA Countries (USSR=1)

	Years	Bulgaria	Hungary	GDR	Poland	Romania	USSR	Czechoslovakia
National income	1950	0.6	1.2	1.3	1.1	0.5	1.0	1.6
	1970	0.8	0.9	1.3	0.8	0.8	1.0	1.2
Industrial output	1950	0.4	0.8	1.5	0.7	0.3	1.0	1.5
	1970	0.8	0.8	1.5	0.8	0.6	1.0	1.3
Agricultural output	1950	0.8	1.6	0.8	1.7	0.8	1.0	1.2
	1970	1.1	1.3	1.1	1.2	0.8	1.0	1.0

tant ways of gradually bringing closer together and evening out the economic development levels of the CMEA countries.

Consequently, the Comprehensive Programme marks a further deepening and improvement of economic co-operation between the CMEA countries.

How was this programme worked out and by whom? What novel elements does it introduce into the development of economic, scientific and technical co-operation between the CMEA countries?

The first thing to note is that the Comprehensive Programme is based on the principles of proletarian internationalism, which determine relations between the countries of the socialist community. That was the starting point of CMEA's 23rd (special) session in 1969, which laid down the basic tasks and fundamental lines of socialist economic integration and which was attended by leaders of the communist and workers' parties and heads of government of the CMEA

countries. These principles and tasks were formulated as a result of a Marxist-Leninist analysis of the general laws underlying the development of the world socialist economy and in the light of the proposals made by the CMEA countries for furthering their economic co-operation.

The Comprehensive Programme sets out the strategy for developing the external economic ties of the CMEA countries over a long-term period. For the first time in the history of their interstate economic relations, the CMEA countries have elaborated a detailed programme and defined ways and means of developing a coherent system of economic relations in the socialist community.

The Programme includes a comprehensive system of measures and covers a broad range of economic, organisational, methodological and legal questions. One of its specific features is that it not only contains traditional measures for intensifying co-operation over the next few years, but defines the basis for new and more effective lines and forms of relations over a long term.

The CMEA countries have co-ordinated the key problems in developing their economic, scientific and technical co-operation over a long term. The Programme covers every aspect of economic life in the community. It gives special attention to the co-ordination of efforts in pooling the scientific, technical and production resources of these countries at every stage of material production, from co-operation in forecasting and organising joint scientific and technical research, to co-operation and specialisation in production and marketing.

The Comprehensive Programme recognises

that the furthering of socialist integration is a complex and multifaceted process. At the same time it is a consciously regulated process of the international socialist division of labour, the drawing closer together of the economies of the CMEA countries and the formation of modern, highly efficient national-economic structures, a gradual drawing closer together and evening out of their economic levels, the formation of deep and stable bonds in the key branches of the economy, science and technology, and the extension and strengthening on that basis of the international market of these countries and improvement of their commodity-money relations.

The Comprehensive Programme was worked out over a period of more than two years by statesmen and thousands of research workers in all the CMEA countries.

CMEA was the organising centre of all the work involved in drawing up the draft Comprehensive Programme. Its Executive Committee set up 7 working groups consisting of the heads of planning bodies, the heads of departments for science and technology, ministers and prominent scientists and specialists from the various countries to work out the relevant sections of the Comprehensive Programme. For example, the first working group dealt with the section of the Programme relating to various aspects of plan co-ordination, joint planning of some agreed branches of industry and individual lines of production, and specialisation and co-operation of production. In the group were the chairmen of the state planning bodies of the integrating countries. The second group worked out the section of the programme on co-operation in the curren-

cy and financial sphere and included the Ministers of Finance of the CMEA countries, the chairmen of the national banks, representatives of the departments for prices and the planning and foreign trade bodies. The third group dealt with foreign trade problems, including various aspects of price-formation. It consisted of Foreign Trade Ministers. Specialised groups were also set up to work out questions arising from integration in science and technology, transport, branches of the economy providing the CMEA countries with foodstuffs, and also legal matters and questions of standardisation.

The elaboration of the Comprehensive Programme was a difficult task which involved the tackling of a number of complex theoretical and practical problems arising from the need to determine the intermediate and ultimate aims of socialist economic integration, the ways of achieving them, and to solve large-scale problems in science and technology, production, trade and transport. These problems sprang from the economic, historical, national and other differences between the CMEA countries and also from the complexity and novelty of the problems posed by life.

Valuable exchanges of opinion helped to find agreed solutions for a wide range of problems arising from the further increasing of co-operation in science and technology, production, trade, and currency, financial and credit relations. The Chairman of the Council of Ministers of Poland, Piotr Jaroszewicz, expressed the opinion that, as the drawing up of the Comprehensive Programme had not been a simple matter, this put an even higher value on the end result —

the Programme was unanimously adopted by CMEA's 25th session. He added: "In setting out in concrete terms the resolutions of the 23rd session, and in formulating the practical ways of implementing them, far-reaching proposals were now and again made and different opinions expressed concerning various important elements of these decisions. But our representatives, moved by fraternal concern for the further steady development of the economy of all the CMEA countries and the strengthening of the unity and cohesion of our countries, co-ordinated a joint platform of action which is acceptable to all the countries. This is our great achievement and, at the same time, one of the most important prerequisites for the successful carrying out of this Programme."¹

**SCIENTIFIC AND TECHNICAL CO-OPERATION, A KEY
ELEMENT OF SOCIALIST INTEGRATION**

The Comprehensive Programme sets out the important task of strengthening and improving scientific and technical co-operation between the CMEA countries, a task which is essential for the building of the new world, and creating the necessary material and technical base for full-scale socialism and communism. The 1969 International Meeting of Communist and Workers' Parties stressed that "an important requisite for the development of socialist society is to give full scope to the scientific and technical revolu-

¹ *Trybuna Ludu*, July 31, 1971.

tion, which has become one of the main sectors of the historic competition between capitalism and socialism.”

The world-wide scientific and technical revolution which has brought about a radical change in the role of science and technology in the production of material values and in the social life of society, has been exerting a great influence on the development both of the socialist and of the capitalist countries. The Soviet Union and the other countries of the socialist community pay great attention to creating the most favourable conditions for carrying out the scientific and technical revolution and for combining its achievements with the advantages of the socialist economic system. The General Secretary of the CPSU Central Committee, Leonid Brezhnev, said in the Central Committee's Report to the Party's 24th Congress: "Socialism, the planned socialist economy offer the broadest scope for the all-sided progress of science and technology. However, the scientific and technical revolution requires the improvement of many sides of our economic activity. In other words, it is a huge force favourable for socialism, but one that has to be properly mastered."

It is emphasised in the documents and decisions of the CPSU and other fraternal communist and workers' parties that intensification of the whole of social production and its greater efficiency on the basis of a substantial acceleration of scientific and technical progress is essential to the economic development of the countries of the socialist community. It should be added that the efforts of the most CMEA countries in mastering the achievements of the scientific and tech-

nical revolution have led to marked successes because in tackling this task their own resources and potentialities have been supplemented by the advantages and benefits of economic, scientific and technical co-operation between the countries of the socialist community.

The Soviet Union and the other CMEA countries now have a powerful scientific potential. In these countries there are more than a million scientists, that is, one-third of the scientists of the world. The USSR leads the world in the number of scientists. In 1970, it had 2,400 research institutes, branches and departments, employing 930,000 research workers, a quarter of all the scientific workers of the world. The scientific potential of the other CMEA countries comes to roughly a quarter of that of the Soviet Union.

The integration of the CMEA countries in the field of science and technology is being developed on planned principles, as a consciously regulated process. Its development entails the co-ordination of scientific and technical policies and their vigorous and joint implementation. On the broader plane, the integration of the CMEA countries in the field of science and technology entails concerted and purposeful formulation of their scientific and technical policy, broad exchange of experience and division of labour in this field, and the establishment of a common scientific and technical infrastructure helping to advance mutual co-operation in research and the use of its results. In devoting much attention to accelerating the pace of scientific and technical progress, the CMEA countries are basing themselves on Lenin's idea that "the victory of socia-

lism over capitalism and the consolidation of socialism may be regarded as ensured only when the proletarian state power... has reorganised the whole of industry on the lines of large-scale collective production and on a modern technical basis."¹

The scientific and technical revolution started all over the world after the Second World War, and is now expressed in such diverse and concrete forms as the emergence of new and progressive branches and lines of production, whose importance has been steadily growing, as new principles in the management of production, and as the transformation of science into a direct productive force. The scientific and technical revolution is characterised by a sharp increase in outlays for research and a reduction in the time it takes to apply scientific and technical developments to production. The beginning of the scientific and technical revolution is usually put at the second half of the 1940's and the early 1950's. Now, two decades after its start, the scientific and technical revolution has made itself felt in every sphere of human activity. Its impact on the life of society is all-comprehensive and all-pervasive. For all practical purposes, it is exerting an influence on every aspect of the current historical process.

Under capitalism, the advance of the scientific and technical revolution is marked by contradictions and defects and tends to further increase and enlarge them. While on the whole accelerating the progress of the productive forces and intensifying the social nature of production, the

scientific and technical revolution at the same time sharpens the contradictions of monopoly capitalism, and particularly the principal one—the contradiction between the social character of labour and the capitalist way in which its results are appropriated, something that tends to breed fresh contradictions. The present-day situation reveals increasingly sharper contradictions between the achievements of scientific and technical progress and the social conflicts rending the capitalist world. Even the advocates of the bourgeois system have to admit that this is so.

Even the USA, the world's most powerful industrial country, is rocked to its foundations by the actions of millions of workers fighting for their vital interests side by side with the black people who are striving for democratic freedoms.

Socialism alone is capable of combining the achievements of the scientific and technical revolution with the advantages of the new social system and to use its results for the benefit of the people.

The Comprehensive Programme is to play an important part in tackling this task. It defines the following main ways for the development of socialist integration in the sphere of science and technology: the regular holding of mutual consultations on various aspects of scientific and technical policy; the formulation of the relevant forecasts; co-operation and co-ordination in research; joint work on individual scientific and technical problems; the exchange of experience, information and specialists; and the training of scientific and technical personnel. Such extensive co-operation is practicable only in a society which has finished with capitalist competition for good and

¹ Lenin. *Coll. Works*, Vol. 31, p. 161.

where the principle of comradely co-operation and mutual assistance has been established.

The drawing up of the Comprehensive Programme coincided with work on co-ordinating the national-economic plans of the CMEA countries for 1971-1975. As these plans were being co-ordinated, considerable attention was given to the problem of accelerating the pace of scientific and technical progress through extensive introduction of new equipment, technology, and progressive methods in organising production. There are 126 major scientific and technical problems on which the CMEA countries will work together.

At present, the USSR has 700 institutes and design offices working jointly with 860 kindred establishments in other socialist countries. It has been estimated that one in three scientific and technical problems to be tackled in the current five-year period (1971-1975) by research institutes in the USSR will involve the participation of scientists and technicians from other socialist countries; 72 ministries and departments in the USSR have established scientific and technical ties with 96 ministries and departments in other socialist countries. The USSR has been working jointly with other countries on these problems: with Bulgaria, on new designs for hoisting and transport machinery and equipment, on technologies for manufacturing, and highly sensitive methods of analysing, extra-pure substances, and unwoven textile materials; with Hungary, on the scientific principles of design and development of highly efficient automated equipment for the chemical and petrochemical industries, and new types of materials for light industry utilising chemical raw materials; with the GDR, on equip-

ment for transporting natural gas, the technology for the manufacture of sheet steel with various protective coatings, and the technology for manufacturing a number of synthetic materials; with Poland, on methods for removing sulphur from coal and means of complex mechanisation and automation of operations in coal mines, on the design of new catalysts for the nitrogen industry and the improvement of the existing ones, and also on refrigeration equipment for ships; with Romania, on automated systems for collecting and transporting oil and casing-head gas, synthetic extra-hard materials and alloys and their use in industry; and with Czechoslovakia, on alloys for cold and hot punching, systems for programme control of forging, and the technology for obtaining various types of chemical fibres.

Co-operation in science and technology is of great benefit for all the countries of the socialist community. Piotr Jaroszewicz, Chairman of Poland's Council of Ministers, spoke highly of the results of this co-operation and cited some impressive facts. The Soviet Union provides over 60 per cent of Poland's import of scientific and technical knowhow. In the past 25 years, the USSR has provided Poland with 7,500 sets of technical documents. More than 12,000 Polish specialists have visited the USSR for training or consultations. For her part, in that period Poland has made available to the Soviet Union, also free of charge, more than 4,000 sets of documents, including 78 capital construction projects and nearly 500 technological projects. Some 7,500 Soviet experts have visited Poland to acquire specialised experience.

A new and extensive sphere of fundamental and applied research in science is being opened up by the successful development and vast scale of the external economic ties of the Soviet Union and the other CMEA countries in the current five-year period (1971-1975) and in the years ahead, and by the need to solve large-scale problems set out in the Comprehensive Programme. In 1971, the CMEA countries signed 16 multilateral agreements on the joint solution of 18 key scientific and technical problems. On the basis of the agreements on scientific and technical co-operation already concluded and prepared for signing, the CMEA countries are to set up 34 co-ordination centres, 3 international groups of scientists, 3 joint laboratories, 7 co-ordination research councils and 2 scientific and production associations.

The CMEA countries have been working intensively on pooling their scientific potentials, and the results of these efforts can be seen in the Joint Institute for Nuclear Research at Dubna, the International Laboratory of Strong Magnetic Fields and Low Temperatures (Wroclaw), the International Scientific and Technical Information Centre, the CMEA Institute on Standardisation, an international group of scientists working under the Institute for Management Problems (automation and telemechanics) in Moscow and the International Institute of Economic Problems of the World Socialist System.

The furthering of integration processes in the sphere of science and technology will make possible the more rational and efficient use of the scientific and technical potential the CMEA countries have built up, thereby promoting the fas-

ter growth of the economic strength of each country and of the community as a whole.

THE COMPREHENSIVE PROGRAMME AND INDUSTRIAL DEVELOPMENT

The Programme of Socialist Economic Integration is called a comprehensive one because it ranges over every aspect of economic activity, giving special attention to strengthening co-operation between the fraternal countries and co-ordination of their efforts at every stage of material production, from planning and joint research in science and technology to co-operation and specialisation of production. The vast and rapidly developing economy of the CMEA countries requires swift and highly efficient tackling of production, scientific and technical problems, many of which can be solved by national efforts and resources while others require a common effort on the part of all the countries of the socialist community.

Fuel and Raw Materials Supply. The socialist community has a wealth of already proved reserves of fuel and raw materials, which have been prepared for working and are adequate to meet the growing requirements of the industry of the CMEA countries over a long period. However, this great natural wealth is very unevenly distributed over the territory of the CMEA countries, with the Soviet Union having the fullest range of natural resources. The USSR has over 60 per cent of the world's geological reserves of coal and peat, and 40 per cent of the world's

gas reserves. It has 96 per cent of the natural gas of the socialist community, 98 per cent of its iron ore, almost 100 per cent of its phosphorites and most of the non-ferrous and rare metals.

Consequently, for objective reasons, the USSR's mineral deposits are the main source of supply of fuel and raw materials for the CMEA countries. Imports from the USSR almost fully meet the requirements of these countries in oil and oil products, gas, pig iron, cotton, hard coal, manganese ore, etc. The USSR's share of the aggregate mutual deliveries of raw materials, fuel and metals by the CMEA countries went up from 41 per cent in 1955 to 66 per cent in 1971.

Many of the raw material deposits in other CMEA countries are in excess of their national requirements, such as the polymetallic and manganese ores in Bulgaria, bauxites in Hungary, potassium salts in the GDR, large coal, natural gas, copper and sulphur deposits in Poland, oil and gas in Romania, and coal in Mongolia. This distribution of natural wealth calls for a pooling of efforts by the partners for efficiently developing the extractive industry.

The co-operation of the CMEA countries in geological prospecting has yielded tangible results and has helped to discover iron ore and copper deposits in Bulgaria and also zinc, lead, coking coals, brown coal, oil, and manganese ore. New deposits of bauxites, oil, natural gas, coal and some metal ores have been found in Hungary; additional deposits of brown coal, potassium and rock salts, oil and natural gas in the GDR; new deposits of brown coal, Europe's largest copper, lead and zinc ore deposits, sulphur de-

posits, potassium salt deposits, iron ores, barite, gypsum, and cement raw materials in Poland. In Romania, geological prospecting has considerably increased the available deposits of oil, natural gas, hard and brown coal, rock salt, bauxites, non-ferrous metals, cement raw materials, gold, manganese, mercury, sulphur and gypsum. Considerable coal deposits and also quantities of non-mineral raw materials, such as glass sand, fire clay, porcelain clay and magnesites, have been discovered in Czechoslovakia. Over 140 deposits of brown and hard coal, deposits of tungsten, gold, phosphates, iron, copper, tin, graphite and building materials have been discovered in Mongolia.

It is most important to create a powerful fuel and power base in the CMEA countries. One of the primary aims of the Comprehensive Programme is to concentrate efforts on solving the problem of supplying the growing industry of the CMEA countries with fuel and mineral raw materials over a long period of 10-20 years.

Apart from intensifying joint geological prospecting, the CMEA countries are to develop new types of drilling equipment and to specialise its production, to manufacture diamond tools and geophysical and geochemical instruments and apparatuses. They are also to work out and improve mathematical methods and make extensive use of computers in geology.

The CMEA countries' new five-year plans for 1971-1975 provide for the continued high and steady growth rate of their economy, and this calls for a steady increase in the production of fuel and raw materials. The progress of the scientific and technical revolution makes growing de-

mands on the quality of raw and other materials and requires the use of the most efficient types of power sources. There has already been a steady improvement of the fuel balance in the CMEA countries through an increase in the proportion of oil and gas used and a reduction in the proportion of coal.

The socialist countries have been extending all-round co-operation in the oil and gas industry, covering a wide range of questions, such as estimating the oil and natural gas reserves, the extraction and refining of oil and gas, the construction and operation of pipelines, and research.

It should be borne in mind that the scientific and technical revolution has shown oil and gas to be most valuable raw materials for the chemical industry as well as being the most economical types of fuel. Indeed, it is the economic advantages to be derived from the use of oil and gas in the national economy that have determined the intensive development of these industries.

The bulk of the oil and gas used in the CMEA countries is extracted in the Soviet Union: in 1971, the USSR extracted 372 million tons of oil, and 212 thousand million cubic metres of gas. That year, the other CMEA countries extracted, respectively, 16 million tons, and 22 thousand million cubic metres, with most of this (98.4 per cent of the oil and 97 per cent of the gas) coming from Romania. Deliveries from the USSR cover virtually all the import requirements of oil in Czechoslovakia, Poland the GDR and Hungary. At present, Soviet gas imports are also of substantial importance for Czechoslovakia and Poland.

The development of the extractive industry requires large-scale investments. It takes 5-8 times more investments to obtain a comparable value of output of fuel and raw materials than, say, of engineering products. The most efficient way of ensuring the necessary supplies of fuel and raw materials for the CMEA countries is for them to pool their financial, material, manpower and other resources.

The scientific and technical revolution has made the development of *ferrous and non-ferrous metallurgy* especially important. That is why the Comprehensive Programme has outlined the following tasks: "To elaborate in 1971-1972 the principal concepts on the long-term expansion of co-operation between the CMEA member-countries in the iron and steel industry and relevant proposals on specialisation and co-operation in production."

Despite the growing production of plastics, aluminium and reinforced concrete, ferrous and non-ferrous metals and their alloys have a most important place in the development of every branch of the national economy in the CMEA countries.

It should be recalled that during the Second World War the industry of most CMEA countries, including metallurgy, was almost completely destroyed. With the Soviet Union's help the fraternal countries not only succeeded in rehabilitating their war-ruined economies but also in building up a modern iron and steel industry. The USSR has helped to build the V. I. Lenin metallurgical mill and the metallurgical combine at Kremikovzi in Bulgaria, the Dunai Vasmu metallurgical mill in Hungary, the V. I. Lenin metallurgical

combine and the high grade and alloy steel works in Poland, the Eastern Slovakian metallurgical combine in Czechoslovakia, and various other projects. The GDR began to develop its iron and steel industry only in 1950, while Bulgaria, who also had no metallurgical industry of her own, by 1970, was turning out 1.8 million tons of steel a year.

The extension and strengthening of economic co-operation between the CMEA countries has helped them to ensure a high rate of growth in the iron and steel industry and considerably to increase its output.

It has been estimated that in 1971 the CMEA countries produced 163 million tons of steel, which is 120.1 million tons more than in 1950.

Together with the rapid development of steel production, the CMEA countries have improved the quality of steel. The proportion of oxygen-converter steel in the total output, for instance, went up from 2.9 per cent in 1960 to 13.6 per cent in 1969.

This rapid growth in the production of iron and steel has become possible because of the construction of giant blast furnaces and powerful rolling mills and the introduction of progressive casting methods.

In the current five-year period, steel mills in the CMEA countries are to have new highly productive converters. Powerful installations for the continuous casting of steel are to be constructed in the Soviet Union and other CMEA countries. Every year, highly productive batteries, factories for iron ore concentration and the production of pellets are put into operation.

Of all the CMEA countries, only the Soviet

Union has the full range of prerequisites for developing iron and steel industry. Poland and Czechoslovakia have coking coal, but their iron ore deposits are small and of a relatively low quality. Metallurgical enterprises in Hungary, Romania and the GDR need both iron ore and coke. The iron ore resources of the European CMEA countries make up only 3 per cent of the resources of all the CMEA countries.

The bulk of the iron, manganese and chrome ores needed by the CMEA countries is supplied from the Soviet Union, and most of the coking coal and metallurgical coke from Poland, the USSR and Czechoslovakia.

Economic co-operation between the CMEA countries in the sphere of metallurgy is multilateral and bilateral, being mainly based on the granting of credits, mutual assistance in the design, construction and reconstruction of metallurgical enterprises, deliveries of metallurgical raw materials, pipes and equipment, the supplying of scientific and technological know-how free of charge, geological exploration, the development of raw material deposits, and the training of personnel.

The introduction of the results of joint research and development in the iron and steel industry has been of great benefit to the national economies of the fraternal countries. For example, the use of welded low-alloy steels of higher durability, instead of carbon steel, helped Hungarian engineers to lighten metal structures and installations and make a saving in metal of 14 to 20 per cent. The use of steel substitutes with a lower content of nickel, or without nickel at all, has enabled the CMEA countries to save over

1,500 tons of nickel, without lowering the quality of the products.

Considerable savings have been made by the CMEA countries as a result of the introduction of new grades of low-alloy and reinforced steels, and the introduction of periodic steel sections with improved properties.

In the course of co-ordination of their plans for 1971-1975 in the sphere of iron and steel industry, the countries concerned reached agreement on specialisation and co-operation of production for some types of rolled stock, pipes and ferro-alloys, on the construction of some projects, and also on research and development connected with the specialisation of production of ferrous metals. They also formulated proposals for further developing co-operation and supplying the CMEA countries with raw materials for ferrous metallurgy. The growing requirements in raw materials are to be covered mainly by deliveries from the Soviet Union. The supply of the fraternal countries with products of the iron and steel industry will be promoted by the joint construction by the countries concerned of a large full-cycle metallurgical combine in the USSR which is to work on the basis of the iron ore deposits of the Kursk Magnetic Anomaly. Yugoslavia has also displayed an interest in the project.

"Intermetall", an international organisation set up by a number of fraternal countries in 1964, has an important part to play in developing the iron and steel industry in the CMEA countries, in ensuring the rational use of its capacities and in raising its economic and technical level. The Comprehensive Programme says that the CMEA

countries are to "stimulate the activities of 'Intermetall', the organisation on co-operation in the iron and steel industry, primarily as regards the elaboration and implementation of measures for the exchange of iron and steel products, as well as the specialisation and co-operation in the production of rolled stock, pipes and hardware on existing equipment with a view to ensure a fuller and more rational utilisation of the capacities of metallurgical units."

"Intermetall", a sectoral international organisation, includes Bulgaria, the GDR, Poland, the Soviet Union and Czechoslovakia. Romania and Yugoslavia are taking part on the basis of special agreements covering operations connected with the exchange of iron and steel products. "Intermetall's" activity is carried on under an Agreement establishing the organisation and its Rules. "Intermetall" is a legally constituted body and has the right to conclude contracts with other organisations, to undertake obligations, and to acquire, lease and sell property.

At the first stage of its activity, "Intermetall" dealt mainly with questions connected with the use of production capacities in the member-countries, exchange of metallurgical products over and above the volume envisaged by interstate agreements on the export and import of rolled stock. At the same time, "Intermetall" studied the state and tendencies of metallurgical product prices on the world market.

Its activity was subsequently extended to co-ordinating the production of ferrous rolled stock, steel pipes and other items.

The system of quarterly contracts on mutual deliveries of iron and steel products enables the

participating countries flexibly to meet their current requirements and to make use of temporarily unused production capacities.

Measures taken in the co-ordinated programming of rolled stock production have yielded considerable economic benefits to the participating countries. Hungarian economists have estimated that, depending on the type of rolled stock, the increase in capacities in the "Intermetall" countries came to 3-7 per cent, while costs were reduced by 2-5 per cent. These countries co-ordinate the fulfilment of their obligations with respect to third countries. For instance, Hungary may deliver some kinds of rolled stock in which she specialises to Yugoslavia or Bulgaria or to any other country within the framework of, say, Czechoslovakia's commitments to these countries, while Poland may supply rolled stock to the GDR under Hungary's commitments, all of which results in considerable economies in transport costs.

The growing consumption of non-ferrous metals and their alloys in the CMEA countries is closely connected with the development of such leading branches of the national economy as engineering, especially electrical engineering and electronics, and also transport and construction.

The Soviet Union has the raw material base for producing almost all the non-ferrous metals. Poland has some large deposits of copper ores, while Bulgaria and Romania have smaller ones. Bulgaria and Poland and, to some extent, Romania have lead and zinc deposits. Hungary has considerable bauxite deposits, and Romania smaller ones. The GDR and Czechoslovakia have insufficient raw materials for producing non-ferrous metals. They have raw materials for the

production of nickel and tin but do not even fully meet their own requirements in these metals. Considerable deposits of non-ferrous metals have been discovered in Mongolia. Fifty per cent of the CMEA countries' zinc requirements are met by Poland, 30 per cent by the Soviet Union and 15 per cent by Bulgaria. Poland also supplies sulphur and copper.¹ Deliveries from the Soviet Union meet over 70 per cent of the import requirements of the CMEA countries, Cuba and also largely the Democratic Republic of Vietnam and the Korean People's Democratic Republic, in the key types of raw materials and fuel.

From 1970 to 1985, the CMEA countries in Europe plan to increase their production of some types of non-ferrous metals by 50-130 per cent.

While co-ordinating their plans for 1971-1975, the CMEA countries mapped out ways and means of further developing the production of some non-ferrous metals. Because the extracting industry is a highly capital-intensive one, the CMEA countries concerned will, by common arrangement, participate in making available credits to boost the production of some non-ferrous metals in fraternal countries. Thus, Czechoslovakia has given Poland and Bulgaria a credit for developing the extraction of copper; the Soviet Union and the GDR have given Bulgaria a credit to increase production of zinc and lead. Poland has supplied credit for a potassium salt mine near the Soviet city of Soligorsk. In Bulgaria, construction is nearing completion, with the participation of Czechoslovakia and the USSR, of the

¹ *Trybuna Ludu*, October 5, 1970.

Medet copper concentration combine. The Soviet Union has been giving Bulgaria technical assistance in building this combine while Czechoslovakia has given Bulgaria a credit which is to be paid off with deliveries of copper and copper products to Czechoslovakia. There is a similar agreement between Czechoslovakia and Poland.

The extension of bauxite extraction in Hungary is of great importance for supplying the CMEA countries with aluminium. The working of bauxites was started in Hungary in 1932, and the production of aluminium in 1936, all largely by foreign capital. In 1944, Hungary extracted 1 million tons of bauxites, and produced 21,000 tons of alumina and 10,000 tons of aluminium. In 1970, Hungary extracted 2 million tons of bauxites and produced 440,000 tons of alumina and 65,000 tons of aluminium.

An important part in developing Hungary's aluminium industry was played by her agreement with the Soviet Union on co-operation in the bauxite and aluminium industry. Hungary started to deliver alumina for further processing to the Soviet Union, receiving finished aluminium in return.

The investments necessary for producing bauxites and alumina are being made jointly by the USSR and Hungary, and their accounts are settled on a clearing basis. Hungary sells the Soviet Union alumina at the prices effective on the world socialist market on the day of the sale, and buys finished aluminium from the Soviet Union on exactly the same terms. This gives Hungary a saving of 16-18 per cent on the cost of aluminium. Deliveries of aluminium from the Soviet Union will subsequently reach by 1.5

million tons. To obtain this quantity of aluminium Hungary would have had to invest 30 million forints. On investments alone, Hungary has saved roughly 15 million forints. Hungary also co-operates with Poland and Czechoslovakia in the processing of alumina.

The CMEA countries' joint efforts in socialist economic integration help them successfully to tackle complex problems in developing their metallurgy, a key branch of the national economy.

The furthering of integration processes in *engineering* is a matter of vital concern for the socialist countries. On the development and improvement of engineering largely depend the speed and the extent to which scientific and technical achievements can be applied to production. Lenin said that "technical progress is expressed precisely in the fact that the work of machines pushes human labour more and more into the background."¹

In the Report of the Central Committee of the Communist Party of the Soviet Union to the 24th Congress of the Party, the General Secretary of the Central Committee, Leonid Brezhnev, said that electronics, the radio industry, instrument-making—that is, the whole complex of industries constituting the technical base for the automation of production and management—were the catalyst of scientific and technical progress. That is why the CMEA countries have been developing their engineering and instrument-making faster than industry as a whole. In 1970, industrial output in these countries went up by 120 per cent over the 1960 figure, while that of engi-

¹ Lenin. *Coll. Works*, Vol. 1, p. 85.

neering and metal-working increased by over 200 per cent.

In the CMEA countries, engineering has been developing faster than in the advanced capitalist countries. In the Soviet Union, for instance, investments in engineering in the 1971-1975 period are to be nearly doubled as compared with the preceding five-year period. Investments in engineering are also to go up considerably in all the other CMEA countries.

As a result of the scientific and technical revolution, positive changes in the structure of engineering have been taking place in all the CMEA countries, and the output of the means of automation and mechanisation, and the use of progressive technologies and organisation of production, have been increasing from year to year.

Because of the important role of engineering in developing the national economy, the CMEA countries set up a CMEA Standing Commission for Engineering as early as 1956. Its immediate purpose is to promote in every way the further extension of economic ties between the CMEA countries and to help them organise multilateral economic, scientific and technical co-operation in engineering. From the establishment of this Standing Commission until 1971, CMEA agencies adopted recommendations and proposals for the specialisation and co-operation of production covering 70 groups of machines, equipment and instruments, a total of almost 3,000 engineering items.

The Comprehensive Programme puts considerable emphasis on the development of specialisation and co-operation in the production of the most important and complex types of equip-

ment, machinery and instruments, which are up to the highest scientific and technical standards. The carrying out of these measures implies a formulation of analyses and forecasts of the scientific, technical and economic levels of products and production; scientific and technical research and design; international standardisation and unification with a gradual introduction of complex standardisation; work on organising international specialisation and co-operation in the manufacture of finished products, complete sets of items and components, and the organisation of production of new engineering items up to modern standards.

The Comprehensive Programme provides for the further extension and strengthening in the 1971-1975 period of economic, scientific and technical co-operation and development of socialist economic integration in engineering, together with a pooling of manpower and material resources by the CMEA countries concerned for tackling the key problems.

The Soviet Union, which has a powerful material and technical base for equipping every branch of the national economy with the instruments of labour, whose production in the current five-year period (1971-1975) is to go up by 60 per cent, has been making a substantial contribution to the advance of integration processes in engineering. In this period, almost 25,000 new machines, mechanisms, apparatuses and instruments are to be developed and over 19,000 to be mass produced. All of this creates the necessary material base for the Soviet Union's active participation in implementing the Comprehensive Programme in engineering. At the pre-

sent stage of integration, the Soviet Union and the other CMEA countries will make wide use of the pooling of their scientific, technical and production resources for the joint tackling of major national-economic problems through the concentration and specialisation of production. Mutual deliveries of machinery and equipment in 1970 came to roughly 41 per cent of total trade.

While co-ordinating their national-economic plans for 1971-1975, the CMEA countries mapped out measures for developing integration links in all the key spheres of material production, including engineering. Deliveries of many lines of engineering products are being carried on under specialisation and co-operation agreements, thereby consolidating the specialisation that has already developed.

Soviet deliveries of modern highly productive equipment to the CMEA countries have an important part to play in the development of such key branches of their economy as the power industry, electronics, electrical engineering, engineering, chemistry and petrochemistry, metallurgy and the production of building materials.

The Soviet Union is a major consumer of manufactured products, particularly engineering products. In the current five-year period (1971-1975) the Soviet Union is to purchase over 18 thousand million roubles' worth of machinery and equipment from the CMEA countries, as compared with 12 thousand million roubles' worth in the preceding five-year period.

Many industries in the CMEA countries are largely dependent on the Soviet market for their development. The range of engineering products the Soviet Union is to buy in the CMEA coun-

tries under long-term trade agreements comprises products for various branches of the national economy, including building sites. It is also to import plant, deliveries which will help to develop the chemical and petrochemical industry, metallurgy, transport engineering, railway transport and other industries. Soviet foreign trade organisations are to extend their imports of farming machinery substantially.

On the Soviet Union's initiative, co-operated deliveries of components and parts are being made by Bulgaria, Hungary and Poland for cars turned out by the Volzhsky motor works. In exchange, these fraternal countries are being supplied with Zhiguli cars.

Integration in the sphere of *transport* is an important condition for effective co-operation by the CMEA countries in tackling many sectoral problems. The Comprehensive Programme envisages the switching of the main international lines to progressive types of traction, and the further development of the common freight wagon pool. Proposals are also to be worked out in 1971-1975 for organising the production, on the basis of stable specialisation and co-operation, of freight wagons and diesel locomotives by the CMEA countries concerned.

The massive transportation of freight, chiefly of fuel and raw materials, across national frontiers constitutes a complex problem. International freightage is made even more difficult and its costs are considerably increased by the different gauge of railways, which necessitates the reloading of vast masses of freight at frontier stations. That is why the construction of a wide-gauge railway line is planned, to link the railway net-

work of the Soviet Union with the main points of destination of bulk freight in the socialist countries.

As for the transportation of oil, which accounts for roughly 40 per cent of all the freight from the USSR to the European CMEA countries, this problem is being progressively tackled by means of the Druzhba pipeline, which was started in 1964. In its first year it carried 8.3 million tons of oil, and in 1975 the CMEA countries are to receive nearly 50 million tons. The second section of the Druzhba pipeline is now being built. Construction is also under way on a gas pipeline of unique dimensions, which is to carry natural gas from Siberia to the European part of the USSR. This will make it possible to increase the supply of gas to Czechoslovakia and Poland and to start supplying gas to the GDR, Bulgaria and Hungary.

Measures aimed at setting up a common container system, to facilitate and rationalise the transport of some types of bulk freight, have an important part to play in integration. This system is to be supplied with the necessary technical facilities through specialisation and co-operation of production.

Motor transport is to play an important part in goods transport.

The Comprehensive Programme has mapped out proposals for organising the production of heavy-duty lorries by the countries concerned on a co-operative basis to meet the requirements of the CMEA countries in such vehicles. The Soviet Union has proposed the joint construction of a large motor works to turn out 12-14-ton lorries. Roughly 60 per cent of its output is to meet the requirements of the USSR, and the rest will go to

the CMEA countries. This Soviet proposal was greeted with enthusiasm by all the CMEA countries and Yugoslavia, which expressed a readiness to take part in co-operated deliveries of components and parts for the projected vehicle.

Work on the Comprehensive Programme was not yet completed when the CMEA countries already began implementing some of its provisions. The consistent creative activity of the fraternal Marxist-Leninist parties and the governments of the socialist countries ensures the successful fulfilment of this Programme, which is unprecedented in scale and historical importance.

The Comprehensive Programme pays great attention to integration in *agriculture*. It says: "With a view to ensuring a steady growth of the output of agricultural and food products so as to satisfy the people's constantly growing requirements and the industry's increasing needs for raw materials, the CMEA member-countries consider it imperative, on the basis of the extension and improvement of co-operation, the development of socialist economic integration and the effective utilisation of the economic and natural resources of every country, further to intensify production in agriculture and the food industry, to introduce scientific and technical achievements and to raise the efficiency of social production and the productivity of labour."

Collective labour by the bulk of the farmers, and extensive use of the achievements of modern technology and science have created the necessary conditions for the successful development of agriculture in the CMEA countries. During the recent five-year period (1966-1970), gross output in agriculture in most CMEA countries increased

at a much faster rate than in the leading capitalist countries. For CMEA countries as a whole the figure for this period was 19 per cent, 13 per cent for the whole world, 4 per cent for the USA, 6 per cent for France, 10 per cent for Italy, and 6 per cent for Britain. In Canada it dropped by 7 per cent.

In 1971, gross agricultural output in the CMEA countries as a whole was roughly 2 per cent over the 1970 level and 6 per cent over the average annual level for the 1966-1970 period. In 1971, bad weather in some CMEA countries had an unfavourable effect on the grain, sugar beet, potato, vegetable, fruit and fodder crops, but, with the exception of the GDR, their gross output in 1971 was higher than the annual average for the preceding five-year period.

The CMEA's Standing Commission for Agriculture, set up in 1956, has an important role to play in promoting the progress in agriculture of the CMEA countries. Its immediate purpose and guiding motive is to promote—chiefly through the co-ordination of plans for the development of agriculture—the further extension of economic ties between the CMEA countries, to organise multilateral economic, scientific and technical co-operation between them, to promote the planned development of agriculture, improve the international socialist division of labour, accelerate technical progress and boost labour productivity. The work of the commission has helped to increase considerably over the past few years the availability of electric power per worker in the agriculture of the CMEA countries, qualitatively to change its material and technical base and to raise the level of mechanisation of operations. It

has given guidance in developing a machine system for use over a long term, which was adopted in 1970, to further facilitate the work of the farmers and to make it more productive.

The commission deals with various aspects of the organisation of seed-growing and the introduction of the best and most productive strains. For the purpose of speeding up the use of the most valuable strains and hybrids of agricultural crops, international seed tests have been held since 1961, and a procedure has been worked out for the exchange of high quality seed samples and planting material free of charge. In the past eleven years, 779 strains and hybrids of 14 agricultural crops have been submitted for international tests to determine the standard of quality. The most promising of these (over 160 strains and hybrids) have been widely accepted and have produced a marked increase in output. For instance, the Bezostaya-1 winter wheat (USSR selection) was sown in other CMEA countries in 1969 on an area of almost 4 million hectares. In the USSR, 800,000 hectares were under the Valticky spring barley (Czechoslovakia's selection). Large areas were under high-yield sunflower strains (USSR selection), sugar beet (Hungary's and Poland's selection) and potatoes (the selection of the German Democratic Republic). In 1970, nearly 8 million hectares were under various strains and hybrids produced by selectionists in other CMEA countries.

CMEA's Standing Commission for Agriculture has done much to organise joint research and discussion of some scientific problems which are of common interest for all the CMEA countries, and to make use of other forms of co-operation

aimed at ensuring, above all, an exchange of advanced production experience and scientific achievements and at promoting their implementation in the countries of the socialist community.

Under the Comprehensive Programme, the Standing Commission for Agriculture is to intensify co-operation from 1971 to 1973 on economic problems arising from the development of agriculture, specifically: complex forecasting for the development of requirements, production and sales of select lines of products, including forecasting for the development of the material and technical base for the period up to 1985, the study of conditions and possibilities for further developing specialisation and other forms of international division of labour in agreed branches and lines of production, and the study and formulation of methods to stimulate production and export of farm produce in the CMEA countries.

The Comprehensive Programme envisages the solution of a number of problems arising from the development of the co-operation of the CMEA countries in plant-growing, livestock farming, mechanisation, the use of chemicals and research. The successful carrying out of integration measures will be an effective means of further strengthening the economic and scientific potential of the CMEA countries and raising the standard of living of their people.

SOCIALIST INTEGRATION AND RISING STANDARDS OF LIVING

The Comprehensive Programme says: "The CMEA member-countries consider that the high

level of the development of the productive forces attained by them, the great structural changes in the production and consumption patterns, the urgent tasks of effecting the scientific and technical revolution, of greatly accelerating technical progress, increasing the efficiency of social production and raising living standards, and also the nature of socialist relations of production and the demands of the class struggle against imperialism, make it vitally necessary for the CMEA member-countries constantly to intensify and improve their economic, scientific and technical co-operation, to develop socialist economic integration and to expand their economic, scientific and technical relations with other socialist countries."

That is an expression of the supreme purpose of social production under socialism, which is concern for the fullest satisfaction of man's material and cultural requirements. This was most forcefully stressed at the 24th Congress of the CPSU and at the recent congresses of the communist and workers' parties of the other CMEA countries.

The living standards of the people depend both on the level of the development of the productive forces and on the nature of the social system. Karl Marx said that living standards include "not mere physical life, but the satisfaction of certain wants springing from the social conditions in which people are placed and reared up."

Socialist economic integration accelerates the development of the productive forces, increases the volume of industrial and agricultural produc-

tion and the national income, extends the range of the goods produced, helps to improve their quality, and so creates the necessary conditions for higher living standards.

A most important indicator of living standards is the provision of permanent jobs as the main source of material and cultural well-being. The Soviet Union is the first country in the world to put an end to unemployment for good. All the other CMEA countries also have full employment.

Capitalism, with its anarchy of production and economic crises has not ensured full employment and will never be able to do so. In 1971, there were over 9 million officially unemployed in the USA, Canada, Japan and the West European countries. In the USA, according to official data, the number of fully unemployed by the end of 1971 came to over 5 million, or 6 per cent of the labour force, with the level of unemployment especially high among engineers and scientists. In Italy, the number of unemployed reached 1 million, and in Britain almost 1 million, the highest figure since the 1930's. It should also be borne in mind that official unemployment data in all the capitalist countries are patently minimised.

The CMEA countries' successes in industrial and agricultural production and labour productivity growth have created the necessary conditions for further raising the living standards of their people, and this is expressed particularly in the faster growth, as compared with the preceding five-year period, of the national income. This has made it possible to allocate sizable resources for raising the material and

cultural levels of the people. From 1966 to 1970, the consumption fund was, as a rule, over 70 per cent of the used national income.

The national-economic plans of the CMEA countries for 1971-1975 provide that by the end of the five-year period—1975—the consumption fund in all the CMEA countries taken together should go up by roughly 40 per cent over 1970.

The rising living standards in the CMEA countries is due primarily to the growth of real incomes per head of population, which in 1971 increased for these countries combined by roughly 4.5 per cent over 1970, with the increases for the individual countries being as follows: Hungary—roughly 6 per cent; Czechoslovakia—over 5 per cent; Bulgaria—5 per cent; the USSR—4.5 per cent; and the GDR—3.7 per cent. Most of the real income growth comes from higher wages.

Alongside the rise in the general level of average wages in the CMEA countries, other measures were taken to increase the incomes of the working people. Much importance for raising living standards in the socialist countries attaches to public consumption funds, which have been growing rapidly, so that the CMEA countries now have the world's most advanced social insurance and public health systems. On the whole, public consumption funds in the CMEA countries provide up to a quarter of the incomes of the population.

Important social measures are being implemented in the Soviet Union and all the other CMEA countries. In the USSR, the GDR, Mongolia, Poland and other countries minimum

wages for industrial and office workers in a number of industries and in agriculture have been increased once again. As a result of the higher average monthly wages and payments from public consumption funds, monthly wages in the USSR in 1971 went up to 170 roubles as compared with 164 roubles in 1970. The incomes of collective farmers have also been increased. In the GDR, the minimum monthly wage has gone up from 300 to 350 marks. In 1971, additions to wages were considerably increased in Poland. Payments of family aids for working people earning not more than 100 zloty a month, calculated per family member, went up by roughly 29 per cent, while sickness benefits increased by roughly 18 per cent. In 1971, in Romania, the section of the population in the lower income brackets was further reduced and the section of the population in the higher income bracket increased. In June 1970, industrial and office workers receiving wages of up to 1,100 lei came to 27.3 per cent of the total, while those receiving over 1,500 lei to 35 per cent. In March 1971, the figures were respectively 24.3 per cent and 37.7 per cent, with the switch to the higher wage bracket being mainly among industrial workers.

In the Soviet Union, Czechoslovakia, Poland, Mongolia and the other CMEA countries there have been increases in the minimum old age pensions for industrial and office workers, collective farmers and members of co-operatives. In 1971, 15 thousand million forints were allocated for the payment of pensions in Hungary, which was 2 thousand million forints, or 14 per cent, more than in 1970. That year,

the pension fund in Poland came to nearly 39 thousand million zloty, or 15 per cent more than in 1970.

As a result of the higher incomes and the greater purchasing power of the population and the increase in consumer goods output in each CMEA country, together with extensive co-operation between them in the manufacture and exchange of these goods, retail trade in the five years from 1966 to 1970 increased by an average of 46 per cent as compared with 32 per cent for the 1961-1965 period. In 1971, retail trade continued to grow. The sale of goods other than foodstuffs went up in most CMEA countries faster than the sale of foodstuffs. The supplying of the population with high-quality foodstuffs and everyday goods was being improved, and cultural requirements were being more fully satisfied.

Housing construction reached unprecedented levels in the CMEA countries. In 1971, 11 million more people in the USSR moved into new flats, built mainly at the expense of the state, with only a small percentage being paid for by the collective farms and individual members of the population. Housing construction plans are being successfully fulfilled in Bulgaria, the GDR, Poland, Mongolia and other countries. In 1971, over 100,000 flats were built in Czechoslovakia and 75,000 in Hungary.

The economic development plans of the CMEA countries for 1971-1975 devote much attention to their economic, scientific and technical co-operation in the production of consumer goods, especially consumer durables. For example, the total value of consumer goods imported by the

USSR from other CMEA countries is to come to 8,500 million roubles. For its part, the Soviet Union is also considerably to increase its deliveries to the CMEA countries of cars, watches, radios, television sets, vacuum cleaners, washing machines and other consumer durables.

The progress of integration processes in the economy of the CMEA countries is gradually helping to eliminate duplication in the production of goods required to satisfy the needs of the population, and also helping to improve the quality of goods. Until recently, for instance, the GDR produced every type of radio tube (nearly 40), and the situation was similar in Poland, Hungary and Czechoslovakia. At present, the CMEA countries have agreed on specialisation in manufacturing radio tubes. Now, each country produces no more than 10 types, but supplies these to the other countries. As a result, the radio tube output showed an overall increase of 300 per cent, without any special outlays.

The Comprehensive Programme provides for the further development of consumer goods production. The main lines of technical development in the food industry are being worked out for the period up to 1985. At the same time the further extension of co-operation in the radio-technical and electronic industries is planned. For example, in the 1971-1975 period, specialisation and co-operation of production are to serve as a basis for the improvement of the set of components making up the colour television system, its introduction in the CMEA countries and the start of large-batch production of colour tubes.

In the past few years, alongside the traditional

forms of foreign trade, the CMEA countries have been making increasing use of direct exchanges of consumer goods.

These are the most important measures being taken by the CMEA countries for the fullest satisfaction of the material requirements of their people. Implementation of the grand targets set out in the long-term economic development plans and implementation of the Comprehensive Programme of Socialist Economic Integration will bring the CMEA countries closer to that higher stage of social development when, as Marx predicted, together with the all-round development of the individual, there will be a growth of the productive forces and all the sources of social wealth will be in full flood.

THE DIFFERENCES BETWEEN SOCIALIST AND CAPITALIST INTEGRATION

The socio-economic essence of integration, its purposes, causes and motive forces depend on the nature of the social system. That is why socialist integration is fundamentally different from capitalist integration. It is theoretically untenable and methodologically wrong to try, as imperialist politicians and ideologists, and the advocates of the theory of "convergence" have done, to present integration as a spontaneous process which allegedly leads quite automatically to the gradual drawing closer together of the socialist and the capitalist social systems.

In their efforts to cover up the fundamental differences between socialist integration and capitalist integration, and to obscure the anti-

popular substance of capitalist integration, so as to free capitalism from blame for the disasters it has showered on the working people of the world, the advocates of the capitalist system try to make out that there is no difference between the socialist Council for Mutual Economic Assistance and the Common Market.

Economic integration springs from the objective conditions of development of modern productive forces and the internationalisation of economic life, which is based on continuous technical and social progress. Integration processes, which are going forward in all countries of the world, have a number of common features and many fundamental differences.

Socialist economic integration is based on the principles of socialist internationalism, respect for the national sovereignty, independence and national interests of each CMEA country, complete equality in decision making, mutual advantage and comradely mutual assistance.

Integration processes under capitalism are inseparable from the domination of private property and the rule of the monopolies based on exploitation, fierce competition and the suppression of the weak by the strong. The successes scored by socialism, the need to compete with it, and the headlong advance of the scientific and technical revolution—all force the ruling circles of the capitalist countries to try to adapt themselves to the new situation in the world and to muster all their reserves to increase the efficiency and pace of development of production. They are taking steps to further develop the state-monopoly methods of economic operations, with a considerable role being assigned to economic in-

tegration, the establishment of all kinds of closed and opposed regional groupings of the imperialist countries.

Socialist integration and capitalist integration differ in purpose, mechanism and results just as the socialist mode of production differs from the capitalist mode of production.

What are the purposes of socialist economic integration? The Communique of CMEA's 25th session says: "The communist and workers' parties and the governments of the CMEA countries have been intensifying and improving their co-operation and further developing socialist economic integration for the more successful fulfilment of key socio-economic tasks, attainment of the highest scientific and technical level, a raising of the standard of living and a strengthening of the defence capacity of the CMEA countries."

The Comprehensive Programme gives concrete expression to the idea of the unity and fraternal co-operation of the socialist countries and the further strengthening and pooling of their economic and scientific potentials.

Lenin predicted that the future co-operation of the socialist countries would take the form of a world co-operative whose economy would be run under a common plan. Elaborating the idea of the development of states after the triumph of socialism, Lenin wrote in 1918 that "the whole of society must become a single workers' co-operative. . . Now all we need is a single will to enter with an open heart that single world co-operative."¹

¹ Lenin. *Coll. Works*, Vol. 28, p. 333.

The establishment of the "world co-operative" of nations is a complex, drawn-out and multifaceted historical process, which develops gradually. The economic integration of the CMEA countries is only one facet of this historical process, viewed over a long term. The main content of this general line in the development of world socialism is not only voluntary economic co-operation between the countries taking the socialist path of development, which is carried out step by step, but also their ideological, political and cultural integration. This is precisely the process which will ultimately do away with the suspicion and alienation of nations brought about by capitalism, and bring to full triumph of the spirit of brotherhood, friendship and co-operation.

Capitalist integration has totally different results. The drive for higher rates of profit is the be-all and end-all of capitalist production. In advancing integration processes, monopoly capital seeks, on the one hand, to increase its profits to the utmost, and on the other, to iron out, if not to overcome altogether, the intrinsic contradictions of capitalism, to increase economic growth rates, to consolidate its position in the world economy and to join forces for the fight against world socialism. But the imperialist nature of integration, far from reducing, in effect aggravates the contradictions in the capitalist world. Convincing evidence of this comes from life itself, such as the world economic crises of 1948-1949, and 1957-1958, the five post-war crises in the USA, the 1966-1967 crisis in the FRG, and the 1971 crisis in Italy. These are only a few of the telling facts which help to refute the

theory of "crisis-free capitalist development" invented by bourgeois economists.

The struggle for markets, the expansion of the strong and the suppression of the weak, economic, financial and moral crises—these are fundamental defects of the capitalist system which integration reproduces with fresh force, on a new scale and in new forms. Leonid Brezhnev, in the Report to the 24th Party Congress, said: "The contradictions between the imperialist states have not been eliminated either by the processes of integration or the imperialists' class concern for pooling their efforts in fighting against the socialist world."

What is the fundamental difference between the mechanism of integration under socialism and under capitalism?

First of all, the economic integration of the CMEA countries is planned. The state plan is the most effective instrument of socialist integration. The very nature of the socialist planned economy dictates the leading role of national-economic plan co-ordination by the CMEA countries. Any changes in the sectoral structure of the national economy or in the allocation of material values carried out to advance integration processes in the economy of the CMEA countries are made possible only after they are written into the national-economic plans of the countries concerned. The advance of integration in the economy of the CMEA countries is inconceivable outside the context of their joint co-ordination activity on a bilateral and a multilateral basis.

Under capitalism, integration is moved by the market mechanism, which includes some libera-

lisation in the international movement of goods, capital and labour, the lifting of quotas in foreign trade, import tariffs and foreign exchange restrictions.

The market mechanism of capitalist integration is supplemented by the state regulation of external economic relations which is expressed in the purposeful use by members of groupings of national and international centralised financial resources either in a co-ordinated extension of privileges or, on the contrary, in the establishment of barriers to direct the development of various economic processes to suit the monopolies. The mechanism of capitalist integration is based entirely on the laws of monopoly profits and competition.

The activity of closed capitalist integration groupings contains an attempt to combine two contradictory principles: freedom of competition and its limitation, liberalisation of external economic exchange and its regulation. All of this inevitably causes a deep-going internal contradiction in the integration processes under capitalism. The conflict between these two principles stems from the deeply embedded contradiction in state-monopoly capitalism itself at its present stage of development. With production highly socialised, the capitalist state is forced to use methods of centralised regulation of the economy, methods which are intrinsically alien to the nature of the capitalist economy and have been borrowed from the future, from socialism. The Soviet economist, Y. Shishkov, is quite right when he says that state-monopoly type integration emerged in a historical period when the instruments of the old epoch, the epoch of capi-

talism, which is on the way out, can no longer be used for operating the new international economic organism, while the instruments of the coming epoch, the epoch of socialism and communism, cannot be fully used by capitalist society, because it continues to be based on the market economy and private property in the means of production. The Main Document of the 1969 International Meeting of Communist and Workers' Parties says: "State-monopoly regulation, exercised in forms and on a scale which meet the interests of monopoly capital and are aimed at preserving its rule, is unable to control the spontaneous forces of the capitalist market."

The economic and social consequences of integration under socialism and under capitalism are also different.

Socialist economic integration helps to accelerate the development of the productive forces on the basis of the achievements of the scientific and technical revolution while gradually bringing closer together and evening out the development levels of the socialist countries, raising the material and cultural levels of their peoples and strengthening the position of the CMEA countries in the world economy.

The triumph of socialist relations of production in the USSR and subsequently in the other countries which have broken away from the capitalist system has brought about a radical change in the purpose of social production. Lenin said that the replacement of capitalist society by socialist society is being done "with the object of ensuring *full* well-being and free, *all-ro-*

und development for all the members of society".¹

The successes of the CMEA countries in economic development and economic co-operation have extended their possibilities for further raising their people's living standards. The socialist countries have been gradually bringing about the supreme purpose of socialist production, which is the ever fuller satisfaction of the growing material and cultural requirements of all members of society.

Socialist economic integration is an important element in the development of international socialism. It has important economic and political effects and consolidates the basis for the socialist solidarity of the working people of the socialist countries.

The advance of integration processes in the capitalist world aggravates the contradictions between the imperialist states and intensifies their fight for markets, sources of raw materials and spheres of investment. Today these contradictions are most pronounced in the economic and political competitive fight between centres of imperialist rivalry such as the USA, Western Europe (notably the Common Market countries) and Japan. In the Common Market itself, as in the other imperialist integration groupings, there is a continued clash of interests of the various participants. The West German magazine, *Der Spiegel*, admits that the Common Market countries invent endless barriers which build up into solid walls in the way of free competition and trade within the European Economic

Community. Social contradictions are being sharpened. The lifting of tariff barriers between the Common Market countries did not result in any reduction of prices for consumer goods but actually increased them. There is growing unemployment. Agrarian integration has accelerated the economic ruin of the small and middle farmers: in the last decade alone, almost 5 million farmers have gone bankrupt in the Common Market countries.

Contrary to bourgeois, reformist and revisionist assertions, capitalist integration does not lead to a "flourishing of capitalism" but to a reproduction of its inherent social antagonisms on an ever greater scale and an increase in their bitterness. It adds fresh contradictions to the long-standing ones. Integration under capitalism assumes forms and is carried out by ways and means which contradict its very substance, slow down and distort its development, and clash with the national interests of the peoples involved. The limited nature of capitalist integration is also evident in the antagonism between the imperialist integration groupings and the Third World countries.

The line of socialist economic integration, jointly worked out and consistently implemented by the communist and workers' parties of the CMEA countries fully meets the vital interests of each socialist country, of international socialism as a whole, and indeed of the whole of mankind. At the 24th Congress of the CPSU, Leonid Brezhnev said: "We want to see every fraternal country a flourishing state, harmoniously combining rapid economic, scientific and technical growth with a flowering of socialist

¹ Lenin. *Coll. Works*, Vol. 6, p. 54.

culture and rising living standards for the working people. We want the world socialist system to be a well-knit family of nations building and defending the new society together, and mutually enriching each other with experience and knowledge, a family, strong and united, which the people of the world would regard as the prototype of the future world community of free nations."

Life itself has confirmed the conclusion drawn by the international meetings of the communist and workers' parties, and the congresses of the fraternal parties that the socialist community is the chief force ranged against imperialism, and the bulwark of the present-day liberation movement. Imperialism has lost its historical initiative for good and does not have the strength to turn the tide of history. It is the world socialist system, the international working class, and all the other revolutionary forces that now determine the main line of mankind's development.

А. Алексеев
СОЦИАЛИСТИЧЕСКАЯ ЭКОНОМИЧЕСКАЯ
ИНТЕГРАЦИЯ В ДЕЙСТВИИ

на английском языке

Цена 27 коп.

