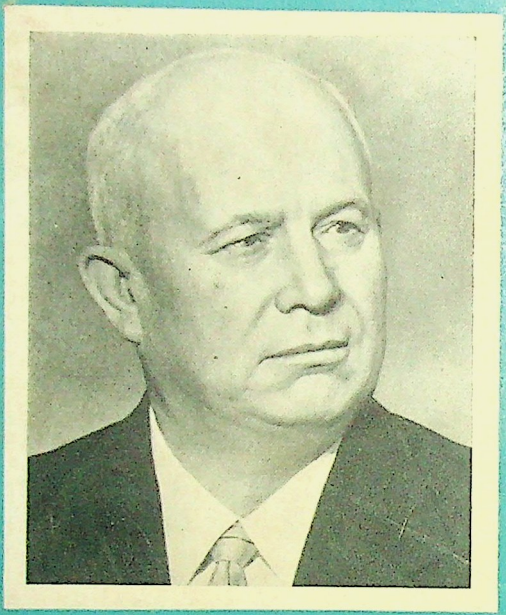

N. S. KHRUSHCHOV

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Vital Questions of the Development of the Socialist World System

PERPUSTAKAAN NASIONAL R.I.

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Lembaga Kebudajaan Indonesia

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Lembaga Kebudajaan Indonesia

The meeting in Moscow of first secretaries of the Central Committees of the Communist and Workers' parties and heads of government of the member-countries of the Council of Mutual Economic Aid, held on the initiative of the Central Committee of the Polish United Workers' Party in June 1962, was an important event in the life of the countries of the socialist commonwealth. That this meeting will play a big role in further strengthening the socialist system and in extending its influence on world development is beyond doubt.

Attention was focused on current problems of the economic co-operation between the member-countries, problems of the greatest interest both to each of the countries and to the socialist world system as a whole. These problems have their source first of all in the internal requirements of the growth of world socialism, and also in the need to ensure our superiority in the competition with capitalism. Their solution will powerfully stimulate the further expansion of the productive forces and will be a milestone on the road to closer friendship and co-operation of the nations now building a new life, on the road to our great common goal.

Lenin foresaw the future collaboration of socialist nations as taking place in a single world-wide co-operative in which the economy would be conducted according to a common plan. In his address to the Third Congress of Workers' Co-operatives in 1918 he pointed out that only one thing was needed at the moment—the unanimous desire to go ahead with an open mind in this single world-

wide co-operative (*Collected Works*, Russian Ed., Vol. 28, p. 309).

These words of our leader and teacher express the final aim towards which all the socialist countries and the entire international revolutionary movement of the working class are striving. However, the formation of a "world-wide co-operative of the nations" is a long, complicated and many-sided process. The main thing about it is not just the consistent, step-by-step realisation of economic co-operation between our countries, but also the ideological, political and cultural coming together of the socialist nations, in the course of which the mistrust and alienation sown among the nations by capitalism will ultimately disappear and the spirit of fraternity, friendship and co-operation will prevail.

On the way to this aim we shall go through a series of successive stages, none of which can be bypassed. It will be necessary to work hard over the solution of the many big and small problems of all kinds in order to reach that high level of unity without which one cannot even imagine the future joint life of the socialist nations.

When capitalism was still in its infancy the productive forces, as they developed, destroyed first local and then national exclusiveness. Then as it came into its own, capitalism brought into being firm and steadily growing and developing international contacts. The trend towards a single world-wide economy regulated by the working class of all nations according to a common plan "is already quite clearly revealed under capitalism and, undoubtedly, will be further developed and fully consummated under socialism", Lenin said (*Collected Works*, Russian Ed., Vol. 31, p. 125). The objective necessity for a single world economy finds its fullest expression in the main productive force of society—the working class—which, in the course of class struggle, becomes a powerful social force.

In the Soviet Union the victory of socialism led to the truly social and economic unity of the whole of society

which became the complete master of all the main means of production. And on this basis the social, political and ideological unity of the Soviet people took shape.

Now with the emergence of socialism beyond the boundaries of the country we observe an unparalleled process of working people joining in the effort to build a new society on the scale of a world system. Strictly speaking, this process only began in the course of the past fifteen years when new relations between the peoples and new forms of the all-round co-operation of the socialist countries were taking shape. In the socialist countries there are still classes, but these are friendly classes; the national peculiarities will remain for a long time, and what is more, the most favourable conditions are being created for the flowering of the nations. It follows, then, that national and, to a certain extent, class interests and distinctions still remain. At the same time, irrespective of class and national affinities, a steadily growing significance is acquired by the main and decisive things, those that unite and make kindred all the people taking part in building the new life, namely, their common interests in the fight to ensure the victory and consolidation of socialism and communism on a world scale, and their common Marxist-Leninist ideology.

And this grand community of political aims and interests, resting on the granite foundation of Marxist-Leninist teaching and of proletarian internationalism, is the reliable guarantee of the stability of the socialist world system, the guarantee of those splendid successes which socialism is ordained to win.

1. A NEW STAGE IN ECONOMIC CO-OPERATION

The socialist world system is advancing to a higher level, as are the forms of the contacts and the co-operation between the countries. After the victory of the socialist

revolutions the peoples of all our countries, naturally, sought to combine their forces in order to uphold their gains. The main thing in that period was to combine politically with the aim of consolidating the rule of the people, reinforcing the socialist system in all spheres of social and economic life in each country, and organising the joint defence of the socialist countries from possible imperialist aggression. In substance this was a military-political alliance of the socialist countries.

On the scale of the world system an important thesis of Marxism-Leninism had found affirmation, the thesis that the socialist mode of production could arise and expand only after the working masses headed by the working class had won political power in the course of the socialist revolution and had organised defence of their gains against the onslaught of the counter-revolution.

In the economic sense, and especially in the sphere of international economic relations, the countries of people's democracy in Europe could be described as breakaways from the capitalist world. The new socialist relations did not triumph overnight. The economies of these countries were multiform and preserved deep traces of the antagonisms and ills left by capitalism. The economies of most of the People's Democracies, orientated on the West, still retained the hallmarks of subordination to the big imperialist powers with whom they had been closely linked in the past. At this time the economic relations between the socialist countries developed largely on a bilateral basis. The socialist world market was just emerging and the new forms of co-operation characteristic of the socialist commonwealth had just begun to take shape.

This phase may be described as a kind of transition from the old system of external economic relations typical for capitalism to the moulding of the new type of international contacts. And just as the separate countries that had had their socialist revolution found it necessary during the transitional period to erect a new socio-economic edifice

using the old materials, so too in establishing the new system of relations between the countries taking the socialist road, we had to utilise what we inherited from capitalism, to make use for the time being of those forms of economic contact left to us by capitalism.

The formation in 1949 of the Council of Mutual Economic Aid marked the beginning of multilateral co-operation at first in the sphere of trade and afterwards also in the sphere of production. The socialist world system is now beginning to take shape as a single entity not only politically but also economically. In the course of the twelve years' existence of the Council we have succeeded in creating, at least for the member-countries of the organisation, a solid basis for joint co-operation and mutual aid.

The functions of the Council in organising joint economic co-operation do not extend as yet to all the socialist countries. The differences in time in taking the road to socialism prevented them from simultaneously entering into joint economic co-operation. However, the successful economic integration of the member-countries will make joint co-operation easier for all the socialist countries. Between the member-countries and the socialist countries which do not belong to the Council broad economic contacts are taking shape, and these are paving the way for still wider economic co-operation.

At present the socialist camp as a whole and most of the countries in it have a developed industry and large-scale socialised agriculture. The socialist system, which embraces 26 per cent of the territory of the world, produces, according to incomplete figures, about 37 per cent of the world industrial output. In most of the socialist countries industry accounts approximately for three-quarters of the overall national product.

A socialist world market has emerged and grown strong, and all the socialist countries—the Soviet Union, People's China, and the People's Democracies in Europe and Asia—are promoting its development.

The socialist countries are now at a stage when favourable conditions have ripened for raising their economic and political co-operation to a new and higher level. At this level a special significance is acquired by co-ordinated national-economic plans, socialist international division of labour, and by co-ordination and specialisation of production which will guarantee successful organic development of the socialist countries.

The socialist world system is now at a stage when it is no longer possible correctly to chart its development by merely adding up the national economies. The thing now is to do everything to consolidate the national economy of each country, broaden its relations and gradually advance towards that single world-wide organism embracing the system as a whole which Lenin's genius foresaw.

With the emergence of socialism beyond the boundaries of a single country, its economic laws found much greater room for action and their operation became more and more complex.

For example, the law of planned and proportional development operating on the scale of the system as a whole calls for planning and definite proportions both in each of the socialist countries taken separately and on the scale of the entire commonwealth. To utilise the economic laws of socialism fully we must take due cognizance of their operation not only at national levels but also on the international plane.

We are now faced with a task of historical significance—to learn how to make the most effective use of the advantages of socialism, of advantages flowing from the existence of the new world system, that is, ably to direct the socialist international division of labour, specialisation and co-ordination of production, co-ordination of research and technological work and to make full use of the possibilities opened up by the socialist world market.

Marx in his time pointed out that even the simple addition of labour greatly increases its productivity. All the

greater then is the productivity of social labour, given the combined efforts of the socialist countries with their single-type social structure and community of political aims and interests. By co-ordinating the economies of the socialist countries we will be able to increase tenfold the strength of each and of the system as a whole. We are bringing the forms of our economic co-operation into conformity with our increased productive forces, and we are clearing the way for their further development.

Streamlining the system of co-operation and mutual aid will help to bring the socialist nations closer, make for the evening up of their economic development generally and, at the same time, enhance the sovereignty of each country since each will have in addition to its own forces the support of the entire socialist community. Not to make use of the advantages deriving from the international division of labour now that we have a system of socialist countries would mean taking the more difficult way in creating modern productive forces, depriving ourselves of the possibility of expanding production in keeping with the latest achievements of science and technology.

It goes without saying that a major precondition for the further expansion of the productive forces of the socialist countries and, consequently, of the entire socialist world economy, is the fullest utilisation by each country of its internal resources, steady improvement in the forms and methods of economic leadership and consistent application of the Leninist principles and methods of socialist management.

The socialist world system, it should be said, can forge ahead only through the all-round co-operation of the countries belonging to it, through their co-ordinated effort, bearing in mind the interests of each country and of the socialist community as a whole. There is no other way.

The need for more active co-operation between the socialist countries is dictated also by the interests of winning time for victory in the economic competition with

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capitalism. We should bear in mind that the imperialists, having seriously accepted our challenge to compete with them economically, are now seeking to combine their forces in order to halt the onward march of socialism. They would like to wipe out the socialist system and restore capitalist rule throughout the world. But the countries of socialism have reached such a level in their economic, scientific and technological development that even some circles in the West now appreciate that they cannot realise their designs by way of war. The imperialists cannot but see that, far from lagging behind, the socialist camp is in many respects ahead of them in the development of modern arms, corresponding to the latest achievements in science and technology. Today only those who have lost all sense of judgement can count on resolving the historical conflict between socialism and capitalism by means of war.

True, there are in the West enemies of socialism who say that it would be better to die under capitalism than to live under communism. But this is the view of the lunatic fringe. Sober-minded politicians in the West tend more and more to the realistic view that, willy-nilly, they have to reckon with the existence in the world of the two systems—socialism and capitalism—that is, they have to take into account the policy of peaceful coexistence. Naturally, this conclusion does not mean that the imperialists have become reconciled to socialism, to our theory, to our practice, and to our ideas. Not at all. They had to recognise the new balance of forces on the world arena brought about by the growth of the powerful socialist system. There is no escaping that. That is why the imperialists have been forced to take into account the existing state of affairs. Objectively this signifies that gradually we are impelling the capitalist countries onto the highway of peaceful competition between the two systems.

In this recognition of things the imperialists, clearly, act from the standpoint of their interests. They have not

the slightest desire to part with the hope of undermining the socialist countries in one way or another, nor have they relinquished their struggle against the socialist camp. But in the military sphere this struggle lands them in a blind alley since both sides, that is, the socialist countries and the capitalist countries, possess powerful nuclear forces. Not risking at the moment to start a war against the socialist countries but without any let-up in the arms drive, the imperialists are utilising all their possibilities in the struggle against the socialist world system in the sphere of economy, politics and ideology.

At the moment the question stands like this—which system will manifest the greatest viability, that is, which system in the quickest time will provide the people with more material and spiritual values. Evidently it is in this area that hard battles will be fought between capitalism and socialism.

After the adoption by the Twenty-Second Congress of the C.P.S.U. of the programme for building communism in the Soviet Union, the imperialists began loudly to trumpet about the "economic challenge" of the U.S.S.R., to work feverishly to hold their own in the economic competition between the two systems. The leaders of capitalism and its ideologues forthrightly declare that, in view of the growing threat of an economic offensive on the part of the Soviet Union and the other socialist countries, the capitalist countries should combine their forces. It was not accidental that President Kennedy, in a recent declaration about the so-called interdependence of the Western powers, called for joint effort on the part of the imperialist countries of Western Europe and the United States with a view to establishing an "Atlantic partnership". It goes without saying that Kennedy's plans provide for maintaining and enhancing the leading role of the United States in the capitalist world. These developments show once again that the imperialists dread economic competition every bit as much as they dread our

military might, and are trying to counterpose to the socialist countries, to the international communist movement, and to the national-liberation struggle of the peoples a solid front of the reactionary forces.

After the Second World War the trend towards integrating the foreign policy and the economies of the capitalist countries became more pronounced. We saw the rise of international organisations such as the European Coal and Steel Community, the Common Market, the Organisation for Economic Co-operation and Development, and others. The rulers of the Western world, notwithstanding all their antagonisms, have partly succeeded in forming inter-state alliances the activities of which create difficulties for the newly-emergent countries in Asia and Africa and also in Latin America.

How is it that the imperialists, despite their antagonisms, have managed in a measure to co-ordinate on an international scale economic co-operation in a number of important spheres?

First, we see manifested here, although on a contradictory basis, the objective trend towards greater internationalisation of economic life, rendered more pronounced in our days by the rapid scientific and technological advance. State-monopoly capital on its part is anxious to encourage this trend and to use it for its aggressive military-political aims. By forming their inter-state economic associations, the imperialists are trying to counteract the negative consequences of the spontaneous development of the capitalist world economy.

Second, faced with the fact of the growing might of the socialist system with its planned economy, and faced with the fact of the rapid advance of the emancipation movement of the peoples, the imperialists are forced to find ways and means of easing the antagonisms in their camp. Dreading peaceful economic competition with the socialist countries, they are trying to tone down their internal antagonisms in view of the basic contradiction of

our epoch—the contradiction between capitalism and socialism.

The Common Market signifies big advantages for the imperialist monopolies. At the same time it threatens the interests of the working class, the peasantry and the middle sections of the urban population. The small countries will, increasingly, be more dependent on this imperialist alliance which, in substance, signifies a new form of the division and redivision of the capitalist world market. The aggressive forces want to use the Common Market for the purpose of reinforcing NATO and stepping up the arms drive.

With the formation of the international imperialist alliances, the smaller countries of the capitalist system, losing their previous role and their sovereignty, are forced to follow in the wake of the United States and the other big imperialist powers. The rulers of these countries are going so far as to forego even their independence, because they see in the Common Market and in other organisations of its kind a certain defence against the onward march of socialism and against the pressures coming from the working people.

Here we see manifested yet another aspect of the military-political alliances of the imperialists—more and more openly they are assuming the role of international gendarmes for the purpose of crushing the movement of the peoples for freedom and social progress.

The imperialists and their propaganda depict the movement of the peoples for freedom and the struggle of the working people for their rights as the penetration of communism from "without", as an external force upsetting the political balance in the world. These arguments are designed as a screen for their dread of the growing discontent of the popular masses. And they try to distort the obvious truth that the communist movement, far from being brought in from outside, grows inside the capitalist countries on the soil of class struggle, on the soil

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of the mounting antagonism between the working class and the capitalists, between all working people and their exploiters.

The rulers of the Western world cannot but see that the balance of forces is tilting more and more in favour of socialism. The old world of exploitation, colonial tyranny and oppression of the working masses, is staggering under the powerful blows of the emancipation movement of the peoples, is cracking up, threatening the ruling classes with catastrophe. And in the endeavour to maintain the peoples in subjection, the imperialists are forming aggressive military blocs like NATO and SEATO which, on the one hand, are spearheaded against the socialist system as the main bulwark of the freedom and happiness of the peoples, and, on the other, fulfil functions of a gendarmerie in relation to the national-liberation movement and the working masses striving to overthrow the rule of the exploiters. The so-called economic alliances of the imperialists are designed for precisely the same purposes. The Western rulers do not even bother to conceal the direct link and interdependence which exist, for example, between the economic organisation of the Common Market and the aggressive NATO alliance. They delight in stressing that their economic unions are also called upon to fulfil important functions for the so-called defence of the West, by which they mean the aggressive policy of the imperialists.

It goes without saying that one should not exaggerate the possibilities of these international unions of the imperialists. No matter how much they talk in the West about European integration and its results, one cannot get away from the fact that the formation of these unions cannot rid the capitalist world of its deep-going antagonisms and defects. Dominated by the United States, the military blocs and alliances are frequently in a state of crisis arising from the contradictions between the main imperialist powers. The interests of the small group of im-

perialist powers conflict with the interests of the other capitalist countries and with the interests of all nations. This state of affairs, obviously, cannot but weaken the imperialist amalgamations and unions.

But if we do not exaggerate the strength of the adversary this does not mean that we should ignore it. It would be unwise not to pay attention to the designs and actions of the men behind the European integration. The Communists are combating the attempts to use the Common Market and other amalgamations of this kind for the purpose of preparing another war, of stepping up the arms drive and of intensifying the armaments drive, for purposes of exerting economic and political pressure on other countries and especially on the newly-emergent states. We have exposed and we shall continue to expose the dangerous consequences of the capitalist integration for the working people.

At the same time we take into consideration the objective trend towards internationalisation of production which can be observed in the capitalist world and, in keeping with this, we are designing our own policy and our own economic measures. And this brings us to the question of the possibility of economic co-operation and peaceful economic competition not only between the separate countries with differing social systems, but also between their economic amalgamations.

We can see the danger contained in the striving of the imperialists to utilise the advantages flowing from West-European integration for the purpose of forming exclusive inter-state economic groupings bearing an aggressive character. By means of this policy the West is erecting barriers in the way of world trade and economic co-operation between the economic unions of the two systems. In contrast, the socialist countries in this new situation advance proposals aimed at expanding international trade between the countries of the two diametrically opposed systems.

In the published communiqué the participants in the meeting expressed the desire for more trade with the capitalist countries. They advanced the proposal for an international trade conference to discuss the forming of an international trading organisation which would take in all areas and all countries of the world without discrimination.

We stand for co-operation with the capitalist countries also in the sphere of production. The socialist countries, for example, have repeatedly put forward proposals for co-operation with the West-European countries in the extraction of raw materials that are in short supply, in multiplying energy resources, in joint exploitation of waterways, and in other branches.

At the same time, with the imperialists working overtime to combine their forces, we Communists draw also another conclusion. To the combined front of imperialism the socialist commonwealth counterposes a still closer union based on genuine equality, community of interests and lofty humanist aims.

Our vital interests—the interests of building socialism and communism—call for combined efforts in the matter of developing the national economy of each of the socialist countries and in increasing the might of the socialist commonwealth as a whole; they call for constant attention to strengthening the unified material and technological base of socialism. For us this is the highway leading to a world-wide socialist economy.

2. THE INTERNATIONAL DIVISION OF LABOUR, CO-OPERATION AND CO-ORDINATION OF PRODUCTION

International division of labour, realised by way of co-ordination and specialisation of production, is a vital condition for the successful development of the socialist world economy.

Division of labour between countries has existed for a long time. And indissolubly associated with it is the advance made by the productive forces of society. Capitalism, as we know, right from its inception made the widest possible use of international division of labour. But under capitalism the link between the economies of the different countries took on a deformed, lop-sided character with the result that in the imperialist era the world has found itself so divided that alongside a small group of highly developed industrial countries—exploiters—there is a large number of underdeveloped countries which have become the objects of colonial exploitation and dependence.

Under capitalism the international division of labour serves as an instrument of the monopolies for plundering the nations whose economic development was retarded. Through a thousand economic threads, including financial and other "aid", it binds these countries to the big powers, thus deepening the inequality of the countries and dooming millions to backwardness and poverty.

Under socialism the international division of labour is a striking expression of the relations of genuine friendship, equality and co-operation that exist between the nations building the new life. The socialist division of labour accelerates our rate of advance and helps to overcome the economic and other difficulties which arise. It is aimed at abolishing the economic gap between the industrial countries and the formerly backward countries, facilitating the industrialisation of the agrarian countries, accelerating their economic and cultural progress, consolidating the independence of all the socialist countries.

On the level of the socialist system as a whole the international division of labour is organised and developed as a planned process based on conscious utilisation of the economic laws of socialism and, therefore, contains unlimited possibilities for accelerating expansion of the productive forces and for multiplying the material benefits of society. Socialist international division of labour and wide

specialisation and co-ordination of production provide the national economies of the socialist countries with the broadest opportunities for the most fruitful development; the various economies, supplementing one another, will gradually merge into a single streamlined economic complex with each having its own place and functions and in which each country, each people, will have an even stronger foundation for solving the national tasks of socialist construction.

Much work has been done to further the socialist international division of labour during the years of the existence of the Council of Mutual Economic Aid. Not long ago the Council published its *Basic Principles of the Socialist International Division of Labour*. This important document will be a guide in economic co-operation. Many specific recommendations have been worked out for specialisation and co-ordination of production. And while some of these have already been carried out, far more will have to be done in this direction.

The participants in the meeting of the Council unanimously recognised that joint co-ordination of economic policies is of the utmost importance at present for the advance of the socialist world system, that it is becoming the main thing in our economic co-operation.

The need for co-ordinated national-economic plans on the scale of the socialist world system derives from the objective economic law of the planned and proportional growth of the socialist economy. If we learn to utilise this law on the scale of the socialist system as a whole, or for a beginning on the scale of the countries belonging to the Council, if we improve planning not only of the national economies but of the entire system of economic relations between our countries, the socialist world economy could make still more rapid progress, the opportunities for operating with our economic resources would be greater and we could produce more economically, with the minimum expenditure.

Work along lines of co-ordinating the national-economic plans of the member-countries began as early as 1956. This enabled us to reach agreement on a number of important targets up to 1965. At the moment consultations are under way on plans for the next twenty years. The results of joint decisions on some important aspects of the development of fuel, power and raw material resources are quite good, and the same can be said about inter-state specialisation and co-ordination in machine building and in the chemical industry.

Thus in co-ordinating national-economic plans the member-countries got off to a good start. And with these good results behind us, we should now be able to make even greater progress in this vital matter. We are now in a position to co-ordinate not only separate industrial output targets but also to work out the main national-economic proportions in keeping with our common interests, and to arrive at a kind of overall balance which could fulfil the role of a joint economic development plan of the member-countries. It was said quite correctly at the meeting that we should work out unified plans for the basic branches of industry. This would make it possible to satisfy not only the requirements of each country separately but of our whole organisation.

Marx pointed out that under capitalism planning is possible only within the limits of a single enterprise, beyond the walls of which reigns the spontaneous action of economic laws and anarchy of production. We, Communists, having abolished the capitalist production relations in our countries, have got rid of the anarchy of production and, at national levels, we have curbed the blind market relations. Now we are confronted with the need to go beyond this and, by starting out from planning on a national scale, go in for planning at the level of the Council for Mutual Economic Aid, and afterwards at the level of the socialist world system as a whole.

Our common aim is to build the socialist world economy as a single entity. But to accomplish this the socialist countries have no resources to draw on other than the accumulations created by each. It follows, then, that we cannot get on without co-ordinating, even if only in general outline, the policy of creating and utilising accumulations on the scale of the Council. This presupposes, first, allocating funds for building common enterprises—a thing which we have just begun to do—and, second, co-ordinating national investment plans which would as far as possible take into account national and common interests.

Inherent in the socialist world system are many advantages which are enjoyed by the socialist economy within the national boundaries as well. And these advantages, for one thing, enable us to avoid the unnecessary expenditure which is a feature of capitalism and also of small-scale commodity production. An analogy with the agricultural producer co-operative will not be out of place. Where a producer co-operative has one large modern farm building, individual peasants have two or three hundred small ones which, in the aggregate, are very costly. If we transfer this example to the socialist economy as a whole, we will see that it is of greater advantage to the socialist countries operating with co-ordinated plans to build one large enterprise jointly rather than several smaller ones separately.

In co-ordinating programmes for capital building we should, evidently, aim at a more balanced allocation of effort in the sphere of capital expenditure. It goes without saying that it is the sovereign right of each country to determine what proportion of its national income goes for accumulation. In each country this share is fixed on the basis of the concrete tasks of economic upbuilding and the specific conditions. But each socialist country may be expected to take an equal share proportionate to its economic potential in developing those vital branches which serve our common needs.

Since our job is to secure the most effective utilisation of the means allocated for capital building, it may well be that we shall have to re-switch some of the allocations from country to country, on mutually acceptable conditions, of course, for the interested countries. This way of doing things will be well worth while and will benefit the countries concerned.

The Soviet Government, like the governments of the other member-countries of the Council, stands for extending the joint financing of industrial building, transport installations and other enterprises of an international significance. Joint financing should be practised first of all in the raw material branches working for export since these branches are the biggest consumers of capital. In our view the conditions have matured for jointly examining in the Council plans for building the more important enterprises of common interest.

Co-ordinating capital building will ensure a rational distribution of the productive forces on the scale of the entire commonwealth. And should we succeed, and of this there can hardly be any doubt, in co-ordinating plans for capital building between the countries with the proviso that the new enterprises will cater not only for national but also for common needs, that account will be taken not only of the production capacity of one's own country but also of the others, then it will be possible to release quite substantial funds for other requirements.

Co-ordination of plans, far from restricting the economic initiative of the countries, will, on the contrary, further it. The result will be a much better and fuller utilisation of the possibilities for advancing both the economy of each socialist country and that of the socialist world as a whole.

In the past the Council was not in a position to revise the system of co-ordinating plans generally and investment plans in particular on a new basis, because, first, according to the old statute it did not have the necessary

powers and, second, it lacked the necessary planning instruments—material balances, comparable national-economic indices and unified statistics. The decisions of the June meeting will, however, enable the work of the Council to be reorganised in this field.

Co-ordinated national-economic plans together with co-ordinated and specialised production will help to bring the economies of the socialist countries closer together and will add to our common economic potential. What we need are those flexible forms of mutually advantageous and equal co-operation that will best take into account the interests of each country and help them to prosper.

The process of deepening the international division of labour is reflected best of all in foreign trade. The overall volume of foreign trade of the member-countries of the Council in 1961 exceeded the 1950 volume three and a half times. The increase in the direct trade between the member-countries was approximately the same. True, the volume of industrial production for this period rose in the same proportion. But if we bear in mind that the growth of agricultural output was somewhat more tardy, we will find that the growth in trade between the member-countries exceeded the growth of their overall national-economic production. This was due partly to the extended division of labour.

The foregoing figures, while they can be regarded as satisfactory for the previous stage of co-operation, do not correspond to the tasks of today. With the substantial extension of the division of labour and specialisation and co-ordination, the growth of trade between the member-countries will as a matter of course noticeably outstrip the growth in their output and the increase in the volume of their overall foreign trade.

Some bourgeois economists delight in stressing the successes of the West-European integration, particularly in the sphere of the division of labour. They point out, for example, that the growth of trade between the Common

Market countries from 1950 to 1961 was double the rate of growth of their industrial output, that it considerably surpassed the growth of their overall foreign trade.

Comparing the growth of trade in the Common Market countries with that in the member-countries of the Council, they claim that the international division of labour among the countries of the Council of Mutual Economic Aid is still at a lower level than in the European Community. But in saying this they ignore the fact that we started out from different levels, and that it took the capitalists dozens of years to reach their present level. Long before the integration, the "Six" were highly developed industrially and specialisation and co-ordination were more widely practised. But we had to begin from scratch. In the early stages the conditions needed for extensive division of labour did not exist in all the countries of people's democracy. Some of them had little or no industry, no sources of accumulation, i.e., they lacked the base without which effective international division of labour is unthinkable.

Now, however, this stage has been passed. All the member-countries of the Council have their own industrial base, which can be extended more rapidly by way of the socialist international division of labour. The higher the level of the productive forces the more insistent the need for greater co-ordination and specialisation and the better will be the conditions for their realisation.

The facts show that year by year in the socialist camp the exchange of goods, mainly raw materials and other items, is growing. This, of course, is a good thing. As to the mutual deliveries of manufactures, and of machinery and equipment in the first place, their growth so far has lagged behind the increased output in these branches. For the period from 1955 to 1960 the output of machinery and equipment in the member-countries of the Council showed a growth of 95 per cent. Moreover, former agrarian countries like Bulgaria, Rumania and others, became sup-

pliers of up-to-date machines, which is proof of their successful industrialisation. The mutual deliveries between the member-countries for the same period showed an increase of 79 per cent. By 1965 the member-countries of the Council plan to better their 1960 output of machines and equipment by approximately 50 per cent, while mutual deliveries of this production, in keeping with trade agreements, will rise by 45 per cent. But the level of the division of labour between our countries no longer corresponds to their economic requirements.

The lag in the mutual deliveries of machinery and equipment compared with the general rate of growth of output of these items shows that the division of labour and specialisation and co-ordination among the countries of the Council of Mutual Economic Aid have been inadequately developed. But this lag is doubtlessly a temporary matter and we are now working to overcome it.

It should be said that in the sphere of specialisation and co-ordination in the manufacturing branches of industry the member-countries of the Council inherited a pretty bad "legacy" from capitalism. The conditions in some of the People's Democracies in the past when they were part of the capitalist world economy were such that they were left with an economically unjustified universalisation of industry based on small-quantity production. The absence of a reliable raw materials and fuel base and above all the economic dependence on the imperialist monopolies of the Big Powers deprived the majority of these countries of the possibility of developing large-scale production. This circumstance prevented them from taking part in the international division of labour on any kind of favourable conditions and engendered a tendency for them to produce as many types of manufactures as possible. They had no guarantees that they could get the things they needed in exchange for their own products.

The course of the co-operation between the member-countries of the Council made it quite clear that this kind

of "universalisation" had no justification—it was much too costly.

The tendency for a country to produce as many types of manufactures as possible, which derives from the principle of "having everything of your own" regardless of the cost, generally speaking, can arise in our time either as a result of an insufficiently developed economy or for reasons of a non-economic character. We are speaking here not about the Big Powers, for they can afford to have a more universal industry thanks to the possibility of organising specialisation and co-ordination inside their countries and to a relatively big home market. But even for these countries international co-ordination has its advantages.

Under socialism the operation of the law of value does not bear a spontaneous character. Our enterprises do not come under the hammer even when they show a loss. But it goes without saying that we cannot afford to ignore the principle of profitableness without which it is impossible to conduct a socialist economy.

The more profitable the socialist enterprises are, the greater the accumulations at the disposal of the state for extended reproduction and for satisfying the requirements of the people. Today an enterprise can be profitable only if it goes in for mass production and specialisation, and makes use of the latest achievements of science and technology. Hence for the member-countries of the Council the question stands as follows: either the way of universalisation of industry in each country or a resolute advance along the road of co-ordination and international specialisation. The member-countries hold that only in the latter way will their successful development be assured.

As we know, the expansion of the productive forces under capitalism is associated with a vast concentration and centralisation of capital which makes it possible to engage in mass production. In the developed capitalist countries the elemental ups and downs of the market lead

to the abolition of small production. As a rule the enterprises which come out on top in the competitive struggle are those which engage in mass production and where production costs are low. The capitalists are impelled to division of labour and specialisation by the merciless operation of the law of value according to which any enterprise must be profitable, otherwise it goes to the wall. Mass production is the key to the economic successes of capitalism. Why, for example, was Ford able to flood the world market with his automobiles. Because he engaged in assembly-line production, which is the cheapest way to produce.

But it is here, too, that we see the weak and vulnerable sides of capitalist production. Concentration of capital and mass production under capitalism are based on private ownership of the means of production. The capitalist produces not for himself but for the market. In the conditions of private ownership and the operation of the blind laws of capitalism growth of production comes up against the relatively narrow dimensions of the market, making it impossible to foresee for any considerable length of time the requirements of the market. This is one of the sources of the many unpleasant moments encountered by the capitalists, including crises and recesses in their industry.

The socialist countries, having put an end to private ownership of the means of production, have liberated themselves also from the ills engendered by capitalism. And if we now, on the scale of the entire socialist system, combine our planning with the organisation, on the basis of socialist "concentration of capital", of assembly-line production—the advantages of which had been demonstrated by capitalism—we shall undoubtedly accelerate our victory in the economic competition with the capitalist system. But for this we must widely organise co-ordination and specialisation on the scale of the socialist world system. Present-day highly developed production such as

in the socialist countries has nothing in common with autarchy. To cling to the national exclusiveness of the economies of our countries would signify turning our backs on the very great advantages flowing from the socialist system, artificially holding back our advance, thus causing injury to our cause.

The socialist world system is not simply a socio-political union of nations, it is a world economic system. It follows then that the co-ordination should be pursued not within the restricted limits of each socialist country but on the scale of the socialist world economy, which means overcoming the national exclusiveness inherited from the past. Our planned production will enable us to do this successfully.

We are now advancing towards a much higher level, a level from which it is possible to observe and to take into account much more fully the interests of the entire socialist world economy.

International division of labour and specialisation of production offer the best conditions for socialist industrialisation, especially in the formerly backward countries. We, Communists, fully understand the desire of each of the socialist countries to have a developed industry since this is a precondition for expanding the national economy, raising the culture and evening up the general level of economic development in the socialist community. We fully appreciate the desire of the peoples of these countries to overcome as quickly as possible the legacy of the past and to reach the heights of the developed countries. And we hold that specialisation and co-ordination will make possible the construction of bigger and highly profitable enterprises using modern technology. Given this approach, the national income will grow rapidly, accumulations for extended reproduction will be built up with greater success and better conditions will be created for training highly skilled personnel and for scientific and technological progress.

The big specialised enterprises set up in keeping with the socialist division of labour are guaranteed sales for their products on the socialist world market, and the planned character of socialist economy ensures a stable demand for them. What is more, since all or many of the socialist countries are interested in these specialised enterprises, this presupposes joint activity and help in building and running them. It follows, therefore, that building a specialised and co-ordinated industry is equally advantageous both for the countries which already have developed industries and for those now advancing along the road of industrialisation.

International specialisation benefits not only small countries but also big states like the Soviet Union. It goes without saying that a country like the U.S.S.R. with its big market can build large enterprises of optimal size designed to satisfy home requirements alone. But it, too, can benefit from participation in the socialist international division of labour. The Soviet Union is prepared even to cut down production of certain types of manufacture should it be found more expedient to manufacture them in the other member-countries of the Council.

Co-operation in the Council has now reached a point when it is necessary to decide the trend of specialisation in production in each country, that is, to decide exactly which branches, in what combination and using what raw materials, should be built in each of the countries so as to meet our common needs most economically. The time has come to draw up a balance sheet of production and consumption of the main types of manufacture in our countries for a period extending at least up to 1970 and on this basis to prepare a general scheme for inter-state specialisation and co-ordination. The intention for the immediate years is to produce the more important types of manufacture on the basis of international specialisation and co-ordination.

The programme for promoting and improving the socialist international division of labour should be supplemented by agreed measures for improving organisation and planning in the sphere of trade. With the emergence of socialism beyond the boundaries of a single country there arose the socialist world market—a completely new sphere of international exchange—which, in contrast to the capitalist world market, is governed not by blind laws but by planning. Trade between the socialist countries is ensured by long-term agreements based on planned production.

From the foreign-trade relations which have taken shape, we can see that we are still not making full use of the abundant possibilities for expanding trade among the member-countries of the Council. It often happens that needed goods are purchased "on the side", whereas with the proper organisation they could be purchased in our own countries. There is hardly any need to say that this state of affairs hampers our economic advance.

The socialist international division of labour can develop successfully only if the mechanism of our foreign trade operates smoothly and without hitch, if trade ensures the full and timely realisation of the goods created through the division of labour. This explains why the member-countries have agreed on a series of measures to improve the system of foreign trade. In particular a big role will be played by the transition to multilateral accounting, and also by measures to enhance mutual responsibility for fulfilment of trade commitments.

Expansion of foreign trade depends on the rate of growth of production, on the organisation of international division of labour, and on the state of the foreign trade relations. Up till now the expansion of trade on the scale of the member-countries has had its source chiefly in the growth in volume of production. The time has now come to make the fullest possible use of all three factors.

The greater international specialisation and co-ordination provide a sound basis for long-term trade agreements. The Council is now faced with the job of drawing up a system which will ensure going over from bilateral to multilateral planning and regulation of the trade and accounting between the socialist countries.

Also important in the sphere of foreign trade is to extend the range and improve the quality of consumer goods. This, for many reasons, is a particularly urgent matter. The industry of the socialist countries now has everything needed to ensure a fuller and wider satisfaction of the needs of the population for consumer goods. It should be said frankly that the opportunities for doing this, in the Soviet Union for example, are not being fully utilised. We have set ourselves the task, on the basis of an advance in agriculture and the expansion of the chemical industry, greatly to improve the quality of consumer goods, to widen the range of the goods and to make them more accessible to the customer.

In the capitalist world, as we know, competition is a powerful stimulus to improving quality and extending the range of goods. On our socialist market there is no such thing as a competitive struggle. But this does not mean that we should reject the principle of healthy competition for better quality and greater variety of goods, for such competition will enable us to decide how best, from the economic standpoint, to distribute the productive forces and production capacities.

It is obvious that the demand above all for the more essential, low-priced and high-quality goods will, increasingly, become the guiding principle both within our countries and on the scale of the socialist world market.

The measures for extending the international division of labour, co-ordination and specialisation will in the next few years strengthen the mutual relations and the interdependence of the national economies of the member-countries of the Council and of the socialist community

as a whole. In this context questions of accounting and control, and of strict economy, which are essential to socialist economic management, will acquire special significance. Applied to the socialist world economy this signifies, first, a balanced growth of the national economy of each country and of its foreign trade and, second, interchange of the results of the economic activity with mutual compensation for the socially necessary labour expended.

What we have in mind here is a further development of the Leninist principles of business accounting practised in foreign trade on an enlarged international arena.

The further improvement and consolidation of these methods which have fully justified themselves in building the socialist world economy presuppose mutual fraternal aid in all its forms. The Communist Party of the Soviet Union sees its international duty in continuing to help the other socialist countries in the matter of gathering resources with which to expand their economies, in doing everything necessary to reinforce the defence capacity of its country which stands guard over the socialist gains of our commonwealth and in reinforcing the defence capacity of the socialist camp as a whole. We hold that one of the main tasks of the Council is to study the question of extending mutual aid among the socialist countries, especially aid to those still behind economically. This applies, for example, to the newest member of the Council, the Mongolian People's Republic, which needs the aid of all our countries.

In order to ensure the correct combination of the economic interests of the separate countries with the interests of the commonwealth as a whole we would do well to think in terms of better utilisation of the system of incentives. Clearly, one of the important tasks facing the Council is to find those economic levers which would stimulate the interest of the socialist countries in extending co-ordination and specialisation, in expanding mutually

advantageous trade. We should strive to create conditions in which the economic needs, the economic advantages and the self-interest of each of the socialist countries would act as a stimulus to the socialist international division of labour and help to bring the national economies closer.

This aim, possibly, could be furthered by a policy of preferential prices for specialised products and also by joint credits for enterprises which are being built or reconstructed by way of international specialisation and co-ordination. It may perhaps be expedient in future to establish a joint bank of the socialist countries for financing measures of this kind.

Just how to arrive at a system of incentives for specialisation and co-ordination is a matter for close study by experts. In our view the stimuli should be worked out first of all for the more important branches of industry, which are of the greatest significance for the socialist system as a whole and in which specialisation yields the best results, and also for branches producing goods which are in particularly short supply. For each particular type of production the incentives should be calculated for a definite period, since in the future, with the mastering of production and the transition to regular mass production, the producer country would automatically derive greater advantages and be no longer in need of supplementary material stimuli.

Co-ordination of production, bringing the economies of the various countries closer together, the evening up of their general line of economic development should, ultimately, lead to a state of affairs in which possibly it will be advantageous and desirable for the goods of one socialist country to find direct outlet on the markets of the others. This will be one of the manifestations of the gradual lowering and abolishing of the economic barriers between the socialist countries.

3. STRENGTHENING THE MATERIAL AND TECHNOLOGICAL BASE OF THE COUNCIL COUNTRIES

Already today the strengthening of the material and technological base of the socialist countries necessitates the solution of a number of urgent problems. At the moment the member-countries are consulting about the main trends of their economic development and their inter-relations for the next twenty-year period. As can be seen from the projected long-term plans on which the consultations are being held, the industrial output of the Council countries for the period from 1961 to 1980 will increase more than sixfold, agricultural output threefold, while the national income will rise nearly fivefold.

For the purpose of completing these tasks it is most important that through joint efforts the way should be found for the most effective solution of the problems of fuel and raw and other materials since their increased output involves enormous capital investment.

In 1960 the member-countries produced 970 million tons of fuel (in terms of conventional units), and by 1980 it is anticipated that the output will be in the region of 3,400 million tons. The attainment of this goal will be facilitated by working out a single fuel and power balance for our countries in which the satisfaction of the fuel needs of each should be gauged from the standpoint of minimum expenditure and progressively increasing consumption rates.

Of the utmost importance is the application of methods which ensure an economy of coking coal. For the first time in world practice we are now making wide use of natural gas in the iron and steel industry, with the result that we have greatly cut our consumption of costly coke. If oxygen were to be added to the natural gas used in blast furnaces, the saving of coke could be raised to 30-35 per cent. And what is more, the saving would be accompanied by greater furnace productivity.

The preliminary outlines for the next twenty years envisage a production in the member-countries of the Council in 1980 of 3,500,000 million kilowatt-hours of electric energy compared with the 1960 figure of 407,000 million. In resolving the fuel and power problem we should aim at achieving by 1970 the establishment of a single power grid for the European countries of people's democracy and the European part of the Soviet Union. This would give us an invaluable means for going ahead with co-ordinated development; the power capacity could be utilised much more effectively and with greater flexibility. This will signify the realisation of Lenin's idea about electrifying a number of neighbouring countries according to a unified plan.

Another urgent problem of the socialist world economy is to ascertain the most rational way of rapidly increasing the output of iron and steel to a level that will fully meet the constantly growing requirements of the socialist countries. Preliminary calculations show that by 1980 the output of steel will have risen to 330 million tons, compared with 86 million in 1960. In view of the irregular occurrence of raw material and coking coal deposits close attention should be paid to the more rational siting of the iron and steel enterprises in order to ensure the necessary growth in output with the minimum expenditure of time, money and labour.

Solving the fuel and raw material problems has another aspect. For a number of reasons the socialist countries are still dependent on the non-socialist market for some raw materials at present in short supply. We believe the policy in this question should be to ensure ourselves reliable import sources of such items as copper, nickel, rubber and cotton. Together with this, the new developments in science and technology make it possible for us to arrange for the production of some of these items or their substitutes in the socialist countries. For example, the progress made by chemists in the U.S.S.R. and in the

other socialist countries enables us to think in terms of undertaking in the next few years joint production of a high-quality synthetic rubber that can in every way replace natural rubber, and synthetic fibres which will successfully compete with cotton.

The long-term plans of the Council countries quite correctly assign a very important place to the rapid development of the chemical industry. But to do this with the forces of each country separately would not be an easy matter. This is a new branch of industry for nearly all of us, and it will be far easier to build it up jointly. In keeping with the decisions of the June meeting, the planning bodies will jointly define the trend of specialisation and co-ordination in chemical production for each country and will provide the industry with the necessary raw materials and equipment.

The volume of the industrial expansion and the division of labour on the scale of the member-countries pose very serious transport problems. According to preliminary calculations, the volume of goods shipped to the European People's Democracies from the Soviet Union alone is anticipated to rise from the 50 million tons in 1960 to 250 million in 1980. A substantial growth of freightage will take place also between the People's Democracies.

This presupposes new railways and highways, modernisation of the old ports and building new ones, bigger river and marine fleets, new waterways and other means of communication. We shall cope more easily with these tasks if we jointly work out plans for building and reconstructing transport arteries of international significance and also the methods of financing and administering them.

We are living at a time of a great scientific and technological revolution, at a time when truly astounding discoveries are being made. The new advances open up tremendous possibilities for the rapid growth of the productive forces generally and especially in the conditions of our system. In the economic competition with capital-

ism the scientific and technological advance is becoming decisive in our accelerated forward march and at the same time an arena of intense struggle. We can outstrip the leading capitalist countries for productivity of labour only by utilising all the achievements of science and technology, by a better organised production, and communism will finally triumph when the productive forces and the productivity of labour will have outpaced the capitalist countries. Hence full use must be made of science and technology and of the advantages offered by our socialist planned economy to enable us in the shortest possible time to surpass capitalism in the economic sphere. With this in mind we are doing everything to make sure that our socialist science and technology and production organisation will be in the lead.

The socialist countries have vast possibilities for utilising the latest achievements of science and technology in production. Our countries do not compete with one another, we have no so-called commercial or industrial secrets. We exchange scientific and technological information widely and in a disinterested way. Yet the introduction of progressive methods is in some instances proceeding slowly. Take, for example, the method of continuous smelting of steel worked out by Soviet scientists and engineers. By means of this method the output of rolled metal can be raised by an average of 8-10 per cent, and of some types by up to 17 per cent, and productivity of labour can be raised by approximately 20 per cent. Moreover, there will be no need for powerful blooming mills or slabbing units. The saving that could be effected by this method is obvious. And yet here in the Soviet Union its introduction is still proceeding slowly, and as far as I know it is not being used at all in the other socialist countries.

Some say that the method of continuous smelting narrows the possibility for producing different types of steel. That is true. But here again the international division of

labour comes to our help. If the production of certain kinds of steel were to be divided between our countries and arrangements made for their exchange, we would gain considerably from the more efficient method of production and the necessary assortment would be ensured.

Big advantages would flow from the abolition of the unjustified parallelism in technological research and designing methods which at present results in dispersal of manpower and money. For example, the saving that could be effected by abolishing in the member-countries parallel designing of the same type of metal-cutting machines would amount to 4,500 men-months—the equivalent of a year's work by a thousand designers.

Evidently the time has come to go over to planning scientific and technological development at an international level, to conduct important scientific and technological research of joint interest according to a uniform long-term plan. This would enable us to distribute the lines of research and to suggest problems which it would be advisable to solve through the combined efforts of researchers and engineers of a number of countries.

In the matter of creating the material and technological base in our countries an important place belongs to agriculture. Our plans for building socialism and communism would have no reason whatever if they, in the long run, did not ensure an abundance of material and spiritual benefits for the people. And we can reach this abundance only if we have a highly-developed and productive agriculture.

Each of the socialist countries is tackling this job, and correctly so, chiefly with its own manpower and means. Still here, too, international co-operation could be very useful. We could combine our efforts, say, in the matter of mechanisation and in applying chemistry to agriculture, in designing and producing agricultural machines, in electrifying the production processes and so on.

It is necessary to study each other's experience in managing socialist agriculture, and make use of all that is

best in the different countries. The Communist Party of the Soviet Union attaches great importance to agricultural management. At the meeting of the Central Committee of our Party held last March a system of measures was drawn up for reconstructing the agricultural bodies and for radically improving farm management. The Party and the administrative authorities have already gained some experience in this respect. At the same time we are ready to study and make use of everything of value which the other fraternal parties have to offer in this respect.

The June meeting approved the important proposals made by the Central Committee of the Polish United Workers' Party and the Government of the Polish People's Republic for enhancing the role of the Council and improving its functions. There was unanimous agreement that the organisational structure of the Council and the forms and methods of its work were no longer abreast of the time.

The decision taken at the meeting that the first secretaries of the fraternal parties and the heads of government of the member-countries should meet regularly to discuss current problems of the economic co-operation, the establishment of an Executive of the Council invested with broad powers, and the other measures outlined in the communiqué and adopted at the meeting will, undoubtedly, raise the organisation of the economic co-operation between our countries to a level corresponding to the new phase of development.

4. THE INTERNATIONAL INFLUENCE EXERTED BY THE ECONOMIC SUCCESSES OF SOCIALISM

We are living at a time when man's social development has posed the question of replacing the capitalist system by socialism on a world-wide scale. Ours is the era of sharp struggle, with capitalism doing its utmost to stave

off the hour of its demise, while socialism, in addition to growing stronger and consolidating its gains, is helping all the peoples to realise their just aspirations for national and social emancipation, for peace and progress.

For us, the Communists, the basic question in the struggle of the two systems is how, and in what way, to ensure the steady growth of the influence of socialism throughout the world. The answer to this question was supplied in his day by Lenin who said that triumphant socialism would exert its main influence on the course of world events chiefly by successfully developing the socialist society and above all its economy (*Collected Works*, Russian Ed., Vol. 32, p. 413). This was said at a time when socialism had triumphed only in one country, in Russia. We can easily infer the full significance of these words now that the ideas of socialism are being realised on the scale of an entire system.

History has imposed on us the task of demonstrating in the briefest possible space of time the superiority of the socialist mode of production and its limitless possibilities. And in order to do this we should combine not only our political but also our economic energies. Through co-ordination, division of labour, better and more effective utilisation of the new achievements of science and technology we must secure a still more rapid development of the socialist countries. This path is recognised by all the Marxist-Leninist parties, and the grounds for it are set forth in the programme documents adopted at the meetings held in Moscow in 1957 and in 1960.

There are, however, people who call themselves Marxists and who try by means of scholastic arguments to defame the important conclusion reached by Lenin about the need for peaceful economic competition between the two systems—socialism and capitalism—about the decisive significance of our economic successes. Speaking against the policy of peaceful coexistence, peaceful economic competition, these people declare that it is simply

repetition of the theory of the Economists who, as is known, gave priority to the economic struggle of the working class and relegated the political struggle of the workers against capitalism to the background.

But such arguments can be invoked only by people who are unable to grasp the essence of Leninism.

The thesis about the peaceful economic competition of the two systems has nothing whatever in common with the theories of the Economists. Lenin, criticising the Economists, emphasised that the working class should fight not only to improve its economic conditions, but, as the most revolutionary class, it should not lose sight of its main aim—the struggle for the overthrow of the autocracy and capitalism—since any fundamental improvement in the economic conditions of the working people was impossible without the abolition of tsarism and capitalism, and the capitalist system could not be abolished without putting an end to the rule of the capitalists and landlords.

The peaceful economic competition of the two systems, which is re-stated in the policy documents of the Communist and Workers' parties, does not deny class struggle, on the contrary it presupposes the political class struggle of the workers in the capitalist countries for socialism. And it is precisely the successes of the socialist countries on the economic front which create the most favourable conditions for unfolding the struggle of the working class in the capitalist countries for its social emancipation, for intensifying the national-liberation struggle of the peoples. This truth is obvious and recognised by all Marxists.

In the new conditions the world communist movement, on the basis of a profound analysis of the situation, carried forward these ideas of Lenin at the meeting of representatives of the Communist and Workers' parties in Moscow in 1960. The sense of the decisions of the meeting and the exchange of views which took place is that

the communist movement is searching for, and finding, the surest ways for increasing its influence on world development.

All the experience of our struggle from the time of the October Revolution up to the present day convincingly shows that the more we advance towards our great goal the stronger the power of attraction of socialism and of its ideas. The success registered in building socialism and communism, seen in the most convincing material—the facts of life—demonstrates the tremendous possibilities and the advantages of socialism as a system, furthers the deepening of political consciousness among the working people and the growth of class struggle in the capitalist countries.

Here we recall Lenin's words: "We have said and we continue to say that socialism possesses the force of example.... It is necessary to show in practice, on the basis of example, the significance of communism" (*Collected Works*, Russian Ed., Vol. 31, p. 426).

In recent years the role of the example set by socialism in the matter of social development has grown immeasurably, becoming more and more convincing. How can we speak of socialist countries influencing the course of events by economic success in Lenin's day, when at that time Russia alone had taken the socialist road, a Russia devastated by war and intervention? The imperialist powers, Lenin wrote in those days, prevented the new system established by the revolution from "at once taking the step forward that would have justified the forecasts of the socialists, that would have enabled them to develop the productive forces with enormous speed, to develop all the potentialities which taken together would have produced socialism and thus vividly demonstrated to each and all that socialism contains within itself vast stores of energy and that man had now entered a new phase of development replete with the most glorious possibilities" (*Collected Works*, Russian Ed., Vol. 33, p. 456).

The Soviet Union and the European People's Democracies have, in the main, already overcome the effects of the unfavourable factors which prevented socialism, right from the very first steps, from outstripping capitalism in all the main indices. We have in mind first of all the legacy which capitalism left to many of these countries, a legacy of economic and cultural backwardness as compared with the level of development in the leading capitalist states, and the devastation and loss of life caused by the last war. Important, too, is the fact that socialism has now acquired experience which enables it to avoid many mistakes. Also of great significance is that resolute struggle which the Communist Party of the Soviet Union waged against the personality cult and its consequences, a struggle which was correctly understood and supported by the international communist movement.

The successful overcoming of the unfavourable factors, and the successes achieved in building socialism in our country have brought us to a new phase in the competition with capitalism. Moving forward now from the new level we can in the near future outstrip the more developed capitalist countries also in those spheres where we have been lagging behind, including the sphere of material well-being and production of consumer goods.

Successfully building socialism, and then communism, consolidating and expanding the economy, we are creating sound guarantees for the gains of the socialist countries against any encroachment on the part of the imperialists. The military might of socialism is a shield reliably defending the cause of world progress. More than once in the past the might of the socialist countries has halted the imperialists in their attempts by means of military action to finish with the socialist and the national-liberation revolution. And as long as the imperialist states refuse to agree to general and complete disarmament under strict international control, the socialist countries will do

everything to reinforce their military strength, the safeguard of the peace and security of the peoples.

The economic successes of socialism create the possibilities for extending still wider and more varied aid to the other countries in enhancing their economies. This is especially important for the newly-emergent national states. The aid of the socialist camp enables them to get rid of their dependence on the imperialist powers, to avoid the danger of a new enslavement, it stimulates their progress and contributes to the normal development and even acceleration of those internal processes which may take these countries onto the highway leading to socialism. As for the economically underdeveloped countries which have already taken this road, the economic aid of the socialist countries enables them to advance towards socialism and saves their people from the burdens and the torment associated with the capitalist stage of development. This signifies that real possibilities are being created for building socialism in all countries irrespective of the level of economic and social development reached by them at the time of their revolutions.

The socialist commonwealth now has tremendous new possibilities for exerting an influence on world development. And this cannot but be a source of joy to us Communists. But as internationalists we realise that this imposes also great obligations. On the socialist countries and on their Marxist-Leninist parties rests a truly historical responsibility so that these possibilities be used in full measure both in each country and on the scale of our entire system.

The further strengthening of the socialist world system, the perfecting of the political and economic interrelations between the socialist countries, being powerful accelerators of their economic development, will add enormously to the influence socialism has on the course of events all over the world and, in this way, will be a big contribution to the cause of social progress for all mankind.

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Н. С. ХРУЩЕВ

НАСУЩНЫЕ ВОПРОСЫ РАЗВИТИЯ МИРОВОЙ СОЦИАЛИСТИЧЕСКОЙ СИСТЕМЫ