COMECON and EEC. A Comparative Analysis

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The objectives of this analysis (1) are to give an evaluation on a comparative basis of the integration process in the Council for Mutual Economic Assistance, COMECON or CMEA, and in the European Communities (here referred to as the) EEC. This presents many problems. First, there is a lack of reliable information about the CMEA institutions and their work. Most of the literature about CMEA is of an economic nature and sometimes loaded with value judgements. Secondly, there is a methodological problem, and the choice of a theoretical framework for the analysis is difficult. Integration theory as such will only be discussed to a very limited extent, but the analysis is built on ordinary integration theory and some of its hypotheses have been adopted without discussing their value. The intention is to apply integration hypotheses to empirical data, that is to two European cases of integration. It is, however, difficult to compare the two integration processes. Emphasis will be put on the CMEA because the EEC integration process is presumably well-known. This does not mean that the EEC integration will not be discussed, but it means that the CMEA institutions, their political and economic setting, and the functions they fulfill will be treated in greater detail than the corresponding problems in the EEC.

The literature used for the study consists of articles in political science magazines, a few text books, and documents published by the CMEA secretariat in Moscow. The authors have worked closely together, although

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(1) The present article is a summary of the results of a research project which the authors carried out as members of the working group on « East Europe and Western Integration » at the College of Europe in 1967-1968.

they have been dealing with different aspects of the analysis and have written different parts of the article.

Besides the problem of getting reliable information sources the methodological problem has been overwhelming. Which approach to choose ? In order to compare the integration process some indices of the scope of integration were necessary, but it is difficult to choose the relevant and applicable indices of integration for two reasons : first because of the whole theoretical problem of establishing indices, secondly because the indices had to be applicable to two completely different groups of states. The basic assumption was that the integration of CMEA was only embryonic compared to that of the EEC and that the factors relevant for the integration process in general were present to a very different extent. Three factors seem very relevant to the process of integration (2): 1° environmental factors, 2° institutional factors, and 3° functional factors. The existance and importance of these factors can be discussed on a comparative basis. The environment, partly constituted by the economic, social, ideological, and international systems, forms the setting in which the integration process takes place, and the structure and function of the institutions created by the cluster of countries taking part in the integration process must influence this process. The functions carried out by the institutions, their saliency and the decision-centers for these functions, and the spill-over effect are all indications of integration.

The three factors mentioned do not form an exclusive list of factors relevant to the integration process. Not at all. National policies among others constitute another element relevant to the integration process, and national policies, especially inside the CMEA will be analyzed.

The Council for Mutual Economic Assistance was established by a constituent conference on January 25th, 1949, in Moscow. The participants in this conference were Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, and the Soviet Union. No charter was signed, only an official communiqué stating that the contracting parties wanted to give each other mutual assistance, coordinate their foreign trade, give each other information about each others' economies, and exchange views on common experience — in the framework of CMEA. In February 1949 Albania joined CMEA and the German Democratie Republic in September 1950. Between 1956-1958 Yugoslavia participated as an observer, China became observer in 1956, North Korea in 1957, and Mongolia and North Vietnam in 1958. From the 15th Session of the Council the Asian countries and

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(2) See : Ernst B. HAAS, « International Integration. The European and the Universal Process », *International Political Communities. An Anthology*, New York, 1966, pp. 93-131.

Albania ceased, however, to parcitipate except for Mongolia which became a full member in June 1962.

One of the predominant motives for the creation of CMEA was the desire to counterbalance the Marshall Plan and the OEEC. Furthermore, the Soviet Union wanted to control the economies of the people's democracies trough a formal organization.

From 1949 to 1953, the Stalin periode, CMEA's work seems to have been insignificant. Bilateral contacts were dominant and the people's democracies adhered to the Soviet economic principle of autarchy of the economies. However, it is worth mentioning that the Soviet Union during this period gave the other members substantial technical aid and some credits for building up their industries. The organization was not given great publicity in these first years ; according to Michael Kaser not one word appeard in the Soviet press mentioning the name of CMEA (3).

The next period — from the death of Stalin to 1956-1957 — showed a steady increase in the functions carried out by the CMEA. An important indication of this tendency is that the CMEA Council had two sessions in 1954, the first meeting since 1950. They discussed the possibilities of cooperation in drawing up the trade targets for 1956-1960, specialization by bilateral agreement (« Industrial Treaties »), allocation of national investment, and they had preliminary talks on a unified electricity grid, industrial and agricultural development, and foreign trade.

In 1956 the first 12 Standing Commissions were established, and functional cooperation was stimulated. In the mid-1950's nearly all the people's democracies had completed their medium-term plans, and even though they could show economic progress, most of them encountered rather serious economic problems. Some countries had an acute shortage of certain raw materials while others had a shortage of labour that required a shift from labour-intensive to capital-intensive investment. It was thought that some of these problems could be solved through a coordination of national economic plans, cooperation in some fields, and a general expansion of trade in CMEA. In 1955 the Warsaw Treaty Organization was established with the aim of integrating the East European states in the military field.

The organization was provided with a Charter and Convention on December 14, 1959 (amendments added in 1962), which, however, did not change much. In 1962 three very important events took place. Khrushchev launched an extensive plan for a restructuring of CMEA that would give it a supranational character, but the attempt failed because of vigorous resistance from Rumania and because the Soviet Union did not want to

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(3) Michael KASER, *COMECON. Integration Problems of the Planned Economies*, London, 1967, p. 43.

force its plan through. Secondly a new body, the Executive Committee was set up, and the « Basic Principles of International Socialist Division of Labour » were adopted. The principles of coordination of national economic plans, division of labour in the key industries, and specialization of production were thus established. In the period after 1962 a good deal of practical cooperation and coordination of plans partly on a bilateral basis was initiated, and in 1963 the statutes for the International Bank of Economic Cooperation was set up.

Enviromental factors.

The first set of factors relevant to the integration process is the environmental factors (4). The process of integration takes place in a particular environment, which by some authors is called the background factors. The hypothesis states that some factors, even if they do not belong to the political system, have a significant influence on the process of integration, and that their absence can prevent integration inasmuch as if they are not present to a significant extent the possibilities for integration will be minimal.

The importance of the different environmental factors is not the same, but it is very difficult to construct an index that shows the relative saliency of the factors in question.

Economic and industrial capacity is probably one of the most significant environmental factors. Countries with a high level of economic development are, *ceteris paribus,* more likely to integrate than countries with a low level of economic development. The possibilities of a spill-over effect seem to be higher the more industrialized and urbanized the country is. Technical and economic development makes the society more complex, makes larger plants and higher investment necessary, and so may demand common action. A rural economy is less likely to produce demands that can initiate a process of integration, and probably only in urban-industrialized countries demands can be processed in such a way that a spill-over process or a « chain-reaction » can take place to a significant extent.

In CMEA this factor is present to a far smaller degree than in the EEC. The percentage of the population in the agricultural sector is greater in the CMEA than in the Communities, which have a higher degree of urbanization than the CMEA countries. With regard to the stage of economic development, (in this analysis this is measured by the gross

(4) Ernst B. HAAS, *op. cit.*, p. 104.

national product per capita) the differences are significant between the CMEA and the EEC, but the relatively great disparities of GNP within the CMEA compared to the EEC also seem to be significant. The hypothesis is that the homogeneity of the group of countries cooperating is important for the process of integration. If the stages of economic development of the countries are similar the possibilities for integration are said to be greater. The possibilities for an effective and profitable cooperation between heterogeneous countries are rather small ; there is a lack of incentives to cooperate in major policy areas, and demands for integration are probably insignificant.

According to an American estimate of gross national product *per capita* the range in CMEA (with exceptions of Albania and Mongolia) in 1964 was from $ 680 in Rumania to $ 1.470 in Czechoslovakia, a ratio of 1 to 2.2. The range of product in the EEC was limited to a ratio of 1 to 1.8. The CMEA ratio is significantly, about a quarter, higher than the EEC ratio. The average GNP in the CMEA was $ 1.020 *per capita,* while the average in the EEC was $ 1.465 per head, a ratio of nearly 2 to 3 (5). According the Michael Kaser, the disparities of GNPs in the CMEA although bigger in the CMEA than in the EEC do not make integration in the CMEA « harder than in EEC » (6) ; and he underlines the sharp differential in degree of industrialization. The degree of industrialization is an extremely important factor, but the dispersion of GNP must be considered to be of significance, too. Both the differential in industrialization and gross national product are indices of differential in economic development and are factors of great importance in explaining the different degrees of integration in the CMEA and the EEC.

The *socio-economic structures* of the CMEA countries and the EEC countries are different. The EEC states (excepting Southern Italy) are characterized by pluralism, i.e. bureaucratized, competitive groups led by accessible elites are important elements of the power configuration of the society. A two- or multiparty system exists in all EEC countries, and interest groups, public opinion etc. play an important role in the policy making. These structures partly constitute the power configuration and articulate demands for integration. The hypothesis is that pluralist social structures favour a process of integration in the group of countries concerned (7).

The structure of the CMEA countries is more or less monolithic. The control and distribution of power is limited to relatively few large orga-

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(5) Michael KASER, *op. cit.*, p. 202.
(6) *Ibid.*, p. 205.
(7) Ernst B. HAAS, *op. cit.*, p. 104.

nizations. However, there is a trend towards pluralism in the countries of CMEA, and this might influence the process of integration in the CMEA. The « Apparats » in the countries compete to a certain degree with one another for power, but « the framework and network of power » is characterized by the following Apparats : the party, military, state administration, political police, the bureaucracy, youth organizations, planning commission, and trade unions (8). These significant differences of socio-economic structures can explain some of the differences in the state of integration in the CMEA and the EEC.

Ideological patterns provide a third set of environmental factors ; ideological homogeneity and more or less congruent value systems among the political and economic elites and among the politically relevant members of the national states are favorable to integration. In the CMEA countries the relevant members and elites have a common ideology, the Marxist-Leninist theory. This common ideology links the relevant elites, providing a strong feeling of solidarity, and it can be found both in the « Basic Principles » and other CMEA documents. May be the ideological homogeneity is greater among the CMEA elites than among the EEC elites, although there is close ideological affinity in the EEC.

A final set of environmental factors is provided by the *external environmental factors*. The international system influence on the process of integration in a group of countries. An external threat, for example, often plays an important role in the integration as a catalyst, but an external environmental factor is not sufficient to explain the rate and scope of the integration process (9). As far as the Communities are concerned the economic power of the USA and the military threat to the USSR have influenced the integration of the EEC. For CMEA the development of the EEC (10).

The conclusion of the analysis (11) of the impact of the environmental factors on the process of integration in the EEC and in CMEA is that the environment of the EEC promotes integration to a more significant extent than the environment of CMEA. The structure of the EEC environment is more favorable to integration because of the bigger economic-industrial

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(8) Ghita IONESCU, *The Politics of the European Communist States.* (Quoted here from *The Economist,* 16-22 March, 1968, p. 54).

(9) Ernst B. HAAS, *op. cit.,* p. 107.

(10) The « 32 Theses » of 1962 and the negociations in Moscow 1962 make it clear that the EEC has been a stimulus to integration in CMEA.

(11) A systems analysis might show that (1) input overload of demands leading to output failure in different national systems results in demands for integration, (2) that there is a shift of support from the national political community, regime, and authorities to the international political community, régime, and authorities, and (3) there is a change of demand channels from the national authorities to the international authorities, -and so this gives a framework for a comparative study of integration.

capacity, the pluralist socio-economic structure, a sufficiant ideological homogeneity (although maybe not to the same extent as in the CMEA), and external threats that stimulated integration. Ernst B. Haas formulates his findings thus : « Integration proceeds most rapidly and drastically when it responds to socio-economic demands emanating from an industrial-urban environment, when it is an adaptation to cries for increasing welfare benefits and security born by the growth of a new type of society » (12).

Institutional factors.

A second category of factors, the institutional factors, might help to explain differences in the integration process in the EEC and the CMEA. One of the most important functions of the international institutions is their capacity to maximize the spill-over process. It is further very important to state whether it is the international bodies or the national institutions that take the decisions in salient policy areas. Three types of accommodation prevail (13). The first one is « accommodation on the basis of the minimum common denominator » whose characteristic is that the least cooperative bargaining partner decides the scope of the compromise. The second type is « splitting the difference » meaning that the final compromise lies somewhere between the positions of the partners. The third type of accommodation is on basis of « upgrading the common interest » of the bargaining partners. « Upgrading the common interest » maximizes the spill-over process : « Earlier decisions... spill-over into new functional contexts, involve more and more people, call for more and more inter-bureaucratic contact and consultation, thereby creating their own logic in favor of later decisions, meeting, in a pro-community direction, the new problems which grow out of the earlier compromises » (14).

The legal framework of the organizational structure of CMEA is given in the « Charter of the Council for Mutual Economic Assistance » of December 14, 1959. According to the « Charter » art. VI « the Session of the Council shall be the highest organ » of the CMEA. It is empowered to discuss all question within the competence of the Council and it consists of delegation of the member states. The Sessions shall be convened twice a year in each of the capitals of the member countries in rotation, but in 1962 an unratified amendment that the Session of the Council should only meet once a year was introduced (15). The Session is

(12) Ernst B. HAAS, *op. cit.*, p. 105.
(13) *Ibid.*, *op. cit.*, pp. 95-96.
(14) *Ibid.*, p. 101.
(15) Michael KASER, *op. cit.*, p. 93.

obliged to consider proposals on question of economic, scientific, and technical cooperation submitted by the member countries, by the Conference of Delegates of Countries to the Council (which was replaced by the Executive Committee in 1962), by the Standing Commissions, and by the Secretariat. The Sessions considers the report of the Secretariat and determines the activities of the other organs.

The head of each delegation that forms the Council Session is the representative of the prime minister, the composition of the national delegations is decided by the national governments, and each delegation has one vote. This fact is stressed as proof of the democratic structure of the organization. The head of the delegation in whose country the Session is held is president of the Session. There has only once been an extraordinary Session, — the important Session in Moscow in June 1962. From 1949-1966 there were 2 Sessions annually for 6 years, 1 Session annually for 8 years, and between 1951 and 1953, Stalin's last years, and in 1964 there were no meetings at all. Generally the Council Sessions are rather short, varying from 3-5 days, except for the important Session in May 1956, when the first 12 Standing Commissions were founded. This Session lasted one week (16).

This is rather a short time for a supreme organ of an organization to take decisions on major policies, especially if one compares it with the length of the sessions of the Council of Ministers of the EEC. There is therefore reason to believe that the Session of the Council has as its main task the formal adoption of policies that have been outlined already by lower and probably more important bodies in the organization or by negociations outside the CMEA institutions.

In June 1962 the 16th Session of the Council created an *Executive Committee* that was to become a very important organ in the CMEA. The Executive Committee took over the functions of the Conference of Delegates of Countries to the Council, and is the highest executive organ of the CMEA. It consists of the vice prime ministers of the member countries, its permanent seat is in Moscow and the Soviet member of the Executive Committee seems to be the head of it (17). It is difficult to state the possible effects of Soviet influence through this advantage. The Executive Committee consists of deputy prime ministers, and there is an overlapping membership between this Committee and the Council Session. The Executive Committee's main tasks are 1° to approve the proposals and statutes of the Standing Commissions and outline their work. Consequently the Executive Committee is competent to instruct,

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(16) Michael KASER, *op. cit.*, Appendix I, pp. 225-228.

(17) Bernd WEBER, « Die Kompetenzen in der Integration des Ostens », *Aussenpolitik* (Stuttgart), May 1964, p. 317.

control, and organize the Standing Commissions. It also has 2° certain responsabilities to see that the decisions of the CMEA bodies are executed, and, finally, it 3° approves the budget of the CMEA (18).

The Executive Committee has wide powers and has a mixture of « legislative » and « executive » functions. While the Council Session from 1963-1966 only had 3 meetings lasting for a few days, the Executive Committee had 24 meetings lasting from 4 to 8 days (19), which might indicate their relative importance.

Immediately under the Executive Committee is the *« Bureau for Consolidated Questions of Economic Plans »* (or « Office on Joint Problems of Economic Planning ») « on which each CMEA country is represented by a deputy head of its national planning agency. The main tasks of the Bureau are the preparation of proposals for coordinating the CMEA countries' economic plans and direct promotion of the all-round cooperation of the CMEA countries' planning agencies on such questions » (20). It plays an important role in the coordination of plans.

The Executive Committee plays a very important role in the decision-making process, and the Council Session can hardly take a decision which has not been approved by the Executive Committee (21). Probably the Committee is much more important than the Council Session and has a higher place in the hierarchy of CMEA. The problem of hierarchical position has been discussed frequently in the literature on CMEA, but it seems to be only an apparent one, because of the overlapping membership between the Executive Committee and the Council Session, where experts in the national delegation do not form political opposition to the deputy prime ministers.

« The Conference of First Secretaries of the Central Committees of the Communist Parties and Prime Ministers » is considered by East European authors to be a consultative body, while the Western literature considers it to have supreme power to take final decisions. It takes in fact important decisions that seem to be binding on the CMEA institutions. A possible argument is that since the goal is close cooperation (« integration ») between the economies the decisions must be taken by the supreme authorities in state and party (22). On the other hand the Conference had in the

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(18) Bernd WEBER, *ibid.*, p. 318.

(19) Michael KASER, *op. cit.*, Appendix II, pp. 229-233.

(20) *Economic Cooperation of the CMEA Member Countries as a Factor Promoting the Accelerated Industrialization of the Formerly Less Developed Countries*, CMEA, Moscow, 1967, p. 15 f.

(21) Sometimes the Executive Committee seems to have power to take final decisions even on significant questions : « the Consolidated Long-Term Plan of CMEA Bodies' Activities in the Standarization Field in 1966-1970... was endorsed by the CMEA Executive Committee in 1965 », *ibid.*, p. 23.

(22) Bernd WEBER, *op. cit.*, p. 314.

period 1958-1966 5 sessions, lasting from 1 to 4 days (23). These meetings might be significant, but taking the small number and the short duration into consideration one is inclined to assume that the scope of the decisions might be limited.

In 1956 the first 12 Standing Commissions were established. Probably they were meant to be an instrument for a more progressive policy by providing a permanent framework for multilateral negociations on trade, specialization, investment, and coordination of plans. Today they number 21 (24). Two main types of Standing Commissions can be found, 1° sector commissions and 2° general commissions. The sector commissions deal with specific branches of economic activity such as agriculture, transport, coal etc. and constitue the larger number, 15. The general commissions deal with subjects such as foreign trade, statistics, currency, and finance. The secretariats of the commissions are situated in the capitals of the member countries : Berlin has 3, Bucharest 1, Budapest 2, Moscow 8, Prague 2, Sofia 2, Ulan-Bator 1, and Warsaw 2 (25). Only one of the general commissions is situated outside Moscow, namely the general commission for Standardization in Berlin.

The meetings of the commissions take place in the capitals where their secretariats are located, and usually delegates to the commissions are deputy ministers in charge of the sector in question. The chairmen of the commissions are from the countries in which the commissions are situated. From 1964 a new informal structure was introduced in connection with the Standing Commissions : the conference of the chairmen of the Standing Commissions, which presents reports to the Executive Committee (26). Too little is known, however, to evaluate the importance and function of this structure.

In May, 1956, 12 Standing Commissions came into existence, and now in 1968 there are at least 21. « The growth in the number of Standing Commissions can be taken as an indicator of progress toward integration within COMECON » (27), and it is generally accepted that proliferation of organization is evidence of a reinformation of that organization.

Each Standing Commission has its own secretariat, sub-committees, and working parties. The Standing Commission have further introduced

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(23) Michael KASER, *op. cit.*, Appendix III, p. 234.

(24) Probably there are at least 25 Standing Commissions, but the existence of some has not been publicised. Andrzej KORBONSKI, « COMECON. The Evolution of COMECON », *International Political Communities. An Anthology*, New York, 1966, p. 368, note 35.

(25) *Economic Cooperation of the CMEA Member Countries as a Factor Promoting the Accelerated Industrialization of the Formerly Less Developed Countries*, Supplement. CMEA, Moscow, 1967.

(26) Michael KASER, *op. cit.*, p. 111.

(27) Andrzej KORBONSKI, *op. cit.*, p. 368.

« national reference groups » (28), that is, groups of national experts that examine a given problem and present reports to the Commission, sub-committee, or working party concerned. Both in this way and in other ways the Standing Commissions are very dependent on the expertise of the national states.

The *Secretariat* of the CMEA has several functions. It prepares the Sessions of the Council and the Executive Committee and the meetings of the Standing Commissions, makes reports on the activity of the CMEA bodies, does some research, and provides reports and statistical materials. It is situated in Moscow, and the chairman has always been of Soviet nationality.

The total number of civil servants in the CMEA bodies has increased rapidly. In 1962 the staff of the Secretariat numbered about 200 ; in 1964 the staff perhaps numbered some 420 persons (29). In 1967 the « total establishment » of the CMEA is said to have been 700 persons, of which 350 may be grouped in professional categories, while the corresponding numbers in the EEC were 2.136 and 647 (30). While about 70 per cent of the employees in the CMEA Secretariat were Soviet citizens and 15 per cent Polish (31), a clear Soviet predominance, 28 per cent of the officials of the Communities were from the Benelux countries and these countries constitute only 12 per cent of the total population of the EEC (32). Nationalities seem to be distributed more evenly in the EEC than in the CMEA. What is more important, however, is that the civil servants in the CMEA institutions are regarded as belonging to national administrations, while the EEC civil service is considered to be more of an independent international bureaucracy.

Decision-making in the CMEA-system. One of the most important areas in the CMEA decision-making is the coordination of plans. This is an issue of high importance ; hence it will be the basis for examining the decision-making process in the CMEA system. There is a programme of procedure initiated by the 18th CMEA Council Session in July 1963 in Moscow. « The coordination programme envisaged that it should be realised both on a bilateral and multilateral basis ; be carried out by individual countries while drafting plans ; envisage measures ensuring the fulfilment by countries of agreed commitments » (33).

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(28) Michael KASER, *op. cit.*, p. 156.
(29) Andrzej KORBONSKI, *op. cit.*, p. 366, note 31.
(30) Michael KASER, *op. cit.*, p. 155.
(31) Andrzej KORBONSKI, *op. cit.*, p. 366, note 33.
(32) *Le Monde*, January 19, 1968.
(33) *Information of the Activities of the Member Countries of the Council for Mutual Economic Assistance in Coordinating National Economic Plans within the Framework of CMEA bodies*, CMEA, Moscow, 1967, p. 6.

The decision-making process can be divided into two parts. 1° *bilateral* consultations between the countries' planning agencies. During these consultations information about main policies, planned production, and consumption is exchanged. It is rather important that the bilateral meetings are held simultaneously with elaboration of the national economic plans in individual countries. A second round of bilateral negotiations takes place about 18 months before the planned period (34). 2° At the same time as the first round of bilateral negotiations, *multilateral* negotiations in the framework of the CMEA institutions are carried out. Here the Office on Joint Problems of Economic Planning plays an important role. The CMEA bodies now provide premises for further decision-making in the national countries. During the second round of bilateral negotiations some unsettled problems were left to the CMEA bodies to resolves. The same procedure is probably used for specialization and cooperation. Here the main obligations « are assumed by the countries on the level of the Executive Committee or CMEA standing commissions » (35).

The negotiations are carried out bilaterally between the national planning agencies, multilaterally in the Office on Joint Problems of Economic Planning, the Standing Commissions and the Executive Committee. Probably the initiative is taken for the greater part in the national setting, but a proposal for a policy might be initiated in the Standing Commissions. The result of the negotiations of the Standing Commissions is communicated to the Executive Committee which takes the actual final decisions. The decisions are communicated to the Council, more or less as a formality, and then to the member states. Both the Executive Committee and the Standing Commissions *might* perform some kind of very limited control concerning the execution in the member states of the decisions taken by the CMEA institutions.

The fundamental principle in the CMEA decision-making is *unanimity*. Both the Charter of the Council for Mutual Economic Assistance and official statements underline the principle of unanimity, in all decisions. Each member state has one vote in all CMEA bodies, and before a decision comes into force in a member state, it must be adopted by the competent authorities of the country. A member state can avoid carrying out policy-decisions made by the CMEA bodies in various ways : 1° Bernd Weber (36) states that the *right of veto* has actually been used by Rumania ; 2° according to the Charter art IV.3, a declaration of « *no inte-*

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(34) *Ibid.*, p. 7 ff.

(35) *Economic Cooperation of the CMEA Member Countries as a Factor Promoting the Accelerated Industrialization of the Formerly Less Developed Countries*, CMEA, Moscow, 1967, p. 22.

(36) Bernd WEBER, *op. cit.*, p. 322.

rest » in a certain project can be given, and some countries have in minor cases declared themselves not-interested ; 3° the competent authorities in the national countries can *refuse to adopt* the decision taken by the CMEA institutions ; 4° finally the member countries can be *passive* about putting decisions into practice, and, according to Bernd Weber, the two latter methods have also been used.

The European Commission is at the same time the initiator of community policy, the executive body of the Communities, and the guardian of the treaty and as such can control the enforcement of the decisions of the EEC institutions in the member states. But the CMEA bodies cannot control efficiently whether the decisions are carried out in the member countries, they have no means of sanction if the decisions are not carried out, and they are not the initiator of community policy. The whole complex of decisionmaking in the EEC is different from that of CMEA. First and foremost the CMEA institutions are not autonomous like the independent European Commission. The monopoly of proposals of the EEC Commission, the « tandem » relationship between the Council of Ministers and the Commission, the procedural norms etc. in the European Communities have no equivalents in the CMEA. The civil servants of the EEC institutions seem to have created a certain administrative ideology that manifests itself in a strong self-identification with the idea of West European unity and a deep loyalty to the Community rules and institutions. Probably the civil servants in the CMEA bodies, who are purely national civil servants, have not been capable of developing a corresponding ideology, although one may assume that a certain loyalty to the institutions exists.

Decisions are taken entirely or almost entirely by national states, and the saliency of the functions or issue areas that are influenced by the CMEA bodies are probably smaller than in the EEC.

« The activity of CMEA in no way restricts the sovereignty of its member countries. It is not a supranational body and does not possess any supranational functions or powers » (37). The transfer of competence from the national setting to an international, independent institution, which can create general norms and take concrete decisions that are directly enforceable in the national states, can be found in the EEC, but not at all in the CMEA.

Attempts, however, have been made to give the CMEA a supranational structure in order to integrate the CMEA countries. In September 1962 Khrushchev launched a plan for a fundamental change of the CMEA.

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(37) A. BYKOV, « CMEA : International Importance of Its Experience », *International Affairs* (Moscow), February 1965, p. 18.

It envisaged 1° a supranational planning body, 2° joint investment to build common enterprises, 3° coordination of investment obliging each country to invest an equal proportion of the national product in vital branches of mutual interest, and 4° enterprises belonging to the bloc as a whole. The planning body was to be a central authority for selecting investment projects and allocating resources. — The plan failed (38). At the 3rd session of the Executive Committee in Bucharest in December 1962 the principles of national sovereignty were reaffirmed, and the 17th Session of the Council (also in December 1962 in Bucarest) decided to maintain the CMEA structure. In July 1963 the Conference of First Secretaries of the Central Committee of the Communist Parties and Prime Ministers decided to continue the principle of bilateral consultations between the countries. Khrushchev's plan for supranationalism was rejected.

This plan seems to have been motivated by the relative dynamism of the EEC (39), pressure on the bloc's resources, slow economic growth, and the slow pace of the CMEA integration. Khrushchev considered nationalism to be an active force obstructing full-scale integration and wanted to overcome it by means of supranationalism.

The power configuration in the CMEA is very different from that of the EEC. The USSR is the dominant power and is so strong politically and economically that it can hardly be counterbalanced by groupings of East European states. According to John Pinder, the monolithic nationally-planned states can only be integrated if « subsumed in a monolithic supranationally-planned economy » (40). But because of the potential of the USSR « the Russian government would in fact virtually be the supranational authority » (41). Although the crisis of 1962 might be interpreted as evidence of a lack of power on the part of the USSR to carry out its its will with regard to the people's democracies, the Soviet Union will probably have an overwhelming influence on decision-making in a supranational body.

The CMEA bodies have not been able to achieve much cumulative decision-making on the basis of « upgrading the common interest » and promote the spill-over effect of decisions. While compromises in the CMEA bodies are reached grosso modo on basis of « the minimum com-

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(38) Robert S. JASTER, « The Defeat of Khrushchev's Plan to Integrate Eastern Europe », *The World Today*, December 1963, pp. 514-522.

(39) Khrushchev wrote in *Kommunist* (12/1962) : « ... nous tenons compte des tendances objectives à l'internationalisation de la production qui sont à l'œuvre dans le monde capitaliste et c'est en harmonie avec elles que nous établissons notre politique et adoptons nos mesures économiques ». Quoted from J. LUKASZEWSKI, « Le Bloc Communiste et l'Intégration Européenne », *Synthèses*, July-August 1966, p. 27.

(40) John PINDER, « EEC and COMECON », *Survey*, January 1966, p. 104.

(41) *Ibid.*, p. 104.

mon denominator » and « splitting the differences » (sometimes « upgrading the common interest »), the EEC institutions reach their compromises on « upgrading the common interest », (cf the package deals in the Council of Ministers) or « splitting the differences. The weakness of the CMEA bodies compared to the strong position of the EEC institutions in the community system and different ways of reaching compromises help to explain the difference in the extent of integration and the process of integration in the CMEA and the EEC.

Functional factors.

The functional factors are a third set of factors relevant to the integration process. The hypothesis is that « the degree of functional specificity of the economic task is causally related to the intensity of integration. The more specific the task, the more likely important progress toward political community » (42). One method of evaluating to what extent there exists a political community within the CMEA and the EEC is to estimate the number and importance of functions performed *through* the established common institutions. The more functions of importance that are carried out by the common institutions the higher is the degree of the political division of labour among the member countries, i.e. the degree of political community. The degree of political community is the degree of integration (43).

A comparison of the functions in the CMEA and the EEC poses, however, grave problems as two basically different economic systems are reigning in the two areas, i.e. that of a planned economy in the CMEA and that of a moderated market economy in the EEC. It is impossible to compare the two organizations sector by sector, because usually each sector plays a role of different importance in the two systems. By a broad and impresionistic reviewing of some of the most important functions performed in each of the organizations it might be possible to draw some conclusions of a rather general character.

Coordination of planning is regarded by the leaders in the member countries of CMEA as the most important aspect of the functions of this institution. (This is obviously not the case in the EEC, which has only recently developed medium-term plan for 1966-1970).

The CMEA has elaborated Five Year Plans for the periods of 1956-1960, 1961-1965, and 1966-1970. The planning process used for the

(42) Ernst B. HAAS, *op. cit.*, p. 101.

(43) Leon N. LINDBERG, « The European Community as a Political System », *Journal of Common Market Studies*, June 1967, pp. 344-388.

first CMEA Five Year Plan was not complex. It consisted of a simple comparison of production plans, long-term plans for the important industries, and the import and export estimates of each member country. By this method it was possible to find some points of common interest, and on the basis of these findings policy proposals were elaborated. Simplified, it may be stated that for this first Five Year Plan the CMEA served as a kind of clearing house for trade between otherwise independent units. Later on, attempts were made to render the process more elastic and to cope with the increasing number of problems that a higher degree of industrialization brings. The CMEA plans are not binding upon the member countries, since they only give recommendations. Several of the countries have not fulfilled their tasks or changed parts of their national plan during the planning period with often serious results for the other members (44). The fact has only contributed to underline the non-binding character of CMEA planning, and it has also resulted in a reluctance to specialize.

The most important guiding principle for the planning process in the CMEA is the idea of *specialization* of the production between the member states. « The Basic Principles of the Socialist International Division of Labour » give the theoretical foundation for this principle. The principles give arguments for why specialization is desirable : specialization is desirable because of differences in the national resources, it gives possibilities for greater scale of production, better utilization of available research facilities, and so on. « Basic Principles » also set several goals for economic development that are not wholly compatible with each other. No device is proposed for obtaining a balance between these aims. By way of simplification one may say that « Basic Principles » merely list the problems and might thus serve as a basis for further discussion. A not uncommon view in Western Europe is that these « Basic Principles » have been laid down for propaganda reasons. The long and serious discussions that the top organs in CMEA have had on the wording of these principles should on the other hand indicate that this is a serious political document. One explanation for the lack of agreement in this field might be that « Basic Principles » reveal a very static thinking on specialization in that they seem to conform to the existing pattern of economic development and trade. In other words the industrial countries were to become more industrial, and the less developed ones to provide raw material, through in a more efficient way.

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(44) Rumania was apportioned the production of 4-ton lorries, but when the lorries were under production she suddenly decided to use them for own purposes thus breaking the arrangement. Michael KASER, *op. cit.*, p. 164.

If one looks at the practical results reached in this sector of activity one obviously has to modify this view considerably. According to « Economic Cooperation of the CMEA Member Countries as a Factor Promoting the Accelerated Industrialization of the Formerly Less Developed Countries », Moscow, November 1967, p. 22, the inter-state specialization covered about 2.000 types of engineering products and more than 2.200 chemical products, etc. Recommendations for specialization were allotted to 20 per cent of the total outpunt of chemical equipment, over 90 per cent of rolled steel finishing plants, over 90 per cent of anti-friction bearings, and 75 per cent of oil-processing equipment (45). It is very important to notice that this high degree of specialization is only the case for some few, but very important, industrial commodity groups that, however, constitute a rather small group of the total industrial output of the CMEA countries. In this way the CMEA has probably proved to be more useful to the more industrialized countries (German Democratic Republic, Czechoslovakia, Poland) than to the agricultural ones (Hungary, Rumania, Bulgaria).

Another field of cooperation in which the CMEA has had success is that of *scientific and technical research.* The communist ideology has facilitated work in this sector ; thus at the second Council Session in 1949 the CMEA countries agreed on supplying each other with licences for technological processes free of charge. Only the cost of making copies of plans, working drawings, blueprints etc. were to be paid. In other words technical and scientific knowledge is to a certain extent regarded as common property. During 1960-1962 alone, more than 38.000 sets of scientific and technical documents were exchanged within the CMEA while up to 1958 the cumulative total was 14.700 ; 30.000 workers from member countries visited others to study industrial methods or to acquire skills, and 700 research, planning or designing agencies of the CMEA countries cooperated on approximately 3.500 specific projects (46). This is only to give a numerical indication of the extent of the cooperation.

From 1958 to 1962 this work was done in several Standing Commissions, but with the Economic Commission responsible for the general supervision. The 16th Council Session in June 1962 reorganized radically the working procedure by setting up a special Standing Commission on the Coordination of Scientific and Technical Research. — The form of cooperation is, however, of a rather special character, because it is mainly

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(45) Others estimate the figures to 1200 engineering and 800 chemical products. The production specialization is estimated to extend to 15 per cent in most of the member states. Karel HOLBIK, « COMECON and East European Economic Nationalism », *Zeitschrift für die gesamte Staatswissenschaft,* October 1966, p. 740.

(46) Michael KASER, *op. cit.,* p. 156.

the Soviet Union (by far the most developed country) that is supplying the people's democracies with information. There are only few examples of joint research where scientists from all the member countries participate. The major intergovernmental experimental research project in the CMEA is in fact outside the CMEA structure, i.e. the United Institute for Nuclear Research in Dubna, outside Moscow.

The one-way-flow of information put the people's democracies into a state of dependence upon the Soviet Union, and there is a « technological gap » inside the CMEA.

In CMEA there is almost *no flow of manpower* from one country to another. The only known example of movement on a greater scale is that of the Bulgarian farm workers who went to work on « new land » in Eastern Soviet Union, and it is also known that, to a small extent, professional people such as doctors and engineers move between countries (47). The flow of manpower in the EEC was, in 1965, 300.000 persons.

In theory *trade* is just the output of inter-state specialization and the coordination of national plans, but it might also be looked upon as a special governmental function, and different CMEA bodies have focused upon the problem of how to facilitate trading activity in the area. In 1958 the Standing Commission on Foreign Trade issued a document, called « General Conditions for COMECON Deliveries », which provides a uniform pratice for the contract procedures, delivery dates, quality control etc., and in 1962 it issued « General Conditions for CMEA Assembly Work ». It is seen that a CMEA body outline the conditions.

An important function of the CMEA is to settle the prices between the member countries. As the prices are fixed differently in different countries, no common criterion exists for comparison. The 9th Session of the Council in June 1958 accepted the general rule that prices should be established on basis of average world market prices. Specifying that the 1959 trade agreements should be based on the 1957 prices, an annual revision was intended but never tolok place until 1964. That year a compromise was reached in the Executive Committee and approved by the Council Session ; the 1966-1970 inter-trade prices would approximate the world average for 1960-1964 with certain modifications. The fact that the agreed revision on commodity prices did not take place as scheduled, can be taken as a sign of disagreement among the CMEA countries on how prices are to be fixed, and this is a great obstacle to integration in the CMEA. The countries' use of world market prices may be taken as evidence of a mere minimum level agreement .

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(47) Michael KASER, *ibid.*, p. 215.

The percentage rise in trade in the CMEA since the establishment of the organization seems overwhelming. The main explanation for this is, however, that under the autarchy economic policy reigning in the Stalin aera the trade was very low. A more realistic comparison may be made between the CMEA's share of world trade and its share in the world's production. In 1962 presented CMEA 30 per cent of the world's industrial production and 11 per cent of world trade. Of the 11 per cent as much as two third were among the CMEA members themselves. CMEA today represents a strikingly small part of world trade in spite of its impressing trade expansion the last decade. However, foreign trade is much more important for the EEC countries than for the CMEA countries. In the last five years there has been a far greater increase in the foreign trade of the EEC than of the CMEA (48).

A rather successful part of CMEA's work is the *multilateral projects* that the organization has sponsored. Four of them are currently operating. The most well known is the Friendship Pipeline linking the Soviet Union with Czechoslovakia, the German Democratic Republic, Hungary, and Poland. The project was completed in 1964. There is no doubt that this project is of major interest to the countries in the receiving end of the line as it guarantees cheap and steady deliveries from the Soviet oil fields. The mutual interest of the participants in the project is obvious, but the smaller states in the CMEA become increasingly dependent upon the Soviet Union.

Another project of similar type is an integrated electrical power grid that was completed between 1960-1962 by the same states that built the pipeline, and Bulgaria and Rumania joined in 1963-1964 the project. The entire system is directed by a Central Control Board in Prague. Another project is the Common Waggon Pool established in 1964 under CMEA sponsorship. A somewhat different type of joint enterprise is the International Bank for Economic Cooperation in Moscow that started its operations in 1964. The bank has the following functions : 1° balancing of members' trade balances, 2° providing a means of payment of trade accounts, 3° financing joint enterprises, 4° acting as an intermediary between member states, and 5° acting as a despository of gold and other currencies (49). The capital of the bank is 300 millions transferable rubels, and of this capital the Soviet Union has paid 116 millions transferable rubels. Compared to the system of bilateral transactions this bank is a great step towards facilitating the economic transactions in the group. — The creation of the

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(48) One explanation for the small expansion of trade in the CMEA is to be found in the low figures for the Soviet Union which because of its size tends to be self sufficient.

(49) Karel HOLBIK, *op. cit.*, p. 737.

common multilateral enterprises in the CMEA is example of spill-over effect in the CMEA. The tasks are rather specific and will probably have further spill-over effect.

Especially since 1962 several *bilateral* projects have been authorized and begun work. Among the more important are « Agromash » and « Intransmash », two joint Hungarian-Bulgarian enterprises to coordinate respectively the development and production of machinery for mechanization of agriculture, and to design and perfect machinery and systems for internal industrial plant transportation. Other bilateral project are « Haldex », a joint stock compagny formed by Hungary and Poland, and « Iron Gate Project », a hydroelectrical plant of the Danube in which Yugoslavia and Rumania are cooperating.

It is usually neighbouring countries that are cooperating in this kind of project, but there also seems to be a tendency for the higher industrialized countries to cooperate more with each other than with the less developed countries. These bilateral industrial projects make for closer integration and create vested interests among the member countries.

In 1963 « Intermetall » was formally organized by the governments of Czechoslovakia, Poland and Hungary. Subsequently, the USSR, Bulgaria and the German Democratic Republic have joined the organization leaving Rumania as the only East European country not participating. The object of « Intermetall » is coordination of the production and distribution of metallurgical products among the members. This seems to be a « natural » task for the CMEA, but as Rumania showed opposition to the plan, the other CMEA countries established a new independent organ. This pragmatic solution shows a clear will to further integration when there is clear economic benefit ; but in this case it also contributed to isolation of Rumania.

In the EEC the greatest degree of integration has been reached in the field of production and distribution (50), in particular the agricultural policy. The European Community system « determines tariffs and quotas for farm products, sets price support levels, provide farm subsidies to supplement income as well as for farm modernization, and regulates market conditions for many important crops » (51). These functions are administrated by the community authorities, and not by the national authorities. Nothing similar can be found in the CMEA. The regulation of industrial competition is also highly integrated, and the EEC institutions have means to enforce these rules when they are violated. More important is that the level of tariffs and quotas is decided *entirely* within the decision-making of the EEC system.

(50) Leon N. LINDBERG, *op. cit.*, pp. 356-360.
(51) Leon N. LINDBERG, *op. cit.*, p. 358.

Besides the Community Reserve Fund for helping member countries in balance of payment difficulties no clear common policy exists in this field ; when problems have occurred there have been consultations and it has been possible to find practical solutions. While decisions on regulation of currency and domestic credit are taken entirely by the national states, energy policy, i.e. coal, atomic energy, and petroleum is influenced by the EEC institutions. The EEC has established a free trade area for coal, has guidelines for investment and production, and through its own funds it provides credits for investment. In fact the funds of the EEC such as FEOGA, the European Investment Fund, and the European Social Fund have now reached such a level that it is possible through them to influence the economic development in the EEC. Also in some foreign policy matters such as negotiating association and membership agreements the EEC institutions play an important role.

Political forces in the EEC and CMEA.

Some students of CMEA underline the centrally-planned economic organization of the countries as a major obstacle to integration in the CMEA. Imperative planning of economic policies in the CMEA states is supposed to hamper integration, while the decentralized market economies in the EEC countries are favourable to a gradual integration, because of the flexibility of the economic policies and the multitude of decision-making centers. One authority on the CMEA states that « a union of centrally-planned monoliths appears as an all-or-nothing process of absorption in a large unit » (52). This all-or-nothing point seemse, however, to be invalid. It is very doubtful whether centrally-planned economies *per se* are unfavourable to integration and inhibit the process of integration.

Rigid and inflexible planning, however, inefficient channels of communication in the bureaucracies concerned etc. certainly make the integration of two economies difficult. The inertia of fixed policies is unfavourable to integration, and inefficiant feed-back of information increases this inertia. It is probably more likely that these factors rather than planning *qua* planning makes the integration process difficult. Efficiency and rational decision-making are probably more significant than the contrast between

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(52) John PINDER, *op. cit.*, p. 114. The difficulties of drawing conclusions from the centrally planned economies with respect to integration is obvious. Another authority on CMEA economies, Karel HOLBIK, states that « the radical conservatism of the planned economies has resulted in slow, measured steps toward economic integration », Karel HOLBIK, *op. cit.*, p. 739. This is exactly the opposite of John Pinder's conclusion, although it is drawn from roughly the same material. It proves the danger of drawing definite conclusions from a complex and unexplored subject matter.

planned and market economies. It seems rather doubtful that there should be a causal relationship between the degree of economic planning and integration. Further, why can a spill-over effect provided by certain feedback channels and processes not exist in a planned economy ? Cumulative decision-making need not be limited to market economies.

The power relations between the countries in the CMEA are different from the power relations among the EEC countries. The power configuration of a cluster of countries is probably important for the process of integration, and several authors stress the importance of the power relations among the states. The predominant power of the USSR in the CMEA is, according to some authors, a serious obstacle to the integration of the CMEA. Thus, « the preponderant strength of Russia in COMECON was a positive deterrent to integration, not a motive force » (53). On the other hand Amatai Etzioni is of the opinion that « international communities seem to function best when one nation has clear hegemony » (54). According to this last thesis the CMEA group should be more likely to integrate than the EEC, where the power configuration is quite different, and where no single country has a hegemony. It is very difficult to isolate the hegemony-factor and its effect on the integration process and thus try to evaluate its significance.

With regard to democratic control and procedure in a group of countries in the process of integration, it must be obvious that if one country has a clear hegemony, the influence of the weaker states will be relatively insignificant compared to the weaker states in other clusters of countries where power is distributed more equally among the participating countries. The USSR is destined to dominate the other countries in the CMEA to a far more significant degree than are France and Germany in the EEC.

The CMEA is an elite union where powers are predominantly in the hands of a single state, while the EEC is an egalitarian union with powers relatively equally shared or at least no power has a clear hegemony. The two large powers, France and Germany, share the leadership and there has been a relatively stable process of integration. This relatively stable process of integration is according to Etzioni likely to stop when and if Great Britain enters the EEC, because « systems with three leaders hardly ever stabilize » (55). The concept of an elite is a very important concept in the analysis of Etzioni. He operates with three kinds of elites relevant to the process of integration and this analytical tool might

(53) John PINDER, *op. cit.*, p. 104.

(54) Amitai ETZIONI, « The Dialectics of Supranational Unification », *International Political Communities. An Anthology*, New York, 1966, p. 142.

(55) Amitai ETZIONI, *ibid.*, p. 143.

prove to be useful in a comparative study. « Elite refers to a unit that devotes a comparatively high proportion of its asset to guiding a process and leading other units to support it » (56). The three types of elites are 1° member elites, i.e. member-units of the system, 2° system-elites, i.e. elite-units *of* the system (as for example the Federal Government of the USA), and 3° external elites, i.e. units that are not member of the system.

In the EEC system France (or France and Germany) is the member-elite, the EEC institutions are the system-elite, and USA the external elite. In the CMEA system the USSR alone is the member-elite, the CMEA institutions must be considered the system-elite although they are very weak (57), and the EEC might in some respects be considered the external elite. The external elite can provoke stress in the system. When USA strongly support Great Britain's entry into the EEC, the community system suffers stress, and if the EEC wanted to negotiate with the CMEA institutions on collective trade agreements, the CMEA system would probably be stressed, or if the EEC supported the creation of a Central European Assembly apart from USSR (58).

National policies and attitudes to integration play a crucial role in the integration process. The policies pursued by the USSR under Stalin aimed at the creation of economic autarchy in all the people's democracies. The economic principles of the USSR economy should grosso modo be the stereotype in the East European states. The Stalinist regime did not pay much attention to the CMEA, but wanted all relations to be bilateral. A trend towards polycentrism emphasized national sovereignty and economic nationalism. The USSR wanted to introduce new methods in the relations between the socialist countries and considered closer cooperation of the economies and greater division of labour desirable. As a means to that end Khrushchev launched his plan for a supranational restructuring of CMEA in 1962, a plan that was originally thought to have been Polish (59); the CMEA would be a vehicle for promoting Soviet policies.

Soviet policy seems to have changed, however, during the 1960's. The demand for supranationalism was no longer stressed as an issue. In 1966 « International Affairs » (Moscow) (60) carried an article that defined the intergovernmental operation of the CMEA according to four principles:

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(56) Amitai ETZIONI, *Political Unification. A comparative study of leaders and forces*, New York, 1965, p. 45.

(57) A strengthening of the Executive Committee would probably reinforce the institutions as a system-elite and thus further the integration process in the CMEA.

(58) Jerzy LUKASZEWSKI, « Western Integration and the People's Democracies », *Foreign Affairs*, January 1968, p. 385.

(59) Michael KASER, *op. cit.*, p. 106.

(60) Quoted from Michael KASER, *ibid.*, p. 222.

1° intergovernmentalism is a guarantee against any supranationalism that could « run counter to national interests » ; 2° member states should participate voluntarily and under « strict equality » ; 3° any joint undertaking should be of « mutual benefit » ; and 4° any joint undertaking should not erect « economic barriers to divide countries ». The USSR accepts the polycentrism prevailing in the socialist commonwealth for the moment, and the first of the four principles precludes supranationalism.

The German Democratic Republic and Czechoslovakia support wider specialization, and were in favour of the plan for the restructing of the CMEA on a supranational basis ; Hungary and Bulgaria did not oppose the demand for restructing, although the industrial late-comers fear that wider specialization could retard the industralization of these countries. Rumania on the other hand strongly opposed the attempt to strengthen the powers of the CMEA institutions. « Organisms with superstate character » are incompatible with « national sovereignty and non-interference in the internal affairs of countries » (61). The Rumanians were afraid that the plan for the CMEA would hinder the desired complex and balanced development of the entire economy. The Rumanian attitude was probably the main reason why the plan for the supranational restructing of the CMEA in 1962 came to grief. Czechoslovakia and the GDR aim at the same standard of living and industrialization as in Western Europe, while Bulgaria and Rumania — the two poorest countries — aspire to reach the level of the two highly industrialized countries, Czechoslovakia and the GDR. The CMEA has probably suffered from the « incompatibility of these desires » (62).

Both the EEC and CMEA systems are cohesive systems of which the « constitutional crises » of the EEC in 1965-1966 and the CMEA in 1962-1963 are evidence. In both cases the crisis errupted mainly because of disagreement about the *régime structures* (in the Estonian sense of the term), and not primarily because of disagreement on policies (63). The Soviet demand for new structures and new norm for elaboration of decisions, and the French withdrawal of support for the existing régime structures, both caused stress within the respective systems, but the systems were sufficiantly strong to cope with stress, and the systems persisted. In both cases one of the member states objected to supranationalism, and wanted all decisions of importance to be taken by the national authorities alone.

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(61) Quoted from George KEMENY, « Economic Integration in the Soviet Bloc », *Problems of Communism,* September-October 1964, p. 73.

(62) Michael KASER, *op. cit.,* p. 205.

(63) Leon N. LINDBERG, « Integration as a Source of Stress in the European Community System », *International Organization,* Spring 1966, p. 255 ff.

The result of the analysis is that both in the EEC and in the CMEA systems there has been a process of integration, but the stage of integration in the EEC is far more developed than in the CMEA. There is little cumulative decision-making in the CMEA, and only the EEC has some kind of supranational structure. The functions administrated by the EEC institutions are more salient than the functions administrated by the CMEA bodies. The conclusion must be that the Council for Mutual Economic Assistance is not the East European equivalent to the European Communities.

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