

Under the monetary system of the socialist countries, the Comecon extends credit in transfer rubles at low interest rates to cover imbalances in trade between its members. In contrast to the domination of capitalist trade by the Euro-dollar market, which piled \$250 billion in debts on top of the Third World, the Comecon's transfer ruble system finances trade to the limit of the participating nations' economic capacity. The transfer ruble, extended to "multilateral industrial cooperation" between the Comecon, the capitalist sector, and the Third World, could put idle capacity in Europe and the United States to work rebuilding the developing countries.

Gold-Backed Credit

At a joint press conference with a top European central banker, Hungarian Monetary official Janos Fekete proposed last month that the extensive gold reserves of Western Europe and the Comecon could be used as a "bridge" between the two monetary systems. Gold, as a universally acceptable commodity, could back up the extension of transfer ruble credits for three-way trade between the Comecon, Europe, and the Third World.

Western sources who participated in an international meeting in Budapest, Hungary, at the end of June report that gold and the transfer ruble are the main topic of discussion in ongoing talks between the Comecon and its Western European counterpart, the European Economic Community (EEC).

The Budapest conference, sponsored by the Stanford Research Institute and the State Department, was planned to sabotage the European-Comecon negotiations, participants admitted. Atlanticists in the European Commission, which is handling the negotiations from the EEC side, have demanded country-by-country negotiations instead, challenging the "competence" of the Comecon to represent its members. But Hungarian Prime Minister Lazar rejected this provocation, telling the Comecon Executive meeting in Berlin last week that there would be no leeway for Atlanticist attempts to splinter the socialist sector.

NSIPS Exclusive Translation

The North-South Dialogue and the Socialist Sector

July 10 (NSIPS) — The following are excerpts from an article by Dr. Michel Dobroczyński, editor in chief of the Polish Monthly International Affairs. The article appeared in the July 5 Trybuna Ludu, the official paper of the United Workers Party of Poland.

...we see the appearance of a policy of stepwise transition to a multinational international arrangement in at least a couple areas of economic life..." (What is being referred to here are the decisions made at the United Nations Conference on Trade and Development and last year's UN Special Session). "The United Nations' decisions have made a decisive political contribution to the creation of a "new world economic order" and these decisions have appeared as the

result of diplomatic initiatives by a series of developing countries.

History proves that the basic strategic success which the Third World can score in its relations to the West is due only to consistently maintaining its political unity.

It is a foregone conclusion that the West, which has been forced into a new type of diplomatic dialogue (with the Third World), will not renounce its superiority voluntarily. The West which continues to regulate its unchanged economic dominance through various instruments... The West, which is interested in the problem involving oil before anything else, will most likely put a lot of effort into a partial isolation of the oil producing countries from the rest of the countries producing raw materials. If the West does not also succeed in breaking the unity of the developing countries, and if these countries score successes in their own right, even the scale of economic and technological possibilities that the Third World has over a long time period still remains decisively limited. From this one can draw the necessity of the search for solutions which go beyond the spheres of the Third World and its isolated relations to the West. This applies to, above all, the socialist states' objective role in the process of the formation of international relations."

The political, ideological, military as well as economic opposition of the socialist countries is a testament to their importance in world politics and economics. What results from this fact, among other things, is a heterogeneously determined, direct and indirect influence by the socialist states on the relations between the developing countries and the capitalist states.

First point: The political and military balance of power in East-West relations makes it possible for the developing countries, to carry out to a decisive degree of policy of stepwise reduction in their dependence on the west, and to carry out among other things along the way, social reforms, the nationalization of their natural resources, changes in the conditions applied to the delivery of many raw materials.

Second point: The socialist state can become an alternative sales market for part of the raw material-producing countries, and for their developing manufacturing industries...

Third point: The socialist states are the only competitor to the developed capitalist countries in the area of the production and supply of modern techniques and technology. This is not only of significance in the question of principles and conditions for exchange between developing countries and the west, but it also makes much more difficult an eventual policy of a Western embargo against the countries of the Third World who are making themselves economically independent.

Fourth point: The socialist countries are a model of society that is worthy of attention from the political and economic organs of the Third World...taken in perspective, the socialist model of economic relations (presents a similar picture).

Fifth point: The socialist states' creative contributions to the conception of a new model of worldwide economic relations, as well as diplomatic pressure for the realization of the principles that have already been agreed upon for a future system, can both prove to be factors based in reality in a correct formation of relations between the developed capitalist countries and the developing countries.

That is to say, the interests of this group of states (Third world -ed) are, in many regards, parallel and close to the interests and aspirations of the socialist states. This given fact can have special importance in the formation of international relations.