

CONSEIL DE L'ATLANTIQUE NORD
NORTH ATLANTIC COUNCIL

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N A T O R E S T R I C T E D

ORIGINAL: ENGLISH
2nd November, 1976

DECISION SHEET
AC/127-R/524

ECONOMIC COMMITTEE

Meeting held at the NATO Headquarters, 1110 Brussels,
on Thursday, 28th October, 1976 at 10.15 a.m.

DECISION SHEET

I. EAST-WEST VISITS

The COMMITTEE:

was informed by the Norwegian Representative that on 15th October his country and the Soviet Union had signed, subject to ratification, a framework agreement on fishing rights which, inter alia, established a Norwegian-Soviet fishing commission and, in general, contained similar provisions to the Canadian-Soviet Fishing Rights Agreement; the Norwegian Representative made available an unofficial translation of this agreement and would circulate an analysis of it.

II. EXCHANGE OF VIEWS ON CSCE IMPLEMENTATION (BASKET II)

The COMMITTEE:

- (1) had before it a summary of the discussion at the meeting with Experts on this subject held on 19th October, 1976 (ED/EC/76/70);
- (2) noted the suggestions of the Canadian Representative for amending paragraphs 7 and 24 of this summary and the comments of the German Representative on paragraph 35;
- (3) noted a statement by the Norwegian Representative recalling that his Authorities would welcome

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the views of other national authorities on their proposal to host a conference on problems of the environment and that the Norwegian Authorities would also welcome the views of their Allies on the problems relating to containing the activities of Soviet-controlled import/export companies;

- (4) was informed by the Chairman that, subject to receiving contributions from member countries, the Economic Directorate would shortly circulate a draft contribution to the Political Committee's report to Council; in this connection the Economic Directorate would particularly welcome written contributions from delegations giving their authorities' views on how East European countries had implemented Basket II measures vis-à-vis their countries;
- (5) taking up a suggestion by the German Representative, agreed that the economic contribution to the CSCE implementation report should include a brief statistical table on recent developments in East-West trade, together with a succinct commentary aimed at avoiding misinterpretation of this table;
- (6) noted the Chairman's suggestion that members of the Committee should consult with the political counsellors of delegations - in the same manner as he would consult the Chairman of the Political Committee - in order to ensure that the contributions from the two Committees followed the same general lines both in substance and presentation;
- (7) received from the United States Delegation a report from the United States Embassy in East Berlin on GDR foreign trade statistics and from the Canadian Delegation a contribution relating to CSCE implementation in the field of Basket II for the period May to October 1976;
- (8) heard a report by the United States Representative concerning the contingency statement worked out by the Delegations of Canada, the United States and the European "Nine" in Geneva relating to

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possible Soviet pressure for the consideration of the Brezhnev proposals in the principle subsidiary bodies of the ECE.

III. DEFENCE EXPENDITURE OF THE SOVIET UNION

The COMMITTEE:

- (1) had before it a draft of a report to the Council on this subject, AC/127-WP/489;
- (2) noted the comments of the Canadian, United Kingdom and United States Representatives on this draft;
- (3) noted that in the light of national comments and of those made by the Intelligence Division of the IMS, the Economic Directorate would redraft paragraphs 56 to 58 dealing with Soviet imports of Western technology;
- (4) noted that, with certain minor deletions, the United States Authorities would be prepared to accept that the present draft be declassified for possible use with public media but would require to see the definitive text of the report before taking a final decision;
- (5) agreed to continue discussion of this draft at its next meeting and finalise the paper for early presentation to the Council.

IV. RECENT ECONOMIC DEVELOPMENTS IN ROMANIA, BULGARIA AND HUNGARY

The COMMITTEE:

- (1) continued its examination of the draft reports set out in AC/127-WP/486 (Romania and Bulgaria) and AC/127-WP/482(Revised) (Hungary);
- (2) was reminded by the Chairman that the Economic Directorate was preparing a revised paper on Bulgaria;
- (3) noted the comments by the Italian Representative, emanating from the Italian Embassy in Bucharest, concerning paragraph 20 of the paper on Romania;

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- (4) noted that in the course of the following week the Economic Directorate would circulate a short synthesis covering the main economic trends in all six East European countries and that this paper, together with a synthesis on economic trends in the Soviet Union, would, after approval by the Committee, be transmitted to the Council as the basis of the Economic Committee's contribution to the Ministerial Meeting on this general subject.

V. ANY OTHER BUSINESS

- (1) Preparation of the report on export credits extended to the East European Countries

The COMMITTEE:

noted the Chairman's request to delegations who had not already done so to make available information for this report.

- (2) Long term economic agreements between member countries of the Alliance and Warsaw Pact Countries

The COMMITTEE:

was informed by the Chairman that the Economic Directorate's initial report on this subject will be circulated in the course of the next week.

- (3) Release of unclassified versions of Economic Committee reports

The COMMITTEE:

was informed by the United States Representative that whilst his Authorities did not favour the automatic declassification of certain Economic Committee reports they could agree that, in cases where the report merited release to the media, the International Staff could prepare a synthetised paper indicating where possible the different sources of the informations for review by the Committee.

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(4) Meeting with Experts on the Effects of Price Changes on Allied Defence Expenditures

The COMMITTEE:

heard a report by the Chairman on the results of the latest meeting which had taken place on 21st and 22nd October.

(5) Report on the Importance of Shipping to the Soviet Union

The COMMITTEE:

was informed by the Chairman of the letter which he had received from SACLANT commending the Committee for this report which had been found of great value by SACLANT and his Staff.

(6) Exchange of Information

The COMMITTEE:

- (1) noted the circulation by the Italian Delegation of inputs concerning:
 - (a) industrial projects in the Soviet Union for the years 1976-1980;
 - (b) criticisms made by Mr. Indra, President of the Czechoslovak Federal Assembly, concerning the Czechoslovak railway system;
- (2) noted the circulation by the United States Representative of papers on:
 - (a) energy in the post-war period: growth and shifting patterns of consumption and production; and
 - (b) a new stockpile policy announced by the Director of the Federal Preparedness Agency on 1st October, 1976.

VI. DATE OF NEXT MEETING

Thursday, 4th November, 1976 at 10.15 a.m.

NATO,
1110 Brussels.