

ENGLISH ONLY
3rd October 1958

NATO CONFIDENTIAL
WORKING PAPER
AC/127-WP/16

COMMITTEE OF ECONOMIC ADVISERS

OEEC-ECE-CEMA RELATIONS

Note by the German Delegation

30th September, 1958

The Government of the Federal Republic entertains very strong objections to the establishment of direct contacts between the above-mentioned organizations. These views are based on factual rather than on purely formal reasons.

2. The Council of Mutual Economic Aid in Moscow (CEMA/COMECON) includes the following members: the Soviet Union, Poland, Czechoslovakia, Hungary, Bulgaria, Rumania, Albania and also the Soviet occupied zone of Germany. The Asian countries of the Soviet bloc are represented as observers. The Council is responsible for the co-ordination of the economic development of the European Soviet bloc countries through a harmonisation of long-term planning and specialisation of production in the various member countries. Under its Charter all members of the Council of Mutual Economic Aid enjoy equal rights. In actual practice, however, this organization is a tool of the Soviet Union and is designed to achieve the gradual integration of the economies of the European Soviet bloc countries into the economy of the Soviet Union. This is most clearly shown by the efforts to achieve specialisation in the field of production. In this connection specialisation does not only mean that the various countries concentrate their efforts on certain fields of production, but also that a much more specialised concentration on certain definite types (varying from country to country) of more or less the same branches of production is being aimed at in the various countries. Only for some fields of production certain general priorities of production are established. In this "division of labour" the most important part is being played by such highly industrialised members as Czechoslovakia and the Soviet occupied zone of Germany. While the Soviet Union itself does not take part in this specialisation it provides technical and financial assistance.

3. From this it appears that the importance of the Council of Mutual Economic Aid primarily lies in the political field since

NATO CONFIDENTIAL

on that basis the Soviet Union seeks to establish through economic means firm and permanent ties between the CEMA members and with its own sphere of control. The government of the Federal Republic feels that it would be impossible to establish contacts with the CEMA not only because, for the above reasons, it is out of the question to compare CEEC with CEMA, but also because the establishment of contacts might result in strengthening the position of the Soviet occupied zone of Germany. The eastern bloc could interpret such contacts to the effect that CEEC members - in contrast to their present attitude - would be prepared to a greater extent to recognise the Soviet occupied zone of Germany as an independent State.

4. For these reasons the Federal Government fully endorses the proposal to prevent such contacts between the organizations referred to and is of the opinion that the participation of representatives of the Soviet bloc organizations could not lead to any practical results. All the important members of these organizations are also represented in the ECE, and provided the respective governments are at all willing to exchange further information on the economic conditions of their countries and their mutual relations, they can do this without the intermediary of the organizations concerned, all the more so as the activities of these organizations (as set out above) lie more in the political than in the economic field. Besides, it is not likely that the co-operation of the representatives of the organizations concerned would increase the willingness of the Soviet bloc countries to give more ample and detailed information on their economic affairs if these organizations participated in the work of ECE, since the final decision as to whether and to what extent the Soviet bloc countries would be prepared - according to the terms of reference of Western organizations - to make available information on their economic situation, lies with the Soviet Union.

(Signed) SCHMID

Palais de Chaillot,
Paris, XVIIe.