CONSEIL DE L'ATLANTIQUE NORD NORTH ATLANTIC COUNCIL

N. F

EXEMPLAIRE

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ORIGINAL: ENGLISH 7th July, 1964

NATO CONFIDENTIAL ADDENDUM to DOCUMENT AC/127-D/165

COMMITTEE OF ECONOMIC ADVISERS

THE COUNCIL FOR MUTUAL ECONOMIC ASSISTANCE (COMECON)

Addendum

The Economics Directorate proposes to add the following sentences after the first sentence of paragraph 31 (page 10), as they throw an interesting light on Yugoslavia's rôle with respect to COMECON:

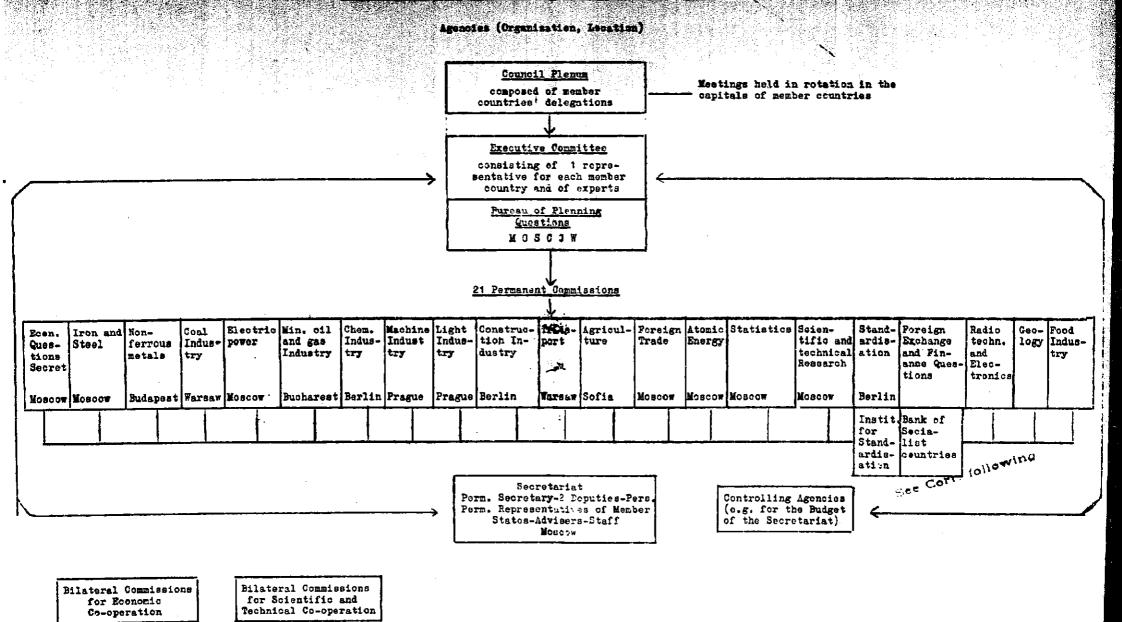
".... full COMECON membership. It even seems doubtful if Yugoslavia would get the unanimous support of the COMECON countries for full membership, as the Yugoslav-Roumanian Iron Gates Agreement of December 1963 has obviously been concluded in direct defiance of the Soviet Union. At the February 1963 Session of the Executive Committee, the Soviet Union had proposed the industrialisation of the Danube basin on the basis of power stations to be commonly constructed by Roumania, Bulgaria, Hungary and the Ukraine, thus aiming at the economic integration of the whole region under COMECON auspices. Roumania; s opposition seems to have been cleverly exploited by the Yugoslavs who finally succeeded in having their own Danube development project endorsed by Roumania, and thus caused COMECON one of its Bilateral commissions severest setbacks.

OTAN/NATO, Paris, XVIe. countries and the success of Western economic co-operation, but the greatest obstacle to be overcome is undoubtedly the nationalism of the satellites and the liklihood that they would resist as best they could any move towards integration, especially the creation of supranational bodies, which might lead to encroachments on their sovereignty. The intensification of the Sino-Soviet dispute, as the Rumanians have been quick to recognise, has provided individual East European countries with a means of applying some pressure on the Soviet Union to recognise their economic aspirations.

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