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ECONOMIC COMMITTEE

MEETING OF HEADS OF ECONOMIC INTELLIGENCE SERVICES
20TH-21ST FEBRUARY, 1975

Note by the Acting Chairman

The meeting of Heads of Economic Intelligence Services will take place, as agreed, on 20th and 21st February, 1975 at the NATO Headquarters, Brussels.

2. Members of the Economic Committee are requested to send, as soon as possible, the names of participants to the Secretariat.

3. Attached will be found the Agenda drafted in the light of the Committee discussions of 23rd January, 1975 and which will serve as the basis for discussion.

(Signed) O. DEBUNNE

NATO,
1110 Brussels.

N A T O C O N F I D E N T I A L

MEETING OF HEADS OF ECONOMIC INTELLIGENCE SERVICES
20TH-21ST FEBRUARY, 1975

Agenda

I. POINTS OF GENERAL INTEREST

- (a) To what extent are current economic problems becoming major political issues? How does this affect the rôle of economic intelligence?
- (b) What are the problems in the economic area which currently are of particular interest to economic intelligence? Are any difficulties encountered in collecting the required data in this connection?
- (c) There is a greater awareness in NATO of the implications for defence and diplomacy of economic developments. This is shown by the Ministerial Meeting of December 1974 and the ensuing declaration. In consequence, the area of interest for the Directorate's activities will, quite probably, have to be extended. For instance it may have to examine in greater depth problems such as:
 - the economic and commercial rôle of the Soviet Union in North Africa, the Near East, the Persian Gulf and the Indian Ocean;
 - a comparative assessment of performances in Western economies, the Soviet Union and Eastern Europe and the effects on the policies of the areas concerned;
 - periodic evaluation of availability to the West, in the short and medium term, of energy (especially imported hydro-carbons), certain raw materials and basic foodstuffs: fluctuation in prices, transport and freight, rhythm of production in exporting areas and rate of consumption in importing countries, rôle - actual or potential - of the USSR in certain areas giving it better possibility to interfere with flows of supplies.

II. SPECIFIC ISSUES

- (a) In the context of the traditional survey of Communist economies, is there a need for sectorial studies (e.g. the coal industry in Poland, the steel industry in the USSR, etc.)?
- (b) The evaluation of the Soviet defence burden, possibly by reference to yardsticks other than the defence vote only.

AC/127-D/502(Revised)

-3-

- (c) Contribution of Warsaw Pact member countries, other than the USSR, to the military potential of the Warsaw Pact.
- (d) Studies of the production potential of critical industries in NATO and Warsaw Pact countries, i.e. those vulnerable and/or vital in times of war.
- (e) The energy pattern and problems in East European countries.
- (f) The study of the balance of payments of Communist countries. (On the basis of experience gained in the past, is it the feeling that such exercises add substantially to the understanding of the financial position of the Communist countries? If so, on what procedure should such examination be established?)
- (g) The recent examination of the economies of Bulgaria, Rumania and Poland once more brought out the uncertainty of Western estimates of GNP of Communist countries. A special meeting is to be held in 1975 on that particular matter. An input from as many capitals as possible would be appreciated.
- (h) Assessment of existing Soviet stocks of foodstuffs (especially grains) and other critical commodities.
- (i) The use the Soviet Union is likely to make of its increased financial and economic power in its dealings with the COMECON, the Third World, the NATO countries and the West generally. (Will the Soviet Union be less reluctant than in the past to join certain international organizations and adhere to international agreements on commodities?)
- (j) One of the main tasks of the Economic Committee is the provision of information to the member countries. The flow of contributions from economic intelligence, through the delegations, improves the quality of the exchanges in the Committee. In addition to basic information, it is the evaluation of specific situations which is of particular value to the Alliance. In this connection, inputs from delegations are of particular importance for the work of the International Secretariat.
- (k) A number of members of Intelligence Services have spent a few weeks with the Economic Directorate. In the light of this experience it would seem that it would be more beneficial if these visitors were to have a specific task in the context of a pre-arranged project. Conversely, it is for consideration whether the capitals would be prepared to invite members of the Directorate to participate in studies, for short periods, to work alongside their own experts in the preparation of certain studies which, ultimately, would be presented to the Economic Committee.

III. SPECIAL BRIEFING

Briefing by a representative of the International Military Staff on international co-operation in assessing, on a joint basis, the strength and threat of the Warsaw Pact.

IV. ANY OTHER QUESTIONS WHICH HEADS OF INTELLIGENCE MIGHT WISH TO RAISE