

CONSEIL DE L'ATLANTIQUE NORD  
NORTH ATLANTIC COUNCIL

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ORIGINAL: FRENCH  
16th July, 1975

DECISION SHEET  
AC/127-R/473

ECONOMIC COMMITTEE

Reinforced meeting held at NATO Headquarters,  
1110 Brussels on Thursday, 10th and Friday, 11th July,  
1975 at 10.15 a.m. and 3 p.m.

DECISION SHEET

I. RECENT ECONOMIC DEVELOPMENTS IN THE GERMAN DEMOCRATIC  
REPUBLIC (GDR)

The COMMITTEE:

- (1) on the basis of a paper from the German Delegation (AC/127-D/513) and a United States note distributed during the meeting, discussed trends in the GDR economy over recent months from the following angles: domestic activity - foreign trade - population - investments - manpower - productivity - currency and credit;
- (2) noted that, generally speaking, and as a consequence of the deterioration in the world economic situation and of the increase in the price of imports, the terms of trade were becoming less favourable for the GDR where a slower rate of growth and a drop in the standard of living were anticipated, the most important problem still being however the shortage of manpower;
- (3) invited the International Staff to prepare, in the light of contributions from delegations and the comments made by the experts during the meeting, a consolidated report for submission to the Council, bringing out the salient features and what were currently the major problems of the East German economy.

This document includes: 1 Annex

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AC/127-R/473II. HUNGARIAN ECONOMIC SITUATION IN 1975

The COMMITTEE:

- (1) discussed, on the basis of a French study (AC/127-D/511) and a Canadian contribution (AC/127-D/507), the present Hungarian economic situation and the prospects for the economic reforms which, when adopted in 1968, were designed to incorporate certain features of a market economy into a highly centralized State system;
- (2) noted that, in the opinion of the experts, the "new economic machinery" had proved to be effective in some respects but that the world economic recession had shown up its weaknesses and that a, perhaps temporary, return to collectivist orthodoxy and a tightly controlled system could be expected;
- (3) invited the International Staff to draw up a consolidated report, for consideration by the Council, incorporating the main conclusions reached by the experts on recent trends in the Hungarian economy and on its prospects.

III. CZECHOSLOVAKIA: THE ECONOMY SINCE 1971

The COMMITTEE:

- (1) undertook a detailed review of economic trends in Czechoslovakia between 1971 and 1975, on the basis of a United Kingdom document (AC/127-D/514) and of additional papers distributed during the meeting by the United States and Canadian Representatives;
- (2) noted the experts' conclusions regarding the accelerating deterioration in the Czechoslovak economy since 1973, mainly as a consequence of the higher price of raw materials and other imports, of the poor return on capital and of the shortage and low productivity of manpower; noted that, this being so, the outlook for 1975, on the eve of the new five-year plan, could be regarded as sombre and had moreover become a source of anxiety to the leadership;
- (3) invited the International Staff to prepare a consolidated report on the Czechoslovak economy, for consideration by the Council and taking account both of contributions from delegations and of the statements made by the experts during the discussion.

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IV. GENERAL CONCLUSIONS AND TIMETABLE FOR 1976 MEETINGS ON THE ECONOMIC SITUATION IN THE EAST EUROPEAN COUNTRIES

The COMMITTEE:

- (1) noted that the International Staff would endeavour, on completion of the consolidated reports, to draw general conclusions on the economic situation in the COMECON member countries of Eastern Europe;
- (2) noted the following tentative timetable for meetings to be devoted, in 1976, to the economic situation in the Soviet Union and in the East European countries following publication of the new five-year plans:
  - Soviet Union: end-April;
  - Rumania, Bulgaria, Poland: June;
  - GDR, Czechoslovakia, Hungary: end-September.

NATO,  
1110 Brussels.

ATTENDANCE LIST

Chairman: Mr. J. Billy, Economic Director

BELGIUM: Mr. de Brouwère

CANADA: Mr. Herman Mr. Cross  
Canadian Embassy in Prague  
Mr. Cullen  
Canadian Embassy in Warsaw

DENMARK: Miss Reventlow Mr. Brodersen

FRANCE: Mr. Chevrier Cdt. Noulens  
Mr. Sokoloff

GERMANY: Mr. Pluisch Mr. Peters  
Mr. Leik

GREECE: Mr. Mallikourtis Mr. Broumas

ITALY: Mr. Testori

NETHERLANDS: Mr. Storm Mr. Hamburger  
Mr. de Boer

TURKEY: Mr. Banguoglu

UNITED KINGDOM: Mr. Doble Mrs. Forster  
Mr. McGinley Miss Bendall  
Mr. George

UNITED STATES: Mr. Papendorp Mr. Farrand  
United States Embassy in  
Prague

INTERNATIONAL MILITARY STAFF

Lt.Col. Bonacini

INTERNATIONAL STAFF

Mr. Killingbeck Economic Directorate  
Mr. Grosfils Economic Directorate  
Mr. Grosberg Economic Directorate  
Mr. Durkin Economic Directorate  
Mrs. van den Bulcke Secretary