

CONSEIL DE L'ATLANTIQUE NORD  
NORTH ATLANTIC COUNCIL

EXEMPLAIRE N°  
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188

N A T O   C O N F I D E N T I A L

ORIGINAL: FRENCH  
4th December, 1978

DECISION SHEET  
AC/127-R/612

ECONOMIC COMMITTEE

+ Com. 15.12.78

Meeting held at NATO Headquarters, 1110 Brussels,  
on Wednesday, 29th November, 1978 at 4.00 p.m.

DECISION SHEET

I. EAST-WEST VISITS

- (a) IVth session of the Germano-Bulgarian Joint  
Commission for Economic and Technological  
Co-operation (23rd-24th November, 1978)

The COMMITTEE:

was briefed by the German Representative on the results of this meeting and noted in particular that trade between Germany and Bulgaria, which had slumped in 1976 and 1977, had improved in 1978 as a result of increased German exports to Bulgaria; the resulting trade deficit (approximately DM. 310 million) would, however, be partly offset by foreign currency earnings from the many German tourists in Bulgaria during the same period.

- (b) Visit to the People's Republic of China by the  
Norwegian Finance Minister (10th-23rd October, 1978)  
and Minister for Energy (11th-25th October, 1978)

The COMMITTEE:

- (1) was briefed by the Norwegian Representative on the talks held during these visits and noted, inter alia, the interest shown by the Chinese leaders in acquiring advanced technology even from the smaller Western countries, the confirmation that in 1979 Chinese students would be sent abroad, the selection of fields in which opportunities existed for co-operation between Norway and China (shipbuilding - processing of crude aluminium and manganese into finished products - production of fertilizer - deep-freeze techniques - electronics, etc.);

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- (2) held a brief exchange of views on the desirability of obtaining information on China's new foreign trade policy and of the implications, in this context, of the recent Sino-Japanese agreement.
- (c) Visit to London by the Chinese Deputy Prime Minister, Mr. Wang-Chen (November 1978)

The COMMITTEE:

noted that a copy of the outline technical co-operative agreement concluded between the United Kingdom and China during this visit would be forwarded to the Economic Directorate and to any delegations wishing to receive it.

- (d) United States-Polish Joint Commission on Co-operation

The COMMITTEE:

noted that the text of a report describing the progress and results of the recent meeting of this Commission would be forwarded by the United States Representative to the Economic Directorate.

II. RECENT ECONOMIC DEVELOPMENTS IN THE USSR AND EASTERN EUROPE

Reference: ED/EC/73/77

The COMMITTEE:

- (1) noted a contribution from the United States Representative on the energy situation in Romania;
- (2) was informed by the Netherlands Representative of a recent big rise in the price of luxury goods in Czechoslovakia and of the reactions to which it had given rise.

III. DRAFT DECLASSIFIED VERSION OF THE REPORT ON DEFENCE  
EXPENDITURE OF THE SOVIET UNION

Reference: C-M(78)59 (NATO SECRET)  
Document: AC/127-WP/589 (NATO CONFIDENTIAL)

The COMMITTEE:

- (1) noted that the French Representative was able to agree to the declassification of the text in question provided that it was introduced by a note pointing out that it was intended solely for Allied governments and dependent authorities;
- (2) agreed, at the request of the United Kingdom, Canadian and United States Representatives, who wanted more time for reflection, to submit the declassification of draft AC/127-WP/589 to the silence procedure with the deadline set for noon on 19th December.

IV. GDR - RECALCULATED GNP SHOWS MODEST GROWTH

Document: AC/127-WP/586  
Reference: AC/127-R/611, Item VI

The COMMITTEE:

- (1) continued its exchange of views on GDR economic trends and their consequences as described in the above reference document;
- (2) noted the importance which several delegations attached to an assessment of the methodology used and the emphasis placed during discussions on the difficulty of making comparisons with Western economies which had basically different structures; considered that it would be better to compare the development of the East European economies among themselves, with particular reference to living standards, provided that the necessary information was available;
- (3) agreed that it should not be considered systematically at this stage and that delegations should be free to bring it up at later meetings as they saw fit.

V. ORGANIZATION OF THE REINFORCED MEETING ON SOVIET AND EAST EUROPEAN AGRICULTURE

Reference: ED/EC/78/78

The COMMITTEE:

approved the draft Agenda attached to the above reference document, subject to the addition of two headings on industrial crops and subsidies and agricultural price formation(1).

VI. UPDATING OF THE DRAFT REPORT ON ECONOMIC AND FOREIGN TRADE TRENDS IN THE CHINESE PEOPLE'S REPUBLIC

Reference: AC/127-WP/582 and Addendum

The COMMITTEE:

invited the International Staff to circulate a revised version of the report, taking into account a new contribution from the Canadian experts and the table of Chinese trade imports from 1961 to 1978 provided by the United States Representative.

VII. CONSIDERATION OF THE PROPOSED MODIFICATIONS TO THE PROCEDURE FOR NOTIFYING OFFICIALLY-BACKED CREDITS GRANTED TO THE COMMUNIST COUNTRIES

References: Addendum to AC/127-WP/581 and Corrigendum, dated 13th November

The COMMITTEE:

agreed to place this item on the Agenda for its meeting on 11th January, 1979.

VIII. DATE OF NEXT MEETINGS

Wednesday, 13th and Thursday, 14th December, 1978.

NATO,  
1110 Brussels.

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(1) See Agenda AC/127-A/613, Items I(i)(d) and I(ii)(c)