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SUB-COMMITTEE ON SOVIET ECONOMIC POLICY

REVIEW OF THE ECONOMIC SITUATION IN HUNGARY

Record of the meeting held on 22nd June, 1967

Note by the Chairman

In accordance with the decision of the Sub-Committee(1) the Economic Directorate has prepared the attached draft record of the meeting on 22nd June, 1967 on the economy of Hungary. Should participants in the discussion wish to propose amendments, they are invited to send them to the International Secretariat before 31st July, 1967.

(Signed) A. VINCENT

OTAN/NATO
Paris, (16e). C

(1) AC/89-D/93

NATO CONFIDENTIAL

ECONOMIC DEVELOPMENT OF HUNGARY

Summary record of the meeting held on 22nd June, 1967

The CHAIRMAN welcomed the following experts:

Mr. Stuttard, Ministry of Defence, London;
Mr. Nelson, Economic Officer, United States Embassy, Budapest;
Mr. Granier, Ministry of Finance, Paris;
Mr. Roca, Ministry of Finance, Paris.

2. He recalled that a first examining session devoted to the economic development of Hungary had been held on 24th May, 1965 and had given rise to a report distributed under the reference C-M(65)57, which had been submitted to the Council. The matter in hand during the present meeting was to bring this report up to date; the discussion would be held on the basis of an introductory note (AC/89-WP/216) prepared by the United Kingdom Delegation. Following the procedure adopted during earlier examining sessions, he suggested that the economic reforms might be examined before the discussion passed on to the main lines of internal economic development and concluded with a study of the external trade of Hungary.

3. Mr. STUTTARD opened the debate by commenting briefly on some aspects of the United Kingdom note. An attempt had been made in the paper to give a broad outline of the main proposals for the reform programme, the theoretical basis of which was contained in the Resolution approved by the Central Committee in May 1966. He then turned more specifically to the third five-year plan, whose targets were relatively modest and realistic, as the régime seemed more concerned with efficiency than with raising the volume of production; such a policy required large investments in technology, a more flexible approach in management and a skilled labour force. The reforms envisaged in Hungary were generally similar to those already being undertaken in other East European countries, in particular in Bulgaria and Czechoslovakia. Essentially they were designed to introduce an element of flexibility into what had hitherto been a fairly rigid, centrally planned economy by allowing greater scope for the action of market forces. However, widespread decentralisation was not contemplated at this stage; all major decisions would be taken by the State and fairly tight overall control would be exercised in every sphere. The reforms did not represent a return to capitalism through the back door. Many of the details remained to be worked out and, although certain preparatory measures had already been taken, full implementation was not to begin until 1st January, 1968. It was clear that the plans left scope for market forces to exercise influence in

certain sectors, but it was still far too early to draw any valid conclusions concerning the likely outcome of the Hungarian reforms, though they were likely to create many problems and much would depend on the degree of success in the first stages. In case of failure, the projects contained sufficient loopholes to make the reforms largely meaningless.

I. ECONOMIC REFORMS AND INTERNAL ECONOMIC SITUATION

4. The CHAIRMAN said that, from reading the United Kingdom note, he was under the impression that the implementation of the reforms might be divided into three periods. As most of the details available referred to the measures planned for the future, he invited the experts to give some additional information on what had been done during the period 1957-1964 and on what was being done in 1967, which seemed to be a transitional year.

5. Mr. NELSON recalled that discussions on reforms had started in 1956, but were interrupted by the Revolution in October of that year. The question remained dormant until 1964, when the Central Committee agreed to set up a commission composed of 11 sub-groups in order to draft proposals for reform; these were presented to the Central Committee in November 1965, and finally approved in May 1966, together with a speech made by Rezso Nyers which was to be considered as the bible of the new system; another document defining guiding principles was not made public. The preparatory period would come to an end in January 1968, by which time all the necessary structural changes should be completed. Various ministries were at the moment being reorganized: this involved the dismissal of personnel (40% of the employees at the Ministry of External Trade, and 20% at the Post Office).

6. Mr. STUTTARD expressed the view that there would be a rather long transitional period after the 1st January, 1968 until the real implementation of the reforms could take place.

7. Mr. NELSON shared this opinion, and added that while 1½ years had been spent discussing the reforms and another 1½ years preparing their implementation, 3 years would be necessary in order to carry them out. Some aspects of the programme would not be fully operational even after three years; in particular the Government had stated that rational rents would be gradually introduced during a period covering two five-year plans.

8. Mr. ROCA drew attention to three institutions set up over the last few months as part of the preparatory measures for the application of this programme.

- A National Marketing Bureau had been created in March 1967 with the whole economy under its jurisdiction. Its principal function will be to collate the price of goods and their possible outlets and to organize publicity for national products.

It will establish market study programmes spread over one to five years, which will allow it to indicate to interested enterprises how far their products are saleable in their present form. Foreign firms will be able to apply to this institution for information on export possibilities. The nominative director, Mr. Laszlo Szabo, had said during a press conference that the bureau would start its activities at the end of the year.

- The office for the organization of the sale of the goods of co-operatives will play a very similar rôle as far as agricultural products are concerned. It will also be responsible for trying to harmonise the sale of products stemming from production co-operatives and from private plots, in order particularly to ease food supplies for the capital.

- It should not be forgotten that a planning office, which already exists in an embryonic state, will also be set up very shortly, charged with the task of informing producers about international markets, and directing their activities towards the most advantageous sectors for the Hungarian economy.

9. The CHAIRMAN noted a certain divergence in views between Mr. Nelson and the British note, insofar as the effect of the reforms carried out between 1957 and 1964 were concerned. While Mr. Nelson seemed to consider that very little had been done in this respect before 1964, paragraph 8 of the note enumerated a certain number of measures introduced over this period, which were seemingly important.

10. Mr. STUTTARD would subscribe to the view expressed by Mr. Nelson that, although the reforms had been considered for some years, a definite date for starting their implementation had been laid down only 18 months ago. He hoped that the drafting of the United Kingdom report did not create a misleading impression in this respect.

11. Mr. NELSON stressed that the measures introduced between 1957 and 1964 had not been conceived as part of a comprehensive programme, but were piecemeal attempts at solving specific problems.

12. Commenting on Mr. Roca's remarks he added that, in the light of the information now available, the National Marketing Bureau intended to study the Hungarian market for products of the other members of COMECON rather than to serve as an instrument for increasing the sales of Western enterprises. As regards the new organization designed to improve the marketing possibilities of collective farms, it seemed to be essentially a domestic body. He added that, some weeks ago, twelve new enterprises had been authorised to export and import on their own. This should be one of the more important aspects of the programme from the point of view of Western contacts with Hungarian producers.

13. Mr. GRANIER noted that paragraph 8 of the United Kingdom note seemed to postulate the appearance of certain developments in 1957 which were consolidated in 1954 and during the years 1966-1967. In fact, these were more measures of adaptation super-imposed on a rigid system similar to that in force in other Communist countries, with perhaps a particular "Hungarian" style. The systematic wave of reforms at present noted in the countries of Eastern Europe were, in his opinion, the result of a simultaneous new awareness of the COMECON countries, due to the fact that a first stage in their development had been accomplished. During the first stage of the reconstruction of the economy, a rigid system had seemed more suitable for the establishment of a basic framework; the Communist leaders later realised that the effects of this policy did not correspond to the wishes of the population and then resolved to introduce reforms. He wondered whether this were not an example worthy of study by the underdeveloped countries.

14. Mr. STUTTARD agreed with this explanation and stressed the importance of the effects that the economic reforms once implemented might have on Hungary's relations with other members of COMECON. As regards the enterprises entitled to conduct their foreign trade on their own, he referred to the case of medical equipment firms whose experience in this field since 1965 had proved very successful.

15. The CHAIRMAN then turned to the substance of the reforms and wondered how the shifting of planning responsibilities to enterprises could be reconciled with the overall planning system. He thought that the answer to this question might depend on the part to be played by the financing bodies, in particular by the banks. He asked where the banks would obtain the necessary funds.

16. Mr. NELSON said that the State was still in charge of planning as such, with emphasis laid on five or ten year plans. The enterprises would be allowed to make many decisions but within a framework provided by central planning. The increase of production would not be limited, but if enterprises could not sell what they produced, they would be unable to pay bonuses; this meant that economic considerations would prevail. As for financing, applications for credit would require the Government's approval; any new major investment would be indicated in the five-year plan. For the credit policy, the banks would use funds from the State budget as well as their own funds constituted by deposits from enterprises and individuals.

17. With respect to the last sentence in paragraph 3 of the United Kingdom note, he pointed out that, new developments having occurred since the paper was drafted, a more definite statement should be made: the implementation of the programme could now be considered an operation to which the Government was fully committed.

18. Mr. STUTTARD agreed that several drafting corrections should be made to the paper in the light of recent developments. For instance, in paragraph 11, long-term plans should be considered as fifteen year ones and he suggested that the words "ten and" should be deleted.

19. The BELGIAN Representative stressed that it was necessary to examine the political and social aims behind the decisions which had been taken, rather than the factors now borrowed from the Western system, such as those taken from our technology. The reforms, which were at present in a very preliminary state, seemed to be of particular interest from a social point of view. In this respect, after a first stage where the aim was to allow everyone to live in certain conditions he thought that it was possible to distinguish a second phase, characterised by a wider salary range and where the idea of profit was considered as an essential criterion; the distinction between three price categories (free prices, variable and fixed prices) would seem to indicate a rapprochement with the existing situation in the Western countries. He therefore asked himself a number of questions: could factories be closed down, and if so, how far would the retraining of labour be the responsibility of the State? Would profit be a decisive factor in the choice of new investments, and how far would social aims prevail over political aims of economic power? Would labour be required to share any decision-making within the enterprise, and where would the limits of the right to work be fixed? Lastly, could the range of free prices be extended as the wealth of the country increased?

20. Mr. ROCA thought that, if it was difficult to dissociate the political from the social aspects, the tendency which had led the Hungarian government to adopt such reforms, and even certain principles from the capitalist economy, had above all been engendered by economic reasons in an international context: the Hungarian leaders had realized that they did not possess the means to adapt to circumstances of international competition. He stressed Hungary's efforts over the last few years to re-establish the trade balance vis-a-vis both the Communist countries and the Western countries.

21. The GERMAN REPRESENTATIVE drew attention to the footnote (1) to paragraph 14 of the United Kingdom document; for his part, he thought that the majority of prices would come into the first category, that of state-fixed prices. It would seem that consumer goods with free prices would be exclusively luxury products.

22. Mr. NELSON agreed with this view but remarked that the breakdown in footnote (1) to paragraph 14 had been taken from a speech made to the Central Committee which referred only to consumer prices.

23. With regard to the questions raised by the Belgian Representative, Mr. NELSON said that the decision to undertake the reform programme had not been an easy one because of its unpredictable effects. After Czechoslovakia and the Soviet zone of Germany, Hungary was the first country to reach a stage where quantitative planning was no longer adequate. The reforms might have a far-reaching impact and might represent a step away from the political monopoly of the party. The programme adopted was more radical than the one which was now being implemented in Czechoslovakia. But the Hungarian leadership looked with horror at the political consequences of the reforms in Yugoslavia.

24. Referring to the dichotomy noted between the amount of liberty left to enterprises and the directives of the plan, Mr. GRANIER pointed out that obligatory overall directives were shown in the third Five-Year Investment Plan.

25. He added that financial considerations must also be remembered in explaining the adoption of the reforms. Towards 1960, all the Western countries moved from bilateral relations with the Eastern countries, characterised by barter agreements, to a régime based on convertible currency; this explained the hunger for credits of the nations of Eastern Europe.

26. The FRENCH Representative indicated that on the 20th April last the first National Congress of agricultural co-operatives had been held. This Congress had proposed the adoption of new legislation to allow the regrouping of co-operatives and the application of methods now used in industry, considering that over the last ten years, industry had been favoured to the detriment of agriculture.

27. A Council for credit policy had also been created, and the plan was that capital intended for investment should come from subsidies granted by the state budget, from loans and from enterprise investment funds. Long-term credits would be allowed for investment, and middle term credits for services and trading operations. Enterprises would have to find their funds from banks, and if they were not able to reimburse their debts, they would perforce have to submit to re-organization.

28. The CHAIRMAN retained from this exchange of views the impression that on the one hand, these reforms were relatively daring and that the government had the steadfast intention to apply them, and on the other hand, that they would give the Hungarian economy a mixed character. The margin for action left to enterprises was very limited, which allowed authorities to see that the main lines of the plan were respected and thus to avoid the shocks experienced by the Yugoslavianeconomy.

29. He asked the experts to give further details of the reforms planned for agriculture, since paragraph 18 of the United Kingdom note only dealt summarily with this point.

30. Mr. STUTTARD had nothing to add to the information supplied by the French Representative. The reforms as envisaged seemed primarily concerned with industry, but more attention should be paid to agriculture in the near future.

31. Mr. NELSON pointed out that the Congress of Co-operative Farms held in April had approved the Central Committee's Resolution with respect to agriculture, and had proposed two new laws which were now being drafted and would soon be submitted to

the Parliament. They were more specifically concerned with changing the basic law of co-operative farms in order to permit them to acquire land owned by absentees and to abolish the ability of non-members to inherit land. They also aimed at eliminating any discrimination between farm members and at giving more independence for market arrangements to the collective farms. According to a press report, out of 660,000 members of co-operative farms only 15-20% received more than the minimum level of subsistence. The tide of emigration to the cities had slackened a little but there was still a difference in the standard of living between town and country, and agricultural productivity was suffering because the average age of members of collective farms was fifty-five and even sixty-three in the so-called weak farms. Partly in anticipation of the effects of industrial reforms, there had been many new applications from industrial workers for membership of co-operatives, but only to relatively well off farms situated in the vicinity of the cities. Agriculture was supposed to apply the same methods as industry under the reform programme, but the probable results appeared more uncertain.

32. Mr. STUTTARD added that farms had been given more freedom than before in planning, but obligatory targets had been set for bread-grain production. He believed that higher prices had been fixed for farm products, although they were still too low. Revaluation of the assets of the collective farms had taken place in December 1966 and some of their debts had been cancelled; changes had also been introduced in the conditions required for obtaining bank credits.

33. The NETHERLANDS Representative wondered whether a note of criticism should not be introduced in the report as regards agricultural production. Despite the fact that agriculture had absorbed almost one fifth of all investment during the last five year period, it appeared that production as shown in Table I of AC/89-WP/216 had decreased in 1965.

34. Mr. STUTTARD replied that, although gross agricultural production had declined in 1965, the 1966 figure (114 on the basis of 1960 = 100) was the highest ever obtained.

35. Mr. NELSON said that the 1965 crop had been affected by drought but, generally, agriculture had been disappointing in its performances during the second five year plan period. A large share of agricultural investment had been allocated to the basic building facilities necessary for replacing the old ones in collective farms; this replacement had now been completed and new investment would be more productive.

36. Mr. NELSON said a few words on the key rôle played by private plots in Hungarian agriculture. 85% of the country's arable lands were cultivated by co-operative farms, 10% by state farms, and 5% by private owners, this proportion being

raised to 15% if household plots within the co-operative farms were taken into consideration; private farming accounted for 25% of the total agricultural production. Some steps had recently been taken to recognise their rôle, in particular the plan for 1966 included credits allocated to private plots in order to improve their production.

37. Mr. STUTTARD indicated the budget figures for defence expenditure which had not been given in the United Kingdom note. Defence spending was to increase from 5,219 million forints in 1966 (which represented 5.5% of the total budget expenditure) to 5,437 million forints in 1967 (5.2% of the total). He could not say to what extent Soviet deliveries of military goods were paid for by Hungary; Mr. NELSON added that the Hungarian population believed that they had to pay heavily for the Russian troops stationed in the country as well as for the Soviet equipment.

38. Mr. GRANIER pointed out that, if military expenditure as such estimated in the Hungarian budget for 1967 was 5,437 forints, or 5.2% of the total, expenditure for the police and justice represented 4,043 million forints, or 4.9% of the total.

39. The CHAIRMAN noted that, in the case of Hungary as in that of other Communist countries, it was difficult to know the real level of defence expenditure figuring in budgetary categories other than that of the official defence budget.

II. EXTERNAL ECONOMIC RELATIONS

40. Mr. NELSON raised a point of methodology in connection with paragraph 36 of the United Kingdom note; while other tables attached to the paper were based on Hungarian statistics and showed figures converted into dollars at an exchange rate of 11.74, the figures in Table 14 were based on Western statistics; the comparison revealed basic discrepancies as the 11.74 exchange rate was very unrealistic. He suggested that the tourist rate of exchange (23.8 forints for \$1) should be applied in interpreting Hungarian statistics.

41. Referring to paragraph 38, he indicated the following figures for trade with China in 1966 which were now again available: exports to China = 183.3 million forints; imports from China = 190.7 million forints. Despite a slight increase over 1965, trade with China represented only 1% of total Hungarian trade, which was considerably less than in 1960, 1961 and 1962. Hungary obtained in 1966 a favourable overall balance of payments for the first time in many years.

42. Mr. NELSON then turned to the views expressed in paragraphs 7 and 50 of the United Kingdom note as regards the drive for more trade with the West. He saw no commitments or expressed intention on the part of the Hungarian government to restructure foreign trade by means of these reforms; they rather sought to

change the composition of this trade by reducing the proportion of agricultural products and increasing the percentage of high value industrial products. Should the reforms lead to Hungarian exports becoming more competitive in Western markets, however, the country's dependence on Eastern Europe would be reduced.

43. The CHAIRMAN remarked that paragraph 19 of the United Kingdom note contained a description of measures which might facilitate foreign trade especially with the Western countries. As regards foreign exchange, he asked whether the last but one sentence meant that a kind of devaluation was envisaged.

44. Mr. STUTTARD thought that this might well be the case, while Mr. NELSON stated that the Hungarians denied that they were contemplating a devaluation at this stage. However, suggestions had been made for an adjustment of the tourist exchange rate and for a new uniform conversion rate for trade with all countries. At the present time many rates were being used and the calculations to be made by the enterprises for each transaction were extremely complicated.

45. The FRENCH Representative asked whether the same rate was applied for imports and exports. As far as the preferential treatment mentioned in paragraph 19 of the United Kingdom note was concerned, it would seem that exporters would now be able to allot a fraction of the money coming from their sales to financing the imports they required.

46. Mr. NELSON said that Hungary had had so many regulations applying to foreign trade that the situation was very confusing; different rates were used for various products and even for similar products according to the country concerned. He could not state firmly whether or not different conversion rates were used for imports and exports, but this might well be the case. He thought that the description given in paragraph 19 of AC/89-WP/216 was the official one; in fact the "preferential treatment" probably amounted to allowing enterprises the possibilities mentioned by the French Representative.

47. The CHAIRMAN recalled that there had been discussion in the Sub-Committee on the importance which should be given to customs tariffs in the Communist countries. It would seem that, in the framework of the new system, they were acquiring a real importance in Hungary, and that from now on, the eventual participation of this country in an international organization such as GATT, which had formerly seemed a purely theoretical possibility, might be really feasible.

48. Mr. NELSON agreed that up to now customs tariffs had not represented a significant factor in the direction of Hungarian foreign trade, but, as most favoured nation treatment was not given between Hungary and the United States, the Hungarians applied

the higher of their two-column tariff to imports from the United States, as did the United States to imports from Hungary. At present the tariff in Hungary was paid by the foreign exchange fund of the importing enterprise; under the reform programme the two-column tariff would be maintained, but the burden of the tariff was to be passed on to the users. He thought there were plans to introduce preferential tariffs on imports from COMECON countries. If this were done all Western countries would be at a disadvantage compared with these countries. There would, in fact, be a three-column tariff; one tariff for imports from COMECON countries, a higher one for imports from Western countries which were according most favoured nation treatment to Hungary, and a still higher one for those countries who did not accord such treatment to Hungary. The importance of tariffs was diminished by the fact that they could in all cases be waived.

49. Mr. GRANIER wondered whether the changes made in customs tariffs in a country like Hungary were caused by internal economic reasons bound up with the reforms, or by political motives of discrimination towards some trading partners.

50. Mr. NELSON agreed that, at the present time, customs tariffs were solely used as a bargaining asset towards trade partners, but their rôle would become more important as a means of protecting national industry and influencing the economic choices of the enterprises.

51. Mr. GRANIER wondered whether payment of the customs tariff by the final user would have to be effected in the currency of the country from which the goods came, or, on the contrary, following the practice usual in Western countries, paid in the national currency of the country levying the tax.

52. Replying to a question by Mr. Roca, Mr. NELSON said that most Western European countries had extended to Hungary most favoured nation treatment concerning tariffs although they maintained certain quantitative restrictions. Present legislation prevented the United States from according most favoured nation tariff treatment to Hungary, but this would become possible if Congress adopted the new East/West Trade Bill proposed by the Administration. He added that there was no evidence of the Hungarian leaders intending to re-structure their foreign trade in favour of the West and to the detriment of the East. A few weeks ago, the Deputy Foreign Minister had said, with respect to the Hungarian application to GATT, that six years would be necessary to move from an observer's status to full membership. He thought that the reform programme was basically a domestic one and would only be of limited significance for the development of Western trade.

53. Concerning Hungary's attitude towards GATT and the European Economic Community, Mr. GRANIER thought that she was aiming less at establishing relations with these bodies than at obtaining concessions from their member countries. Mistrust of the protective measures of the agricultural Common Market was always present in peoples' minds.

54. Mr. ROGA wondered whether the introduction of this double column customs tariff would not logically bring about sooner or later the disappearance of the many exchange rates for purchases made in Western countries.

55. With respect to the feelings of some Communist countries towards their Hungarian brethren, the CHAIRMAN drew attention to the fact that in its issue of the 5th February 1967, the Polish economic weekly "Zycie Gospodarcze" stated among other things that:

- in 1964, Hungary's trade deficit had been almost 3% of the national income produced;
- the situation had been eased for the Hungarians by a moratorium on debts with COMECON countries which enables the Hungarians to continue to live on credits;
- national income distributed was higher than national income produced because of increased imports;
- when the day of payment would come, at whose expense would these obligations be liquidated?

And the paper concluded that the answer would be the outcome of the economic reforms.

56. Mr. NELSON drew attention to the mention made in the "Neue Zureher Zeitung" in April of the Soviet Union having offered a moratorium to Hungary. He added that an Hungarian official had commented on this piece of information by saying simply: "journalistic wishful thinking". Obviously, the Hungarians were under pressure on the part of their communist brethren who were demanding repayment.

57. As far as the present state of relations between Hungary and COMECON were concerned, Mr. GRANIER said that according to information received from Budapest, which might or might not be exact, the plan for the period 1966/1970 was the first to have been defined in a concerted way in COMECON in the framework of the division of labour within the Socialist camp.

58. Mr. STUTTARD and Mr. NELSON disputed the truth of this statement, considering that the third 5-Year Plan had been devised by the Hungarians alone without recourse to close consultations.

59. Mr. STUTTARD added that, on the other hand, although COMECON did not function as originally planned by the Soviet Union, it quite obviously did function. Hungary remained a faithful member of this organization. In recent years Hungarian industry had specialized in pharmaceutical production, radio-engineering, and general engineering. He gave some specific examples of its specialization on a bilateral or multilateral basis: vehicles

manufacturing, instruments manufacturing (optical equipment), medical equipment, plant protection machinery, rubber industry; he recalled that Hungary was a member of INTERMETAL, a kind of steel community sponsored by COMECON with its headquarters in Budapest; he also mentioned joint enterprises with Bulgaria and the bauxite agreement with the Soviet Union. Hungary was now the main supplier to COMECON countries of micro-wave and transmission equipment.

60. The CHAIRMAN asked if the list of co-operative projects given in the United Kingdom note was still valid.

61. Mr. ROCA indicated that the Hungarians, in their co-operative projects with France, saw the means of introducing a diversifying element into their exchanges with foreign countries, but that concrete realisations were preceded by long and laborious negotiations. He mentioned co-operation between France, the Federal Republic and Hungary for the production of diesel engines for lorries and buses under license from MAN, and pointed out that a co-operative agreement had been signed last January between Hungary and Italy.

62. Mr. NELSON said that there were no examples of United States' firms entering into co-operative projects of this type with Hungarian firms. It would be a very slow process to find areas of mutual interest and also to agree on terms acceptable to both parties. He drew attention to the long-term problem of what would happen to a factory built in co-operation after the expiry of the contract.

III CONCLUSIONS

63. The members of the Sub-Committee were in agreement in considering that, if the conclusions formulated in the last report to the Council (C-M(65)57) remained valid on the whole, they ought to be adjusted on certain points, to take account of recent developments and future prospects as they can be discerned at present.

64. The CHAIRMAN thanked the participants in the meeting, particularly the United Kingdom Delegation for the note submitted. As in previous meetings, it was decided that the Economic Directorate would prepare a summary record of the meeting, as well as a synthesised report of all available information for the use of the Committee of Economic Advisers and perhaps of the Council.