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NORTH ATLANTIC COUNCIL

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REPORT BY THE SECRETARY GENERAL OF PROGRESS

DURING THE PERIOD

1ST JANUARY TO 30TH JUNE, 1967

OTAN/NATO,
Brussels, 39.

NATO SECRET

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REPORT BY THE SECRETARY GENERAL

1. The present report covers the period from 1st January to 30th June, 1967.

I. THE COUNCIL

(a) Change among Permanent Representatives

2. In May 1967, Mr. Ross Campbell succeeded Mr. C.S.A. Ritchie as Permanent Representative of Canada.

(b) Spring Ministerial Meeting

3. The Spring Ministerial Meeting of the NATO Council was held in Luxembourg on 13th and 14th June, 1967.

4. Ministers took note of the high degree of instability and uncertainty still existing in the world. The Council once again affirmed that the cohesion of its members remains essential for their own security and for the maintenance of peace.

5. Ministers held an exchange of views on the Middle East situation. They noted with satisfaction that a cease-fire had now taken place and stressed the urgency of humanitarian efforts to alleviate the sufferings caused by the war. Member governments expressed their determination to support all efforts to establish a lasting peace in this area and resolve the outstanding problems in a spirit of equity and in accordance with the legitimate interests of all concerned.

6. With a view to improving relations and lowering tensions in Europe, governments have continued their declared policy of seeking to develop contacts and mutually advantageous exchanges with the countries of Eastern Europe. These efforts have not always met with success. The Council therefore recorded its view that the détente should be extended for the benefit of all members of the Alliance. Ministers agreed to continue close consultation on the ways in which the policies of member countries can contribute to improved East/West relations. The Special Group on Future Tasks of the Alliance was asked to make a thorough study of these and related questions.

7. Ministers again emphasised that the peaceful settlement of the German question on the basis of the free expression of political will by the German people was an essential factor for a just and lasting peaceful order in Europe. Ministers welcomed the efforts by the Federal Government to increase human, economic and cultural contacts between both parts of Germany. On Berlin, Ministers agreed that the question of ensuring the viability of that city requires special attention. They confirmed the Declaration of the Council of 16th December, 1958.

8. Ministers expressed their concern to see progress made in the field of disarmament and arms control. If conditions permit, a balanced reduction of forces by the East and West could be a significant step toward security in Europe. A contribution on the part of the Soviet Union and the Eastern European countries towards a reduction of forces would be welcomed.

9. Regarding Greek-Turkish relations, Ministers noted the Secretary General's report on his "Watching Brief" and invited him to continue his activities in this sphere. They expressed the hope that Greece and Turkey would resume their discussions on the Cyprus question and on Greek-Turkish relations and that these would rapidly produce positive results.

10. Ministers took note of an interim report on the studies being undertaken on the Future Tasks of the Alliance.

11. Ministers examined a report on the ways and means of reducing disparities in the technological development of different countries. The Permanent Representatives have been invited to keep under review the specific rôle which the Alliance can play in the field of technology and to report their findings to the next Ministerial Meeting.

12. The next Ministerial Meeting of the Council will be held in Brussels in December 1967.

(c) Council participation in NATO Exercises

13. In my previous reports I noted that the Council's Exercise Working Group had submitted a detailed report on the Council's participation in Exercise FALLEX 66. Deficiencies which appeared during this Exercise were noted, and those of significance were related to:

- (a) the NATO alert system;
- (b) NATO communications limitations;
- (c) warning of attack procedures;
- (d) dissemination of adequate intelligence, information and other data to the Council.

14. It was also noted that Council participation in FALLEX brought out the fact that exercises of this type could not, in the light of restrictions imposed by pre-planned and pre-timed incidents essential for military play, provide the flexibility necessary to permit the exercising of procedures for consultation within the forum of the North Atlantic Council.

15. The Exercise Working Group was requested to examine these aspects and concluded that the needs of the Council could only be met, particularly in regard to the need for "free play" and lengthier time available for discussions and consultation, by the establishment of a series of "high-level" exercises primarily designed to meet Council needs for consultation and decision-making. It was subsequently agreed that preparations would be initiated to permit the conduct of such exercises in three stages:

- (a) the Working Group would initiate a preparatory stage developing a scenario for a preliminary study exercise;
- (b) this would be followed by a simple "study exercise" to be conducted at the level of Deputy Permanent Representatives;
- (c) successive full-scale high-level exercises would be developing in which the Council, the Military Committee, NATO Governments or national authorities and Major NATO Commanders would participate.

Detailed preparation on the initial stage has commenced.

16. In conclusion, it should be noted that participation in FALLEX 66, in addition to establishing the requirement for the developing of exercises more closely related to the Council's needs, provided an excellent opportunity to assess the mechanics of operation of the Council Situation Room. Lessons in this respect have been examined and improvements, both in regard to facilities and equipment and to the provision of staff, are being provided for in the new Situation Centre/Communications Centre complex at Brussels.

II. ACTIVITIES OF THE SECRETARY GENERAL AND THE DEPUTY SECRETARY GENERAL

(a) Visits to and meetings in member countries

17. On 2nd and 3rd March, the Secretary General visited Chancellor Kiesinger and the members of the new Government of the Federal Republic in Bonn.

18. On 6th and 7th April, the Secretary General went to Washington for a meeting of the Nuclear Planning Group. During this visit, he discussed current problems with Mr. Dean Rusk and the Chairman of the Military Committee, General de Cumont. He went on to Ottawa to meet the Canadian Secretary of State for External Affairs, Mr. Paul Martin.

19. The Deputy Secretary General, Mr. James A. Roberts, went to London on 2nd and 3rd March to attend the discussions between the United Kingdom Authorities and the Maltese Representatives on the settlement of the problems arising from Maltese independence. On 27th and 28th April, Mr. Roberts went to Washington for a working session with the Military Committee. From 1st to 6th May, he visited Monterey, California, in response to an invitation from the State Department to attend a "Defence Management Systems Course". Mr. Roberts has also paid several visits to Brussels to confer with the Belgian Authorities on problems connected with the relocation of NATO Headquarters and to ensure that the construction of the Brussels buildings is proceeding satisfactorily.

(b) Visits to NATO

20. The Secretary General has received several journalists from the World Press. He has also welcomed a large number of visitors, among them the Canadian Defence College - a group from Hainaut - a group of Italian students - a group of Italian Reserve Officers - a group of United Kingdom Parliamentarians - a group of Italian Trade Union Federation Representatives (CISL - UIL) - a group from the Italian Senior Staff College - a group of Danish Parliamentarians.

(c) Speeches by the Secretary General

21. Speech at the Imperial Defence College, London, on 20th February. Speeches at Wilton Park on 12th May. Closing address at the Defence College, Rome, on 23rd June.

(d) Inaugural ceremonies following the relocation of NATO to Belgium

22. On 18th January, the Secretary General delivered an address inaugurating the new Headquarters of the Defence College in Rome. On 20th March, he inaugurated the construction works for NATO's new Headquarters at Brussels. On 30th March, the Deputy Secretary General attended the farewell ceremony at Rocquencourt for the Supreme Headquarters, Allied Forces Europe, and on the next day, 31st March, the Secretary General went to Casteau, Belgium, for the inauguration of SHAPE's new Headquarters. On 1st June, he travelled to Brunssum, in the Netherlands, for the opening of the new Headquarters of Allied Forces Central Europe (AFCENT).

(e) Commemoration ceremonies

23. Mr. James A. Roberts represented the Secretary General at the State funeral of Marshal Alphonse-Pierre Juin, on 1st February. On 25th April, the Secretary General went to Cologne for the State funeral of the former Chancellor of the Federal Republic, Konrad Adenauer. On 8th May, he attended the Liberation Day ceremony at the Etoile in Paris.

III. THE INTERNATIONAL STAFF

(a) Establishment

24. At 30th June, 1967, there were 902 members of the Staff. The table at Annex I gives the breakdown of personnel by grade and by nationality at that date.

(b) Emoluments and conditions of employment

(i) Emoluments

25. During this half-year under the procedure for the annual adjustment of remuneration for staff of the Co-ordinated Organizations, the cost-of-living allowances representing percentages varying according to the country concerned were granted, with effect from 1st January, 1967(1), in all the countries in which NATO bodies are located, with the exceptions of Italy and Malta.

26. As regards staff serving in France, the approved cost-of-living allowance represented 6% which, taking into account the exceptional 2% allowance granted on 1st January, 1966 "subject to the stipulation that it should be absorbed in the cost-of-living allowance possibly to be granted in the framework on the 1966 annual review", is equivalent to a 4% increase as from 1st January, 1967.

27. Owing to the relocation in Belgium of SHAPE and subsequently of the International Staff, a special overall review was carried out of the salary scales in force in Belgium. In its 44th Report dated 15th February, 1967 (CCG(67)2), the Co-ordinating Committee recommended and the NATO Council adopted, exceptionally and provisionally, new salary scales with effect from 1st January, 1967(2).

28. Lastly, the Co-ordinating Committee's recommendations concerning revised daily subsistence allowances were approved by the Council with effect from 1st May, 1967(3).

(1) C-R(67)14 of 31st March, 1967

(2) C-R(67)9 of 1st March, 1967

(3) RDC(67)171 of 24th May, 1967

(ii) Establishment of certain NATO bodies in Belgium

1. Contracts

29. The necessary steps were taken at the end of April and during May to bring the contracts of all members of the International Staff to an end on 31st October, 1967 while ensuring that the periods of notice stipulated in the contracts were duly given.

30. At the same time, new contracts were offered to those members of the staff whose services the Organization wished to retain, allowing them one month in which to reply.

2. Special financial measures

31. In order to enable the staff members to solve the various problems with which they are faced on account of the Organization's move to Brussels, a number of special measures have been taken, on the one hand to assist the staff who will be following the Organization to Belgium, including, in particular, relaxation of the conditions governing payment of the installation allowance (ON(67)33 of 29th June, 1967) and suspension of the rules relating to the repayment of housing loans for a maximum period of one year, and, on the other hand, to assist the staff members who will be leaving the Organization, in particular, by authorising them to apply, no earlier than three months prior to their departure, for payment of one-third of the amounts standing to their individual accounts with the Provident Fund.

(iii) Conditions of employment

32. The Joint Consultative Board whose task it is to provide a means of consultation between NATO-wide Administrations and staff on questions of common interest, held a meeting on 18th and 19th May, 1967, which was devoted to the questions raised by the relocation of certain NATO bodies outside France, special attention being given to the conditions governing payment of the indemnity for loss of job and the institution of a special allowance to assist staff members separated from their families as a result of their relocation.

(c) Construction of the Temporary Headquarters at Brussels

33. The first stone of the Temporary Headquarters at Brussels was laid on 20th March. The building is planned to be ready by the end of September so that the International Staff will be able to move in during October.

IV. THE MILITARY ORGANIZATION - CHANGES IN APPOINTMENT(a) Military Committee in Chiefs of Staff Session

34. Vice Admiral Spyros Avgheris, Royal Hellenic Navy, succeeded Lieutenant General Constantine Tsolakas, Hellenic Army, as the Hellenic Representative to the Military Committee in Chiefs of Staff Session.

35. Colonel Robert Winter succeeded Colonel Oscar Heldenstein as the Luxembourg Representative to the Military Committee in Chiefs of Staff Session.

(b) International Military Staff

36. On 10th February, 1967, the new organization of the International Military Staff was implemented and Lieutenant General Ezio Pistotti, Italian Army, became the first Director of the International Military Staff.

(c) NATO Commanders

37. On 7th January, 1967, General G. Vedovato, Italian Army, replaced General U. de Martino, Italian Army, as Commander Allied Land Forces Southern Europe.

38. On 14th January, 1967, Rear Admiral Frank B. Stone, United States Navy, replaced Rear Admiral Ralph Weymouth, United States Navy, as Island Commander Iceland.

39. On 7th February, 1967, Rear Admiral V.C. Lambert, United States Navy, replaced Rear Admiral H.P. Lanham, United States Navy, as Commander Carrier Striking Force/Commander Carrier Striking Group One.

40. On 8th February, 1967, General Sir Kenneth Darling, KCB, CBE, DSO, British Army, replaced General Sir Robert Bray, GBE, KCB, DSO, ADC, British Army, as Commander-in-Chief Allied Forces Northern Europe.

41. On 9th February, 1967, Air Vice Marshal, J.H. Lapsley, CB, OBE, DFC, AFC, Royal Air Force, replaced Air Vice Marshal J. Barraclough, OBE, DFC, AFC, Royal Air Force, as Commander Maritime Air Plymouth Sub-Area Channel/Maritime Air Commander Central Sub-Area.

42. On 28th March, 1967, Rear Admiral L.D. Empson, Royal Navy, replaced Rear Admiral W.D. O'Brien, DSC, Royal Navy, as Commander Carrier Striking Group Two.

43. On 30th March, 1967, Vice Admiral C. Egolfopoulos, Royal Hellenic Navy, replaced Vice Admiral S. Avgheris, Royal Hellenic Navy, as Commander Eastern Mediterranean Area.

44. On 4th April, 1967, Vice Admiral W.I. Martin, United States Navy, replaced Vice Admiral F.L. Ashworth, United States Navy, as Commander Naval Striking and Support Forces Southern Europe.

45. On 24th April, 1967, Rear Admiral I. Dedes, Royal Hellenic Navy, replaced Vice Admiral C. Egolfopoulos, Royal Hellenic Navy, as Commander Eastern Mediterranean Area.

46. On 10th May, 1967, General J.H. Polk, United States Army, replaced General A.P. O'Meara, United States Army, as Commander Central Army Group Central Europe.

47. On 19th May, 1967, Vice Admiral Charles K. Duncan, United States Navy, replaced Vice Admiral Bernard A. Clarey, United States Navy, as Commander Striking Fleet Atlantic.

48. On 29th May, 1967, Lieutenant General U. Centofanti, Italian Army, replaced General G. Vedovato, Italian Army, as Commander Allied Land Forces Southern Europe.

49. On 5th June, 1967, the Headquarters Allied Forces Mediterranean was deactivated and the Headquarters Allied Naval Command Southern Europe was activated. Admiral L. Sotgiu, Italian Navy, was appointed the first Commander Allied Naval Forces Southern Europe and replaced Admiral Sir John Hamilton, Royal Navy, who relinquished the appointment as Commander-in-Chief Allied Forces Mediterranean.

50. On 7th June, 1967, Rear Admiral D.L. Davenport, Royal Navy, replaced Commodore D.B.N. Mellis, Royal Navy, as Commander Southeast Mediterranean Area.

51. On 17th June, 1967, Admiral E.P. Holmes, United States Navy, replaced Admiral T.H. Moorer, United States Navy, as Supreme Allied Commander Atlantic and Commander-in-Chief Western Atlantic Area.

V. POLITICAL CO-OPERATION

(a) Reports to the Council on international contacts

52. As in the previous six months, a considerable number of reports were made to the Council on international contacts.

53. On 11th January, 1967, the Turkish Delegation reported on a visit of Prime Minister Kosygin to Turkey; on 17th January, the Council heard a report on the visit of the Prime Minister of Denmark, Mr. Krag, to Poland on 3rd to 7th January; on 1st February, the Council was briefed on a visit of the Minister of Defence of Belgium to Poland, the visit of President Podgorny to Italy, and the talks of the Foreign Minister of the Netherlands, Mr. Luns, in Rumania. On 15th February, the United Kingdom Delegation reported on the visit of Soviet Prime Minister Kosygin to London.

54. On 7th March, the Council, following a statement by the United Kingdom Delegation on the visit of the Foreign Minister of Poland, Mr. Rapacki, to London, reviewed various aspects of a European Security Conference. On 4th April, the Turkish Delegation reported on the visit of the Foreign Minister, Mr. Caglayangil, to Yugoslavia.

55. On 24th May, the Italian Representative briefed the Council on the visit of Foreign Minister, Mr. Fanfani, to Moscow, which report was followed on 31st May by a United Kingdom statement on the Foreign Secretary's visit to the same capital. On the same day, the Council heard a report from the Canadian Delegation on the talks of President Novotny and Foreign Minister David of Czechoslovakia with the Canadian Secretary of State for External Relations in Ottawa.

56. Finally, on 28th June, the Council was briefed on the meetings of President Johnson and Prime Minister Kosygin at Glassboro.

(b) East/West relations - Political consultation in NATO

57. Most of the subjects discussed in these international contacts concerned East/West relations. Accordingly, these relations were the main issue in the discussions which usually followed the reports made to the Council. Thus, the United Kingdom Declaration on Europe (Code of Behaviour), which had already been the subject of a provisional report by the United Kingdom Delegation on 27th January, 1967, was again discussed by the Council on 7th March. On the same occasion, reference was made to a suggested Treaty of Friendship and Co-operation between the United Kingdom and the Soviet Union. There was a full discussion on various aspects of such a Treaty and on the need for full and timely consultation on this as on other problems. The Council decided that this question be kept on its Agenda. On 15th March, the Council continued its discussion on this subject and requested the Secretariat to draw up an inventory of bilateral treaties and agreements concluded or projected by member nations of the Alliance with the Soviet Union and the countries of the Eastern bloc. On 12th and 20th April, this subject was again referred to.

58. On 10th May, the German Representative made a statement on Pankow's reaction to the proposals of the German Federal Republic with regard to the improvements of relations between the two parts of Germany. On 17th May, following observations made by the Greek Delegation on 22nd March, the Council examined Communist attitudes towards East/West relations in the light of recent developments, such as the series of bilateral defence treaties signed recently by Warsaw Pact members, the Declaration of Karlovy Vary, and various bilateral contacts. In this context, the Belgian Delegation reported to the Council on the visits of Foreign Minister M. Harmel to Hungary and Czechoslovakia.

59. On 22nd February, the Council heard a statement by the Representative of Denmark asking the Council to review, as an urgent matter, the system of the Temporary Travel Documents for residents of the Soviet Zone of Germany who wish to visit NATO countries. The Council, after discussion, agreed that this question should first be studied in the Committee of Political Advisers.

(c) Disarmament and related issues

60. The Council received periodic written reports on the meetings of the Geneva conference. On various occasions, Ambassador Foster (United States), General Burns (Canada) and Lord Chalfont (United Kingdom) attended the Council and took part in discussions, particularly on the subject of non-proliferation. To this subject, indeed, the Council devoted much time and attention. On 17th January, on 1st, 8th, 16th and 20th February, on 4th, 12th, 14th and 20th April, and on 5th, 10th and 17th May, the Council examined various aspects of the draft treaty and its implications for the Alliance as a whole and its member countries individually.

61. On 15th March, the Chairman of the Committee of Political Advisers (Assistant Secretary General for Political Affairs) reported orally to the Council on the discussions which had taken place in the Committee's meeting with Disarmament Experts on 7th to 10th March.

(d) Near East

62. The deteriorating situation in the Near East and the subsequent outbreak of hostilities between Israel and certain Arab countries was the subject of Council consultation on various occasions. A special meeting on 29th June, 1967, called at the request of the United States Delegation, was devoted to a comprehensive review of the situation in the Near East, in the presence of several senior government officials. The Council instructed the Committee of Political Advisers to undertake studies on the arms situation in the Near East and on the relief activities undertaken by member countries.

(e) Far East

63. (i) Vietnam: On 15th March, the United States Permanent Representative reported to the Council on the conclusions of the meeting of United States Ambassadors to the Pacific and East-Asian areas which had taken place a week before and, in this connection, made a short statement on the internal situation in Vietnam.

64. (ii) China: On 17th January, an exchange of views took place on the internal situation in Communist China. At the end of the discussion the Council agreed that the Committee of Political Advisers should study further the situation in China and that if there were further developments they should be referred to the Council for discussion.

65. On 28th June, the United States Delegation made a statement on the recent explosion of a Chinese nuclear device and referred in this context also to the political implications of this explosion.

(f) Council Resolution on the future tasks of the Alliance

66. To implement the Resolution of 16th December, 1966, the Council, after a number of preparatory discussions, met on 15th February in the presence of several Ministers and senior officials from capitals.

67. Subsequently, on 22nd February, the Council decided to constitute a Special Group to "study (a) the development of political events as it affects the purpose of the Alliance and (b) the consequent future tasks of the Alliance".

68. The Special Group met for the first time on 6th March, 1967. On 20th March, it approved a working paper which may be considered as its operating charter for carrying out its studies. This paper divided the studies to be undertaken into four main subjects. Accordingly, to study these subjects, the Special Group created four Sub-Groups which work under the guidance of the following Rapporteurs named by their governments:

East/West relations

Mr. J.H.A. Watson
Assistant Under-Secretary of State
Foreign Office
(United Kingdom)

Mr. K. Schütz,
State Secretary,
Foreign Office
(Germany)

Inter-Allied relations

Mr. Paul-Henri Spaak
Minister of State
(Belgium)

General Defence Policy

Mr. Foy Kohler
Deputy Under-Secretary of State
(United States)

Relations with other countries

Dr. C.L. Patijn
Professor of International Political
Relations
University of Utrecht
(Netherlands)

69. Since their initial meetings on 17th and 18th April, all Sub-Groups have met a number of times and discussed questions of procedure and substance submitted verbally or in writing by the Rapporteurs, their members and the Secretary General.

70. Meanwhile, the Council agreed on 22nd February, 1967 to submit an interim report by the Special Group to the Council in Ministerial Session (C-M(67)33, dated 30th May, 1967).

(g) Other subjects of consultation

71. (i) NATO Parliamentarians' Conference: On 22nd March, the Council discussed various aspects of the Resolutions and Recommendations adopted by the NATO Parliamentarians' Conference.

72. On 7th June, Permanent Representatives discussed the proposal for the conversion of the NATO Parliamentarians' Conference into an "Atlantic Assembly". They agreed that this proposal should be further examined in the Committee of Political Advisers without commitment to any country and that the Chairman should draw up a consolidated documentation for further discussion in the Council.

73. (ii) NATO's relationship with Malta: Various aspects of NATO's relationship with Malta were the subject of consultation during the period under review.

(h) Atlantic Policy Advisory Group

74. The Atlantic Policy Advisory Group met in Greece from 18th to 21st April, 1967. A report (C-M(67)38) was submitted to the Council by the Chairman of the Group (Assistant Secretary General for Political Affairs) on 4th July, 1967. The Group proposed that its next meeting be held in Canada in the autumn of 1967 and suggested as a possible theme for discussion "How and to what extent will changes in the Communist world affect the foreign policies of Communist countries and how should the West react?". The Council noted the Chairman's report and approved the suggested theme for discussion for the Group's next meeting. It also requested the Chairman to communicate this report to the members of all four Sub-Groups of the Special Group on the Future Tasks of the Alliance.

(i) The work of the Committee of Political Advisers

75. The Committee of Political Advisers continued to meet regularly.

76. As in the previous period, the Committee devoted much time and attention to many aspects of East/West relations and developments in the Communist World. Like the Council, the Committee heard several reports on certain international contacts. On 21st March, the Belgian Delegation reported on the visit to Brussels (6th to 10th February) of the Foreign Minister of Rumania, Mr. Manescu, and the Norwegian Delegation on the visit of the Foreign Minister of Bulgaria, Mr. Bachev, to Oslo (27th February to 3rd March).

77. On 5th April, the Committee was briefed on the visits of the Foreign Minister of Bulgaria and the Polish Vice Foreign Minister, Mr. Winievitz, to Denmark. On 19th April, the Italian Representative reported on the official visit to Italy (6th to 8th April) of the Polish President of the Republic, Mr. Ochab. The visit to Belgium of Mr. Nikezic, Yugoslav State Secretary for Foreign Affairs, and of Mr. George Thomson, United Kingdom Minister of State, to Prague, were the subject of a report to the Committee on 9th May. On 18th May, Lord Chalfont's visit to Yugoslavia was reported, while, finally, on 20th June, the Committee was briefed on the visit of the Foreign Minister of Turkey to Rumania, and, subsequently, to Bulgaria.

78. The Committee studied the activities of the Nine-Power Group (which sponsored the United Nations Resolution of 21st September, 1965 on "Good Neighbourly Relations Among European States having different social and political systems") and the implications of recent Yugoslav initiatives in the context of East/West relations.

79. On various occasions the Committee reviewed recent developments in Sino-Soviet relations. In this context, they discussed in March and again in May the conference of European Communist Parties in Warsaw of February 1967, and the meeting of Communist Party Leaders at Karlovy Vary.

80. Following the exchange of views in the Council on 17th January, the Committee, on 18th January, had an exchange of views on the internal situation in Communist China. They decided to keep this item on their Agenda. Accordingly, on 7th February, they again discussed this subject and its implications for the West, followed by yet another discussion on 22nd March.

81. On 28th February, following a directive of the Council, the Committee started its discussion on possible modifications in the system of Temporary Travel Documents for residents in the Soviet Zone of Germany. In subsequent discussions, the Committee noted the statements by the Danish Delegation, and by the "Bonn Group" reviewing current NATO-agreed TTD rules in the light of the discussions in the Council of 22nd February and in the Committee on 28th February. These discussions were continued in April and in May.

82. As regards the Leipzig Fair, the Committee heard a statement of the German Representative to the effect that, in compliance with his Government's policy aiming at relaxation in tension, it was felt desirable in Bonn not to discourage the participation of business men from the Federal Republic at the Leipzig Fair..

83. The crisis in the Near East, and the subsequent outbreak of hostilities, was discussed on various occasions. Following a directive of the Council, the Committee undertook studies on the arms situation in the Middle East and the relief activities undertaken by member countries in that region.

84. On 15th February, Soviet policy in Africa in 1966 was reviewed while in June recent developments in Nigeria formed the subject of consultation within the Committee.

85. In January and February, the Committee discussed, on the basis of a statement by the Italian Delegation, the gist of the agreement reached in the meeting of the Preparatory Commission on a denuclearised zone in Latin America.

86. The Committee's meeting with Disarmament Experts took place on 7th to 10th March. This meeting was the third in the series of semi-annual meetings to study what have been called the "professional aspects" of disarmament problems. The subjects studied included:

- offensive and defensive strategic arms;
- European security;
- transfer of conventional arms to developing countries.

The Chairman of the Committee (Assistant Secretary General for Political Affairs), on the 15th March, made an oral report on his own responsibility to the Council on these discussions.

87. On 20th June, in accordance with the Council's directive, the Committee began examining the question of transforming the NATO Parliamentarians' Conference into an Atlantic Assembly.

88. Other items discussed included:

- status of military missions in West Berlin;
- the policy of the Federal Government towards the "DDR";
- the Yugoslav initiative to convene a meeting of European Parliamentarians;

- United States arms deliveries to Jordan;
- measures of the Spanish Government with regard to Gibraltar;
- Soviet and East European reactions to the Ministerial Meetings of December 1966 and June 1967;
- Bulgarian proposal to abolish visas on a reciprocal basis;
- military aid to India and Pakistan.

89. The Experts' reports on the Near East, the Far East, Soviet Policy, the Situation in Eastern Europe, Latin America and Africa were prepared, as usual, for the June Ministerial Meeting.

VI. ECONOMIC CO-OPERATION

(a) Economic aspects of defence effort

Defence effort of member countries in relation to their economy

90. The Committee of Economic Advisers, on the basis of statistical estimates drawn up by the International Secretariat, supplemented its study on the defence effort of member countries in relation to their economy(1), with information on resources that might be available for defence during the period up to 1975. The Committee decided that the resulting report(2) should be considered as a reference document at the disposal of other NATO bodies(3), for use, in particular, in defence planning.

(b) Economic relations with the Communist countries

(i) Problems relating to the East/West trade

91. Within the framework of the reports on East/West trade which are prepared for the Committee of Economic Advisers, the International Secretariat compiled data on trade by products(4) between member countries and Communist countries in 1965 and prepared a note(5) describing the most salient features of this trade. The International Secretariat

(1) C-M(66)99
(2) AC/127-D/229(Final)
(3) AC/127-R/199, Item I
(4) AC/127-D/227
(5) AC/127-WP/205

also submitted to the Committee comprehensive statistics on trade, in value, between NATO member countries and Communist countries in 1966(1). The Committee is currently examining a draft report(2) to the Council in which it attempts briefly to analyse the evolution of trade during the period 1962 to 1966 and, in the light of the results achieved in 1966, to make some forecasts with regard to future developments. In addition, the International Secretariat continues to prepare the usual statistical reports on imports by member countries of petroleum from Communist countries(3). The International Secretariat has also forwarded to the Committee of Economic Advisers a general index of information given by member countries on their commercial agreements with the Communist countries(4).

92. The Committee of Economic Advisers submitted to the Council a report on wheat production and wheat purchases by Communist countries in 1966(5), in which it indicated that in that year there was a spectacular improvement in the wheat production of the European Communist countries, in particular the USSR. Nevertheless, these countries bought in the West, in 1966, large quantities of wheat, and it is likely that the Soviet Union will find it economically attractive to continue purchases of wheat, although at a reduced level, in the Free World markets. The Council after taking note of the report, requested the Committee of Economic Advisers to continue its analysis of the problem posed by Soviet production and purchases of wheat(6).

93. Following the discussion in December 1966 by the Council in Ministerial Session of the report by the Council in Permanent Session on East/West relations(7), the Committee of Economic Advisers had, on the basis of two studies by the International Secretariat(8), several exchanges of views on its future work in the field of economic relations between East and West in the light of the directives given in Part II of the Council's report. At the close of its debate the Committee concluded that, while at the present time no specific initiative was called for, both itself and the Subcommittee on Soviet Economic Policy should continue and intensify their present activities in accordance with the suggestions contained in the Council's document(9).

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- (1) AC/127-D/233
 - (2) AC/127-WP/211
 - (3) AC/127-D/228
 - (4) AC/127-WP/209 and Corrigendum
 - (5) C-M(67)28
 - (6) C-R(67)30
 - (7) C-M(66)84(Final)
 - (8) AC/127-WP/199 and AC/127-WP/202
 - (9) AC/127-R/196, Item II (6)

(ii) Problems relating to credit guarantees

94. The Committee of Economic Advisers submitted to the Council its fifteenth report(1) on credits granted by NATO countries to Communist countries, showing the situation as of 31st December, 1966. The growth rate of credits remains high and the share of credits of over five years in total outstanding credits has once more increased. The Council, after taking note of this report requested the Committee of Economic Advisers to carry out a factual analysis of the significance of the continuing increase in the granting of credits to Communist countries(2).

(c) Economic developments in Communist countries

95. In the framework of the second series of reviews of economic developments in each of the European Communist countries, which started in November 1966, the Sub-Committee examined, on the basis of contributions from member countries and with the participation of experts from several capitals, the economic situation in Bulgaria, Hungary and the Soviet-occupied Zone of Germany. It has submitted to the Committee of Economic Advisers two reports evaluating respectively the economic situation and trade policy of Bulgaria(3) and the Soviet-occupied Zone of Germany(4), and drawing a number of conclusions.

96. In addition, the Sub-Committee examined a note by the International Secretariat on the results of the 1966 Annual Economic Plan, the Plan and Budget for 1967 and the progress achieved in the implementation of the economic reforms. It decided that this note, revised(5) in the light of the remarks made by a number of delegations, would become a background document for the special meeting on the Soviet economy to be held on 20th July with the participation of experts from the capitals.

97. The Sub-Committee had an exchange of views on a consolidated report(6) prepared by the International Secretariat on the economic trends in Communist China during 1965 and 1966, and decided that a revised version of this study taking into account the remarks made by various delegations would be submitted to the Committee of Economic Advisers.

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- (1) C-M(67)34
(2) C-R(67)30
(3) AC/89-WP/218
(4) AC/89-WP/220
(5) AC/89-WP/208(Revised)
(6) AC/89-WP/211, AC/89-WP/211/1 and AC/89-WP/211/2

98. The Sub-Committee is currently studying the tin supply situation in the Eastern European countries(1) and the production of this ore in Communist China(2), the long-term plans of the USSR to meet the energy deficit in the European part of the country and in the Urals(3), the construction of nuclear energy plants in the Eastern European Communist countries(4), the possible opening to foreign shipping by the Soviet Union of the northern sea route connecting the Atlantic and Pacific oceans(5).

(d) Economic activities of Communist countries in the developing countries

99. After studying the eleventh report(6) by the International Secretariat on the economic activities of the Communist countries in the developing areas of the Free World outside Europe, the Sub-Committee has decided(7) to send a summary of it(8) to the Committee of Economic Advisers which, after reviewing it, will submit it to the Council.

(e) Cuba

100. The Committee of Economic Advisers submitted to the Council its tenth report(9) on credits granted by NATO member countries to Cuba, showing the situation as of 31st December, 1966. The comparison with the situation obtaining at the end of the preceding six-month period indicates a reversal in the downward trend of credits recorded in the previous three reports, and shows that outstanding credits have increased markedly.

101. On the basis of a study by the United States Delegation(10), and with the participation of an expert from Washington, the Sub-Committee on Soviet Economic Policy, on 24th April, 1967, undertook an examination in depth of the evolution of the Cuban economy under the Castro régime(11). The report(12) established by the Sub-Committee in the light of the discussion has been forwarded to the Committee of Economic Advisers.

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- (1) AC/89-WP/201, AC/89-WP/201/1 and AC/89-WP/201/2
 - (2) AC/89-WP/206
 - (3) AC/89-WP/204, AC/89-WP/204/1 and AC/89-WP/204/2
 - (4) AC/89-WP/209, AC/89-WP/209/1, AC/89-WP/209/2 and AC/89-WP/209/3
 - (5) AC/89-WP/212, AC/89-WP/212/1 and AC/89-WP/212/2
 - (6) AC/89-WP/217
 - (7) AC/89-R/94, Item I
 - (8) AC/127-WP/212
 - (9) C-M(67)24
 - (10) AC/89-WP/207.
 - (11) AC/89-D/56 and Corrigendum
 - (12) AC/89-WP/214, AC/89-WP/214/1, AC/89-WP/214/2 and AC/89-WP/214/3

(f) Activities of the Economic Commission for Europe

102. In accordance with its annual practice, the Committee of Economic Advisers had on 23rd February, 1967(1), prior to the XXIInd session of the Economic Commission for Europe, an exchange of views, in which several experts from member countries participated, on the items on the Agenda for that session which were of interest to NATO. The session was especially important since it was taking place upon the 20th anniversary of the Economic Commission for Europe. Several member countries expressed their renewed interest in the Geneva Organization and declared their intention to avail themselves of that session in order to submit a certain number of proposals with the aim of giving a new impetus to its activities.

VII. SCIENTIFIC AND TECHNICAL CO-OPERATION

A. ACTIVITIES OF THE SCIENCE COMMITTEE

(a) Meetings

103. At its meeting on 2nd and 3rd February, 1967(2), the Science Committee approved the report of the Exploratory Group of Six which reviewed the rôle and future activities of the Committee(3). The Committee was anxious to recommend that the vacant post of Assistant Secretary General for Scientific Affairs be filled in order to better meet the forthcoming developments in the field of science and technology. It accepted an invitation from the Italian Authorities to hold its autumn meeting in Rome from 3rd to 6th October. The Committee also considered, in as far as it was concerned, the recommendations which the NATO Parliamentarians had issued at their December meeting.

104. The meeting of 29th and 30th May(4) was mainly devoted to a discussion on a proposal of the Acting Chairman to amend the existing programmes so as to provide more assistance to developing NATO countries(5). As full agreement could not be reached, the question was deferred to the Group of Six which is to report on the matter at the October meeting.

105. The Committee agreed to a suggestion by the United States Representative to study the feasibility of setting up an International Centre for Computer Science and entrusted Dr. Helms (formerly of the Scientific Affairs Division and now at the Northern Europe University Computing Centre) to form a group of experts to draw up a preliminary report on this subject.

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- (1) AC/127-R/198
 - (2) AC/137-R/27
 - (3) AC/137-D/300(Revised)
 - (4) AC/137-R/28
 - (5) AC/137-D/311

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106. At its spring meeting to be held in Brussels in February 1968, the Committee will celebrate its 10th anniversary. The Committee asked its Chairman to elaborate a programme for a public meeting, at which the Committee's activities could be reviewed and evaluated.

(b) Science Fellowship Programme

107. The Report on the Science Fellowship Programme for 1965(1) was presented to the Science Committee. It showed a marked increase in the percentage of fellowships held in the United States. A total of 858 fellowships were granted in 1965.

108. A meeting of the National Administrators of this programme was held in Paris on 28th April. Among the points under discussion were:

- the financial provisions for NATO fellows;
- a project for evaluation of the programme;
- some proposals to increase the effectiveness of NATO fellowships in hastening international co-operation in the scientific field and in assisting less developed countries of the Alliance.

109. Italy and the United States announced the initiation of the new Senior Fellowship Programme.

110. The results of the discussion were reported orally to the Science Committee.

(c) Advanced Study Institutes Programme

111. For the 1967 programme, a total of 52 meetings were accorded support from the current year's budget. Taking into account 5 summer schools postponed from previous years, a record number of 57 activities were planned. Subsequently 3 were postponed at the request of the directors, so the net figure for activities in 1967 is 54. By the end of June, 14 of these had taken place, and another 4 were in progress. Reports received from visitors to some of these activities indicate that the programme is again enjoying a considerable measure of success. However, the large number of requests received during the first 6 months of the year for supplementary grants to enable the organizers to meet ever-increasing costs, indicates that 50 or so schools run at the present level of support may represent a practicable limit.

(1) AC/137-D/304

112. Preliminary discussions have taken place concerning more than 40 potential activities for future years. Thirty-five of these have resulted in formal applications for support in 1968 and these will be considered at a meeting of the Advisory Panel which is to be held in Varenna, Italy, on 19th July.

113. At its meeting on 2nd and 3rd February, the Science Committee formally approved the appointment to the Advisory Panel of Professor F. Vasco Costa of Lisbon(1).

(d) Support Evaluation Conferences

114. Following the decision by the Science Committee in October 1966(2) to implement the recommendation of the Exploratory Group of Six(3) concerning the organization of study groups to look at likely long-term developments in various fields, arrangements have been made during this period to call such a Conference on Support Evaluation in Refractory Metals at High Temperatures.

115. An organizing committee was formed from certain members of the AGARD Structures and Materials Panel and other experts in the field, in particular Mr. M.E. Promisel, Chairman of the United States Materials Advisory Board, who will also act as the NATO Conference Chairman. The organizing committee also contains representatives from the Norwegian Central Institute for Industrial Research who are making the local arrangements. Two meetings of the organizing committee were held in March and April, as a result of which it was decided that the work of the Conference should be carried out by working groups, for which eminent Chairmen and Co-Chairmen have already been secured. A total of 65 invited participants have agreed to attend the Conference, which will take place from 31st July to 5th August at Sandefjord, near Oslo.

(e) Research Grants Programme

116. The Advisory Panel on the Research Grants Programme has held two meetings since 31st December, 1966, one on 19th to 22nd February in Naples, Palermo and Cagliari, Italy(4), and the other on 31st May in Paris. The Panel has reviewed 80 requests for support totalling \$1.5 million. Thirty-seven grants totalling \$520,000 have been awarded. Thirty-four grants were rejected and 9 are still under consideration. With a slightly reduced budget as compared

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- (1) AC/137-R/27
 - (2) AC/137-R/26
 - (3) AC/137-D/300(Revised)
 - (4) AC/137-D/305

to last year and an increasing number of requests, the Panel has had to reject a number of requests of good scientific merit. In connection with the meeting in Italy, the Advisory Panel had personal contact with scientists who had already received support or were now requesting it. Furthermore, the Panel was able to gain an impression of the conditions of work in universities in southern Italy.

117. Following a decision of the Science Committee(1), the Advisory Panel has been enlarged by one new member, Professor W. Dekeyser, of the Laboratory for Solid State Physics, Ghent, Belgium. Furthermore, Professor D.J. Kuenen, who became a member of the Panel in 1962, has been replaced by Professor Jan Lever of the Free University of Amsterdam, the Netherlands.

118. A member of the Advisory Panel, Professor H. Taube, gave a briefing on the programme to the Science Committee on 29th May and, furthermore, the Panel has been consulted in connection with the considerations in the Science Committee of how to increase the effectiveness of the Research Grants Programme in the scientifically less developed countries of the Alliance.

(f) Oceanography

119. The Sub-Committee on Oceanographic Research recommended 14 research projects for support through the Research Grants Programme, and at its meeting in February the Advisory Panel on that programme awarded the total amount requested - \$188,000 - to these projects(2). The grant will be used for the continuation of 8 projects started in earlier years and for the start of 6 new projects.

120. A report on the progress of projects in oceanography from August to November 1966 appeared on 21st February, 1967(3).

121. On 30th May, the Chairman of the Sub-Committee, Professor Capart, gave a briefing to the Science Committee on the research supported by the Sub-Committee and on some ideas for future projects.

(g) Meteorology

122. The report on the meeting of the Advisory Group on Meteorology(4) which was held in Rome on 16th December, 1966, was presented at the May meeting of the Science Committee. Details of the meeting were contained in the last six-monthly progress report (C-M(67)22).

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- (1) AC/137-R/25
 - (2) AC/137-D/305
 - (3) AC/137-D/302
 - (4) AC/137-D/304

123. Five proposals concerning visits by highly qualified scientists in meteorology to laboratories abroad have been examined and approved in principle, and they will receive support through the Visiting Lectureships scheme in Meteorology. Details of the visits have yet to be decided.

124. Eleven applications for Research Associateships in Meteorology are pending, 7 of which will receive an award. The importance of this scheme for training young research workers in the field of meteorology was stressed at the December meeting of the Advisory Group.

(h) Radio-meteorology

125. In the period under review a joint project between the Norwegian Defence Research Establishment and the Radio and Space Research Station at Ditton Park, England, was started. It is the intention to carry out a detailed study of the vertical fine-scale structure of wind velocity, refractive index, humidity and temperature for an analysis of the pertinent aerodynamic mechanisms. The project should continue for two years and \$13,000 has been awarded for the first year.

126. Preparations are progressing well for the Advanced Study Institute on "Structure of the Lower Atmosphere and Electromagnetic Wave Propagation" to be held in Aberystwyth in September. A meeting of the Advisory Group on Radio-meteorology will be held in connection with this Institute.

(i) Human factors

127. The fifteenth meeting of the Advisory Group on Human Factors was held at NATO Headquarters in February(1). The Group discussed its programme for 1967 and 1968. It was agreed that in 1968 conferences or symposia would be held on the following topics:

- Major Trends in Programmed Learning Research;
- Techniques of Military Allocation and Selection;
- Men in Enclosed Spaces;
- Air Traffic Control Communication.

This programme was subsequently approved by the Science Committee at its meeting in May(2).

(1) AC/137-D/306
(2) AC/137-R/28

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128. The Advisory Group also discussed its programme of Study Visits and Visiting Lectureships. Three applications for Study Visits were accepted, and 2 additional Visiting Lectureships were proposed. As part of this programme, Dr. A.T. Welford of Cambridge, England, visited centres in Italy and Greece during April to lecture on "Age and Decision-Making".

(j) Operational research

129. The Advisory Panel on Operational Research held its sixteenth meeting(1) on 6th and 7th April, 1967. The Panel reviewed the progress of the Graduate Apprenticeship Programme. Sixty-one applications have been received of which only 7 apprenticeships can be awarded in 1967.

130. As part of its programme of conferences and symposia, the Panel proposed the following meetings in 1968, and these were agreed by the Science Committee in May(2):

- Applications of Mathematical Programming;
- Survival of Communication Networks;
- Terrain Analysis.

131. The report of the consultant on the state of operational research in Turkey was discussed by the Panel, and accepted subject to minor amendments. It was agreed that the report should be sent to the Turkish Authorities for their observations.

132. The Panel discussed the question of increasing aid in the area of operational research to the less developed countries of the Alliance. It was proposed that links should be established between newly formed groups in the developing countries and experienced groups in other NATO nations. To assist the establishment of these links it was recommended that a Study Visit programme should be set up, and this was subsequently agreed by the Science Committee(2).

(k) Visiting Professorship Programme

133. Four proposals concerned with extended visits by highly qualified scientists to laboratories abroad were considered for support through the Visiting Professorship scheme. Two of these applications were approved; Professor H.W. Leibowitz of the Pennsylvania State University is to visit the Institute for Perception in Soesterberg, Netherlands, during the summer of 1967 and Dr. D. Peters of Royal Holloway College, University of London, is to go to the

(1) AC/137-D/309
(2) AC/137-R/28

Department of Chemistry, University of Florida from September 1967 to August 1968. These visits are to be financed partly with funds made available by the Minna-James-Heineman-Stiftung and partly with funds from the administrative overhead of the NATO Science Fellowship Programme. One application was withdrawn and the fourth application was rejected, as was the pending application described in the previous semi-annual report(1).

(1) Financing of scientific programmes

134. As mentioned in the preceding report, the 1967 budget for the scientific programmes remained the same as last year, i.e. \$4.2 million, and was allocated as follows(2):

- NATO Science Fellowship Programme	\$2,600,000
- Research Grants Programme	745,000
- Advanced Study Institute Programme	730,000
- Operational Research Programme	100,000
- Human Factors Programme	25,000

135. Concerning the budget for 1968, the Science Committee at its meeting on 29th and 30th May(3) decided to recommend an increase of \$210,000 in accordance with a proposal put forward by the Scientific Affairs Division(4). If this recommendation is accepted by the Civil Budget Committee, the scientific programmes budget would be broken down as follows:

- NATO Science Fellowship Programme	\$2,700,000
- Research Grants Programme	760,000
- Advanced Study Institute Programme	825,000
- Operational Research Programme	100,000
- Human Factors Programme	25,000

B. GENERAL ACTIVITIES OF SCIENTIFIC AFFAIRS DIVISION

(a) Relations with the Defence Research Group

136. Since the Defence Research Group came into being on 1st January, 1967, the Scientific Affairs Division has, in principle, no more major responsibilities for military science and research. However, as the staff who worked for

(1) C-M(67)22, paragraph 124
 (2) BC-D(66)25 and ISM(67)1
 (3) AC/137-R/28
 (4) AC/137-D/307

the Committee of Defence Research Directors and who are now continuing to do so for the Defence Research Group have not yet been transferred to the Production, Logistics and Infrastructure Division, closest liaison with the Defence Research Group's work is thus established. Moreover, 2 Advisory Panels of the Science Committee, those for Operational Research and Human Factors - now used jointly by the 2 bodies, the Defence Research Group having accepted the offer by the Science Committee - provide complementary links and organize their activities in such a way as to be of equal civil and defence interest. The Acting Assistant Secretary General for Scientific Affairs addressed the Defence Research Group at its first meeting, while the Defence Research Group's Vice-Chairman reported to the Science Committee on the Group's work.

(b) Relations with the Von Karman Institute

137. In the last report, it was stated that the Ad Hoc Working Group on the financing of the Von Karman Institute(1) had agreed on a new cost-sharing formula proposed by Belgium(2), subject to confirmation by several nations. Whereas the previous formula was based on the number of students for which certain NATO countries, but not all, agreed to pay a given amount, the new formula was based on percentages shared by all the NATO nations.

138. At its meeting on 29th and 30th May, the Science Committee was informed that all nations had now confirmed their acceptance of the new cost-sharing formula. Therefore, for the first time in its history, the Von Karman Institute became supported by all 15 NATO nations.

139. The Science Committee's Advisory Group on the Lectureship Programme had approved a request by the Von Karman Institute for partial support of a Visiting Professorship at the Institute.

140. The Assistant Secretary General for Scientific Affairs was represented at the Institute's Board of Direction meeting on 11th March, 1967. Furthermore, he has accepted a request by the Institute to give the principal address at the Institute's graduation exercises on 1st July, 1967.

(c) Relations with SACLANT Anti-Submarine Warfare Centre

141. At its meeting on 9th to 12th May, 1967, the Scientific Committee of National Representatives accepted the 1966 Progress Report and discussed the proposed Scientific Programme for 1968 prepared by the Director and his staff, which will be sent to SACLANT for approval.

(1) AC/168-R/14 and Corrigendum

(2) AC/168-D/13

142. The Committee reaffirmed the opinion expressed at this meeting of 13th May, 1966, that the Centre be enabled to undertake deep sea research work and recommended a supplementary budget for the purchase of related special equipment.

143. It considered the five-year plan prepared for the Centre and advised a modest annual increase of the Centre's budget.

144. In close session the Committee elected Dr. J.E. Henderson (United States) as its new Chairman and Captain R.C. Lambert (Belgium) as Vice-Chairman.

(d) Relations with SHAPE Technical Centre

145. The Scientific Affairs Division continued to co-operate closely with SHAPE Technical Centre. In early 1967 three grantees of the Operational Research Graduate Apprenticeship Programme worked at the Centre. The Acting Assistant Secretary General for Scientific Affairs attended the meeting of the Centre's Scientific Committee of National Representatives on 16th to 18th May.

(e) Relations with AGARD - Advisory Group for Aerospace Research and Development

146. The Scientific Affairs Division has continued close relationship with AGARD. In his capacity as ex-officio member of the AGARD National Delegates Board, the Acting Assistant Secretary General for Scientific Affairs participated in the following meetings:

- 6th January AGARD Executive Committee;
- 27th February AGARD Steering Committee;
- 9th to 10th March AGARD National Delegates Board;
- 30th June AGARD Steering Committee.

147. AGARD had previously recommended to the Science Committee the field of High Temperature Materials as especially suitable for co-operative research. As a result, the Science Committee decided to choose this subject for the first Support Evaluation Conference to be held in Oslo, Norway, from 31st July to 5th August, 1967.

(f) International technological co-operation

148. The Economics and Finance Division and the Scientific Affairs Division assisted the Secretary General in taking up the Italian initiative to intensify international scientific and technological co-operation with the purpose of

narrowing the disparities existing in different member countries. The problem was discussed in the Permanent Council, by a Special Working Group (AC/262) set up by the Council and chaired by the Secretary General and by the Council at its Ministerial Meeting at Luxembourg on 13th and 14th June.

149. The paper adopted(1) at this meeting indicates means of furthering the achievements of the objectives set out in the Italian proposals, reports on the present NATO activities in the scientific-technological fields and identifies fields of work where NATO might properly intensify its activities, including the area of co-operation in defence technology. The following sectors seem to be particularly suitable:

- (i) new materials, advanced metallurgy, special alloys and the technology of non-conventional materials;
- (ii) defence electronics, with particular reference to satellite communications;
- (iii) oceanography;
- (iv) energy storage and conversion;
- (v) computer science.

(g) Technical features of War Headquarters

150. The Ad Hoc Group on Technical Features of War Headquarters (AC/158) met on 6th and 7th February under the Chairmanship of the Acting Assistant Secretary General for Scientific Affairs with the purpose of redefining its competence and usefulness within the terms of the revised policy for Major Wartime Headquarters as approved by the Council in C-R(66)32(2). There was general agreement on the view expressed by the Military Committee Representative that the Group had accomplished the task which it was originally entrusted and that no military requirement remained for its continuance. The Group therefore recommended its abolishment, but suggested the continuance of a joint, technically competent NATO body concerned with survivability problems from a scientific-technical viewpoint and serving as a forum for exchange of information in this field.

151. The Defence Planning Committee - the competent body as the Group had dealt with War Headquarters constructions - disbanded the Ad Hoc Group at its meeting of 14th April(3) and stated that the question of a possible successor group dealing with basic aspects of nuclear survivability problems might be raised by interested delegations.

(1) C-M(67)31(Revised)
(2) AC/158-R/14
(3) DPG/R(67)7

VIII. ACTIVITIES IN THE FIELDS OF CULTURE AND INFORMATIONA. CULTURAL CO-OPERATION(a) NATO Fellowship Programme

152. Seventeen Research Fellowships were awarded to post-graduate applicants on 4th April last for the 1967 to 1968 university year. Applications were received from 14 member countries and awards obtained by 12 of them.

153. The Awards Committee judged the level of academic qualifications and the interest of the proposed research equal to the standards of previous years. In commenting on the presentation of the applications, the Committee drew attention to the importance of receiving full supporting documentation in respect of each candidate. As the Committee is unable to interview candidates, personal documentary evidence is essential in order to be able to assess their academic standard and their ability to carry out research. The Committee, moreover, felt that not all candidates were aware that one of the prime objects of the programme was to enable them to travel and to study in countries other than their own, from which it follows that those who propose to study abroad must have some familiarity with the language of the countries of their choice. Although these points have always been covered in the programmes, a further effort has been made to see that they are expressed unambiguously in the 1968 to 1969 announcements.

154. The manuscripts received from Fellows during this period include a study on relations between Belgium and the United States within the framework of NATO, written by M. Jacques Histlaire, Political Correspondent of La Libre Belgique; a book by a Turkish Political Scientist, M. Fazıl Gulçur, entitled "Activités des Centres de Recherches au sein de l'OTAN"; a doctoral thesis presented at the Faculty of Law of the University of Paris by M. Olivier Conrard on, "l'Industrie Electronique aux Etats-Unis et ses rapports avec certains autres pays de l'OTAN"; and a book by Dr. E.R. Norman, Fellow of Jesus College, Cambridge, on "The Conscience of the State in North America".

(b) Visiting Professorships Programme

155. Seven of the 1966 Professors have terminated their courses. Of the 1967 Professors, Professor Clough of Columbia University has completed his lectures at Bari University; Professor Lindgren of California State College at Long Beach has finished his course at Oslo; Mr. Hvidt, Librarian to the Danish Parliament, has lectured at the University of Minneapolis; and Professor Roger Pinto, Professor of Law and Economic Sciences at the University of Paris, has completed a course at the University of Washington at Seattle.

B. INFORMATION ACTIVITIES

156. The relocation of SHAPE to Casteau and the forthcoming move of the North Atlantic Council to Evere have resulted in an increased demand on the Information Service.

(a) Ministerial Meeting - Luxembourg

157. Although there were fewer correspondents than usual due to the Middle-East crisis, the Meeting was covered by some 300 correspondents and 120 technicians. Facilities at the Kirchberg satisfactorily provided for working space and telecommunications.

158. Representatives of 20 radio networks covered the Meeting, broadcasting a total of 110 hours.

159. A "Report from NATO" radio programme on the Conference containing statements from Ministers Werner, Luns, Harmel, Martin and Krag was produced.

160. Arrangements were made for Télé-Lux (RTL), responsible for direct TV news-casting from the Kirchberg, to broadcast the NATO film "Council for Defence" and to distribute a NATO TV short on Luxembourg. Each evening RTL's Journal Télévisé gave the Conference thorough coverage.

161. The NATO Photo Bureau maintained its usual output for the benefit of agencies and newspapers.

(b) Media operationsFilms, Television and Radio Section

162. The radio programme "Report from NATO" was released through more than 300 stations.

163. Eighty-five television shorts were distributed to 14 networks in NATO countries.

164. Three 35 mm. films were completed and are about to be distributed: "Prospect of Greece", "ACE Mobile Force", "Wings over Europe" (describing the work of the Allied Air Forces in Central Europe). Film distribution is being stepped up in Rome, Brussels and London. The American National Educational Television reports that "Vital Ocean" has been broadcast in 24 different stations.

NATO Mobile Information Centres

165. From January to March NMIC No. 1 carried out a tour of Scottish schools. NMIC No. 2 continued the tour of Italian schools begun in the fall of 1966, terminating at mid-April. In June this Centre appeared at the Brussels Air Space Electronics Exhibition.

Publications Section

166. The short NATO Handbook is being distributed in English, French and Dutch. The folder "NATO at Work" is distributed in English, French, German, Italian and Dutch; and the folder "Why NATO?" in French and Dutch; the "NATO Pocket Guide" in English, German, Dutch, Turkish, Greek and French.

Photo Section

167. The Photo Section covered a large number of events; photos and picture stories have appeared in all NATO countries. Photos through agencies were released to all parts of the world.

NATO Letter

168. Several articles resulted from the French departure from the NATO Integrated Commands: Building a New SHAPE at Casteau (January), The NATO Defence College Moves to Rome (February), AFCENT Leaves France for the Netherlands (March), SHAPE's Fifteen Years at Rocquencourt (April), SHAPE's Last Days in France (May). Among other interesting features was a debate on NATO between Mr. Paul-Henri Spaak and General André Beaufre published in the March and May issues.

(c) Public affairsCultural and community affairs(i) Research Fellows and Visiting Professorships

169. Seventeen Research Fellowships were awarded for the 1967 to 1968 university year. Seven of the 1966 visiting Professors have completed their courses.

(ii) Relations with the Atlantic Treaty Association

170. The Atlantic Treaty Association Council met at NATO Headquarters in January under the Chairmanship of its new President, Mr. Paul-Henri Spaak; the Council met again in Malta in May.

Women's organizations

171. The Women's Affairs Officer briefed a large number of visitors at NATO Headquarters. She also addressed women's organizations in the United Kingdom; in the United States she addressed both women's organizations and university groups.

Industrial relations

172. Representatives of Italian Labour Trade Unions visited NATO Headquarters in May. Arrangements have been made for a group of Trade Unionists from Germany, Belgium, Luxembourg and the Netherlands to visit NATO during the summer; a group of Greek Trade Unionists will visit NATO in July.

Reports and North American relations

173. In February this officer attended a two-week Foreign Policy Conference at Wilton Park in the United Kingdom. He arranged for a conference on NATO conducted by the World Affairs Council of Cincinnati. He is negotiating for a revised pocketbook edition of "The NATO Story" to be published in North America.

Visits and lectures, Youth and Education Section

174. Twenty-seven programmes - seminars, weekend courses, lectures and debates were organized for students, youth leaders and young political leaders at the national level; 4 programmes were conducted at the international level; and 23 students' tours were organized.

175. Since the beginning of the year approximately 2,300 people were briefed at NATO Headquarters. Speakers were provided from the NATO Information Service staff for lectures and briefings at universities, military schools and military establishments upon request.

IX. DEFENCEA. NATO DEFENCE POLICY AND PLANNING(a) Ministerial guidance to the NATO Military Authorities

176. In accordance with the instruction given by Ministers in December work proceeded in the New Year on studies related to the guidance to be given to the Military Committee for the preparation of force proposals for the periods 1968 to 1972 and 1969 to 1973. The Defence Planning Working Group undertook further detailed examination of the Draft Ministerial Guidance of 10th December, 1966(1) and a number of force planning studies, while the Military Committee continued work on its appreciation of the military situation as it would affect NATO through 1975. It was originally envisaged that in addition to the military appreciation the Ministerial guidance would also take account of the results of the Trilateral Talks between

(1) DPC/D(66)30(Revised)

Germany, the United Kingdom and the United States, a SHAPE special study on defence planning from 1972 onwards and a paper on NATO strategy being prepared by the Military Committee. The results of the Trilateral Talks were reported to the Defence Planning Committee on 2nd May(1) but work on the SHAPE study and strategy paper was not sufficiently advanced for consideration by Ministers, although the guidance forwarded to them by the Defence Planning Committee took account of the evidence available regarding the general lines of the review of strategy.

177. Meeting in Paris on 9th May the Defence Ministers took note of the Military Committee's appreciation through 1975(2). As guidance to the NATO Military Authorities they revised and transmitted to the Military Committee the Annex to the Defence Planning Committee's report on the subject(3) which they invited the Committee to take into account in preparing the force proposals.

(b) Defence problems of the South East Region

178. The Defence Planning Committee, in consultation with the NATO Military Authorities, has also pursued the studies initiated in 1966 of the defence problems of the South East Region(4).

179. At their meeting in May 1967(5), Defence Ministers took note of a report on external reinforcements for the flanks submitted by the Defence Planning Committee in Permanent Session(6), particularly the summaries contained in that document of the proposed concept of NATO Mobile Forces and of the interim report of the Military Committee in this respect.

180. They invited the Military Committee to complete the study of the concept as directed by the Defence Planning Committee on 14th April, 1967(7) and to make recommendations to the Defence Planning Committee. They also agreed that the study of the proposed concept should in no way prejudice the continuance of the exercises and operations of the present ACE Mobile Forces (AMF) and MATCHMAKER squadron.

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- (1) DPC/R(67)9
 - (2) MCM-9-67
 - (3) DPC/D(67)15(Revised)
 - (4) C-M(67)22, paragraph 203
 - (5) DPC/R(67)11, paragraph 13(6), (7) and (8), and DPC/D(67)23, paragraph 3(f), (g) and (h)
 - (6) DPC/D(67)22
 - (7) DPC/R(67)7, Point III

181. With regard to the Turkish force plans which had been revised in March 1967(1) in order to take account of the resources expected to be available for defence during this period, the Defence Ministers(2) at their May 1967 meeting adopted these revised force plans(3) as part of the minimum NATO force plan through 1970 agreed at their meeting on 25th July, 1966 and noted that the Turkish Authorities still maintained that the Turkish BRAVO Posture was the minimum force posture required to meet the threat against Turkey, taking fully into account NATO's overall defence capabilities and in particular the expected availability of external reinforcements and regarded the plans now submitted as aimed towards the implementation of that posture.

182. At the same meeting(4), with regard to the Greek force plans which had been submitted in 1966(5) and not yet revised, Ministers noted these force plans with a view to the adoption of a minimum NATO force plan for Greece through 1970 as soon as the Defence Planning Committee was satisfied, as a result of further study, that the resources to support such a force would be available; they further noted that the Greek Authorities considered that the force structure in question fell substantially short of that necessary for the adequate defence of the Greek sector. They also requested the Defence Planning Committee in Permanent Session to continue as a matter of urgency its studies directed towards the adoption of a 1967 to 1970 force plan for Greece as part of the minimum NATO force plan through 1970 adopted by Ministers at their meeting on 25th July, 1966.

183. Subsequently, the Defence Planning Working Group, on 9th June, 1967(6) activated a Sub-Group on the improvement of Turkish local forces and established, in respect of Greece, a similar Sub-Group, when a NATO force plan in that country had been adopted by the Defence Planning Committee.

(c) French initiatives - Follow-up from the Brussels Ministerial Meeting of 8th June, 1966

184. In the first half of 1967 the Council and Defence Planning Committee took a number of further decisions regarding the relocation of certain Military Committee agencies(7) and the NADGE Management Office(8) and regarding French participation in Military Committee agencies(9) and in the Central European Pipeline System(10).

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- (1) Turkish Delegation's letter dated 21st March, 1967, circulated under DPWG/D(67)8
 - (2) DPC/R(67)11, paragraph 13(4) and (5), and DPC/D(67)23, paragraph 3(d) and (e)
 - (3) DPC/D(66)4 TURKEY(2nd revise) dated 21st April, 1967
 - (4) DPC/R(67)11, paragraph 13(1), (2) and (3), and DPC/D(67)23, paragraph 3(a), (b) and (c)
 - (5) DPC/D(66)4 GREECE
 - (6) DPWG/DS(67)24, paragraph 10(2) and (3)
 - (7) PO/67/131
 - (8) C-R(67)12
 - (9) PO/67/362
 - (10) C-R(67)24

(d) Reorganization of the Naval Command Structure in the Mediterranean/Black Sea area

185. On 24th February(1) the Defence Planning Committee, on the basis of certain recommendations of the Military Committee(2), approved the transformation of the Allied Forces Mediterranean Command (AFMED) in Malta, one of SACEUR's major subordinate Commands, into Naval Command South (NAVSOUTH) as a principal subordinate Command under the Commander-in-Chief Allied Forces Southern Europe. The reorganization took place on 5th June, 1967, the post of Commander Naval Command South being taken up by a Flag Officer of the Italian Navy.

(e) Activation of COMSUBMED and colocation with United States COMSUBFLOT 8 at Naples

186. At its meeting of 22nd June, 1967(3), the Defence Planning Committee considered a proposal of the Military Committee(4) to establish the Mediterranean Submarine Command (COMSUBMED), normally a dormant Command, on a permanent basis as a subordinate Command to COMNAVSOUTH and located with the staff of United States Naval Submarine Flotilla 8 at Naples. The date of activation was left open but it was pointed out that 60 days were required from the date of authorisation.

187. The Military Committee also recommended that the Defence Planning Committee consider the judicial and financial aspect of the setting-up of the Headquarters but after discussion it was decided to postpone a decision on these aspects until the question of international financing had been studied further. The Defence Planning Committee, however, noted the urgency of the matter and approved in principle the establishment of the Mediterranean Submarine Command in accordance with the Military Committee's proposal; they further decided that COMSUBMED would be activated 60 days after approval of the judicial and financial aspects by the Military Budget Committee and the Defence Planning Committee.

(f) Withdrawal of United States naval forces

188. On 10th March, members of the Defence Planning Committee were informed of the temporary deployment outside the NATO area of certain assigned United States naval forces for intermittent periods between May 1967 and December 1968. The Military Committee's evaluation of the military effects of this action was circulated on 3rd May, 1967(5).

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- (1) DPC/R(67)4
 - (2) CMCM-90-66
 - (3) DPC/R(67)17
 - (4) MCM-3-67
 - (5) PO/67/296

B. CO-OPERATION IN RESEARCH, DEVELOPMENT AND PRODUCTION

(a) General

189. In my last report I mentioned a number of measures which have been taken by the Council with a view to improving co-operation between NATO nations in the fields of research, development and production. These measures included the creation of a Conference of National Armaments Directors, the disbandment of the Armaments Committee, the transformation of the three Service Advisory Groups into Service Armaments Groups, and the dissolution of the Committee of Defence Research Directors which was replaced by a new Defence Research Group.

190. All these bodies have now held at least one meeting in their new form. The Conference of National Armaments Directors held its first meeting in February 1967 and took a number of decisions concerning the new organization and procedures which are now becoming well established. The Directors discussed their future tasks and instructed their Representatives (NADREPs) to form open-ended Groups to consider two proposals made by Italy on the one hand and Canada and the United Kingdom on the other. The first of these concerned the promotion of active co-operation between the different defence industries of the NATO countries, and the second the economic, financial and industrial factors which affect co-operation in research, development and production. These open-ended Groups have held several meetings and the NADREPs will submit their reports to the Conference at its next meeting in November 1967.

191. The Chairmen of the three Service Armaments Groups started meeting together with the assistance of members of my staff to discuss common problems, and the Conference agreed that such meetings were valuable and should continue with the participation of the Chairman of the Defence Research Group. The four Chairmen subsequently met in June 1967 when consideration was given to the recommendations of the Conference to the four Main Groups and in particular to that which concerned procedures for treating subjects which might be of interest to more than one Main Group. Land-based air defence, land forces tactical air mobility, and NBC defence are examples of common problems which have already given rise to useful discussions between the four Chairmen, and to a number of decisions designed to avoid overlapping of responsibility or duplication of effort between the Groups. These meetings of the four Chairmen are becoming a useful instrument for co-ordinating efforts and avoiding possible difficulties and delays where common problems arise, and ways are being sought to ensure that decisions can be rapidly reached by them and put into effect.

192. The main objective of the new organization and procedures is the promotion of co-operative projects, and promising progress has been made. With regard to the two projects that are being examined under the aegis of the NATO Naval Armaments Group, the first has been extended to cover a complete Underwater Acoustic Communication System, while the second on a Point Defence Surface Missile System has reached a stage where the interested countries, the United States, Italy and Norway, are discussing a memorandum of understanding and a proposed charter for a NATO SEASPARROW Organization.

193. In April 1967 at a meeting of the NATO Air Force Armaments Group, France and the United Kingdom, in accordance with the provisions of document C-M(66)33(Revised) tabled the JAGUAR aircraft as a NATO project and invited other NATO nations to express their interest. Participation in this project is open to all NATO nations but is limited to production or procurement since the aircraft is already at the prototype stage. The NATO Air Force Armaments Group has decided to request the Conference to agree that this project meets the criteria established for the attribution of the qualification "NATO Project" and to recognise the Franco-British Steering Committee as the NATO JAGUAR Steering Committee.

194. The NATO Army Armaments Group has several national or bilateral projects before it which are being examined with a view to their extension or adoption as NATO co-operative projects. Good progress has been made on the United States proposal for the development of ground terminals for tactical satellite communications systems and those countries which have participated in the initial experiments will shortly be presented by the United States with a memorandum of understanding for approval by their respective governments. Other projects which show promise are the United Kingdom proposal for a cannon and free flight rocket locator, the 155 mm. cannon on which a certain measure of agreement has already been reached relevant to its internal ballistics, and an Anglo-German project for a new towed 155 mm. howitzer.

195. Detailed reports on the activities of the existing Groups and their subsidiaries or those which were disbanded during the period under review will be found in the following paragraphs under the heading of the appropriate Service Armaments Group or the Defence Research Group. The NATO Steering and Co-ordinating Committees, the NATO Production and Logistics Organizations, Codification of Equipment, Pipelines and connected activities are reported on individually in the paragraphs succeeding those on the four Main Groups.

(b) NATO Naval Armaments Group

196. At its second meeting in May 1967, the NATO Naval Armaments Group (AC/141) continued to supervise the activities of its subsidiary bodies and, where necessary, gave them revised Terms of Reference and programmes of work. Instructions were given to Information Exchange Groups (IEGs) 1 and 4 to consider further the proposal presented by SHAPE on the use of helicopters armed with air/surface guided weapons against OSA/KOMAR fast patrol boats and report to the Naval Group at its next meeting. The Group of Experts on the Production of the United States Mk-44 Torpedo (AC/167) submitted its final report to the Naval Group who then disbanded it on the understanding that any further exchanges of information on production techniques and other technical problems would take place within IEG/2. Further consideration is being given by IEG/3 to the problem presented by CINCHAN on a standardised MCM vessel and precise navigational aids for merchant ships.

197. With respect to the two naval Project Groups which I mentioned in my last report, the Naval Group has agreed that the scope of the project being studied by PG-1 be expanded, and that work on the first stage be continued with the following revised title: "Underwater Acoustic Communication System in the Short-Term (including Submarine Identification)". As for the second project on a Point Defence Surface Missile System, the Naval Group agreed that it should pass to the second stage with the participation of the United States, Italy and Norway. France and Denmark participate as observers.

198. Finally, SHAPE has been invited to permit the continued participation of the SHAPE Technical Centre (STC) both in the evaluation of a Common Method of Guided Weapon Assessment, and in the work of Special Working Group 5 on Command and Control of Maritime Forces.

(c) NATO Air Force Armaments Group

199. The NATO Air Force Armaments Group (AC/224) held its first meeting under its new Terms of Reference in April 1967 when it reviewed the activities of the former Armaments Committee Groups which had been allocated to it. The two Ad Hoc Mixed Working Groups on V/STOL Strike Reconnaissance and Transport Aircraft (AC/169 and AC/170 respectively) were disbanded, as activities in this field are now covered in Sub-Group 4 on Cost/Effectiveness of V/STOL Aircraft. The Ad Hoc Mixed Working Group on Identification of Aircraft (AC/218) was transformed into Sub-Group 5, apart from its long-term aspects which were transferred to the Defence Research Group. This Sub-Group has held one meeting during

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the period under review, at which several nations stated their inability to complete the cost/effectiveness studies on the Mk-XII IFF System because there was no operational concept for its use. A concept has since been prepared and will be considered by the Sub-Group at its next meeting in December 1967. At that time, nations which have not already done so will be invited to state their position on the adoption of this system. As for the Group of Experts on the Conversion of Specifications and Dimensions of Drawings for United States aircraft (AC/82), it was agreed that it should continue in its present form and with its present title, as many volumes had already been published in the AC/82 series and these were in constant need of revision.

200. At the same meeting, Sub-Group 1 on the Identification of Subjects for Co-operation was reconstituted and has held one meeting. The 11 participating countries have each tabled their future operational requirements for aircraft and supporting equipment on which they are prepared to co-operate with other countries having similar requirements. The Sub-Group is now attempting to harmonise these requirements with a view to setting-up Project Groups as foreseen in document C-M(66)33(Revised).

201. The final report of Sub-Group 3 on Ground Attack Aircraft has been approved. In this report requirements were defined for a short-range and relatively simple ground attack aircraft as well as a long-range aircraft with a more complex navigation system. The Anglo-French JAGUAR, which I mentioned earlier in my report, almost completely meets the requirement for the short-range aircraft.

202. Sub-Group 6 on Tactical Air Reconnaissance/Intelligence Concepts was set up by the AC/224 Group to draw up such a concept which would be applicable to the NATO environment in the 1970 to 1980 time period, and discuss the equipment necessary for its implementation. Good progress has been made in that the Sub-Group was able to reach agreement on the first draft of such a concept at its first meeting.

(d) NATO Army Armaments Group

203. At its second meeting in June 1967, the NATO Army Armaments Group (AC/225) examined the reports of the Panels it had established in December 1966, and, with slight amendments, approved their proposed Terms of Reference and programmes of work. Long-term activities that had previously been undertaken by the former Armaments Committee and its subsidiary bodies were referred to the Defence Research Group for consideration. Similarly, questions such as the standardisation of avionics and armaments components for helicopters, and electrical power sources, were referred to the Military Agency for Standardisation.

204. Following its discussion of the report submitted by the Infantry Weapons Panel the Group decided to adopt a common approach towards the standardisation of the calibre of small arms and approved the following statement of policy:

"The countries noted that there was no present intention of changing the common policy on the standardisation of small arms from 7.62 mm. calibre within the NATO Alliance. Any country which may wish, in the future, to change the calibre of small arms, would not do so before full and frank discussion with all the other nations concerned."

205. With a view to selecting projects that would be suitable for co-operative action between NATO nations, countries were invited to provide details of their bilateral or multilateral agreements so that the non-participating nations would have the opportunity of expressing their interest in them. A Sub-Group of limited duration was set-up to examine prospects of co-operative action within NATO on an armoured infantry fighting vehicle to be brought into service around 1975. In the same area of interest, information continues to be exchanged with a view to initiating co-operation on an armoured reconnaissance vehicle.

206. In other fields, good progress is being made towards the establishment of a Project Group for a cannon and free flight rocket locator and there are reasonable prospects of initiating co-operation within NATO on a 155 mm. cannon for which agreement has already been reached by three countries on the internal ballistics, and on an Anglo-German project for a new towed 155 mm. howitzer.

207. The countries participating with the United States in the tactical satellite communications experiments will shortly be presented by the United States with a memorandum of understanding for approval and signature by the participating governments.

(e) NATO Defence Research Group

208. The transfer of the responsibilities of the former Committee of Defence Research Directors to the new NATO Defence Research Group (AC/243) took place on 1st January, 1967. This Group held its first meeting in March 1967, and Dr. Finn Lied (Norway) was elected Chairman. The Group took note of its Terms of Reference as stated in document C-M(66)33(Revised) and agreed on a method of work as well as the general framework of the organization required to accomplish its tasks. It also discussed its relations with the Science Committee, AGARD, the SHAPE Technical Centre and SACLANTCEN, and reviewed the activities of those Groups of the former Armaments Committee which had been assigned to it.

209. A Panel on Long-Term Scientific Studies was set-up in place of the former Long-Term Study Group and held its first meeting in June in Norway. The studies carried out under the aegis of this Panel cover activities such as land-based mobility, navigation and strategic mobility, the latter study having been undertaken at the request of the Defence Planning Committee. The establishment of other panels on NBC Defence in the Long-Term and on Physics and Electronics is also under consideration.

210. In the fields of human factors and operational research the Defence Research Group has accepted a proposal by the Science Committee whereby the advisory bodies in those fields should continue to serve the Defence Research Group in the same manner as they served its predecessor.

211. The Group has agreed to initiate a new programme of scientific meetings or seminars on subjects of common interest which might be suitable for consideration as co-operative research projects. France, in co-ordination with the United States Delegation, has offered to organize the first Defence Research Seminar on "Concept and Management of Research Programmes". It is hoped to hold this Seminar in Europe towards the end of this year.

(f) NATO Maritime Patrol Aircraft Steering Committee

212. The production programme for this aircraft has proceeded according to schedule. At the end of the reporting period 44 out of a total of 60 aircraft on order had completed their first flight and a total of 38 aircraft from the production series had been formally accepted. Interest in this aircraft continues to be shown by various NATO and non-NATO countries, and it is hoped that this will be translated into firm orders as soon as possible so as to extend the production programme.

(g) NATO Mk-44 Torpedo

213. The Group of Experts on the Production of the United States Mk-44 Torpedo (AC/167) submitted its final report to the NATO Naval Armaments Group (AC/141) during the period under review, following which, it was disbanded.

(h) NATO Steering Committee on the Production of the M.72 Light Anti-Tank Weapon

214. Although the production programme is three months behind schedule, production is running smoothly and should terminate in March 1968. A study has been undertaken with a view to improving the performance of the integral igniter.

(i) NATO BULLPUP Production Organization

215. The original production programme of missiles and spare parts was completed during the period under review and, with the exception of three missiles from Lot 18, proof firings at the Bodo range were successful. A further order for spare parts has been placed with the prime contractor by the United Kingdom at a fixed price of N.kr. 2,680,000. The prime contractor has also been entrusted with the post-production services for this weapon system for a period of 18 months as from June 1967. At the end of the same month, the United States Liaison Office closed down and the Board of Directors agreed to invite the Council to place the Production Organization in liquidation as from 1st October, 1967. Negotiations have continued with the NAMS0 relative to the transfer to the latter of the responsibility for the logistic support of this weapon system.

(j) NATO F.104-G STARFIGHTER Production Organization (in liquidation)

216. The final accounts for the liquidation period of the F.104-G Production Organization have now been audited and will shortly be submitted for approval to the Board of Directors. All outstanding business relative to the Production Organization will then have been completed.

(k) NATO HAWK Production and Logistics Organization

217. During the period under review a feasibility study was undertaken in Europe with a view to improving the performances of the HAWK European weapon systems. These improvements, which have been evaluated at \$309 million (United States) would enable the HAWK battalions to remain operational until 1983. However, none of the interested countries has yet undertaken a financial commitment, and if this is not done in the near future the idea, from the industrial point of view, should be abandoned. The logistic support of the HAWK weapons system at the NATO Missile Firing Installation (NAMFI) was taken over by the HAWK Organization on 1st July, 1967.

(l) NATO SIDEWINDER Production and Logistics Organization (in liquidation)

218. The final accounts for the liquidation period have been audited and the Board of Directors approved them in June 1967. All outstanding business has now been completed and the liquidator relieved of his responsibilities.

(m) Industrial property

219. During the period under review the International Staff distributed to the Working Group on Industrial Property (AC/94) the new text of the "Implementing Procedures for the NATO Agreement on the Communication of Technical Information for Defence Purposes". On the basis of comments received from nations, a revised version will be prepared and submitted to the Group for approval at its next meeting in November.

220. The revised text of the Implementing Procedures for the "NATO Agreement for the Mutual Safeguarding of Secrecy of Inventions Relating to Defence and for which Applications for Patents have been made" was approved by the Conference of National Armaments Directors and subsequently by the Council. The revised Terms of Reference of the Working Group on Industrial Property were also approved by the Conference of National Armaments Directors.

221. A preliminary text of the "Comparative Study of the Regulations in NATO Countries Concerning Employees' Inventions" has been circulated to the Group for revision if necessary before final issue. Several replies have been received to the questionnaire for the preparation of the "Comparative Study of National Law, Policy and Regulations Concerning Procurement of Defence Material in which Industrial Property Matters are involved".

(n) Inspection and quality control

222. During the period under review the Group of Experts on Inspection and Quality Control (AC/250) enlarged the scope of its draft Guide for Government Inspectors and changed its title to that of "NATO Quality Assurance Handbook". It is planned to issue this handbook as "Allied Quality Assurance Publication-2". STANAG 4107 has been ratified by almost all countries and is about to be promulgated, and good progress has been made in the ratification of STANAG 4108.

C. LOGISTICS

(a) Codification of equipment

223. Efforts in the field of codification have been mainly directed towards the study of the United States Federal Item Identification Guide Programme with a view to its ultimate adoption by European nations. A procedure for the codification of the NADGE system has been agreed to by the nations participating in that system.

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(b) Transport and storage of military ammunition and explosives

224. The Group of Experts on the Safety Aspects of Transportation and Storage of Military Ammunition and Explosives (AC/258), as agreed at its first meeting in November 1966, has given priority during the period under review to the study of regulations governing the transport of ammunition and explosives by rail. At its second meeting in April 1967, the Group agreed that the European regulations at present in force for the transport of dangerous goods by rail (RID) could, with certain amendments, be used for the transport of military ammunition and explosives. The Group decided to revise a document on this subject which had been prepared and agreed to by four European nations some years earlier, with a view to making it acceptable now to all NATO countries. The Sub-Group on Storage is continuing with its revision and updating of document AC/106-D/5(Revised) and has undertaken studies, inter alia, on underground storage depots and the safety distances required between storage depots containing explosives and POL facilities.

(c) NATO Pipeline System

(i) NATO Pipeline Committee

225. The Committee met in January to consider the preliminary comments submitted by the Turkish Authorities on the report made by the Committee's Study Group on the Operation and Maintenance of the NATO Pipeline System in Turkey. Further comments were then submitted by Turkey and a three man delegation was sent to the meeting to explain and clarify the situation. The Committee noted the action taken by the Turkish Authorities as a result of the report, including the setting-up of a Steering Committee, as suggested by the Study Group, to examine the possibilities of non-military use of the pipeline. In the course of the discussion the importance to the Turkish System of introducing some reverse pumping capability was stressed, and the Committee expressed the hope that the competent authorities would give priority to this matter. The Committee will reconsider this question when it has received the results of the examination in depth undertaken by the Turkish Steering Committee as well as the final comments of the Turkish Authorities.

226. The reports submitted for 1965 by the Regional Authorities of the Central Europe Region, Denmark, Greece and Italy were examined and an increase in use, particularly in non-military movements, was noted. Arrangements for a joint operational procedure for the Jutland Pipeline System were discussed.

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(ii) Organization of the NATO Pipeline System in the Central Europe Region

227. The directing bodies of the System noted that France intended to continue her participation in the Central Europe System in France in peacetime under the present conditions but was not prepared to contribute to any additional facilities that other countries might think necessary. She was not in a position to give any guarantee regarding the use of the pipeline and facilities on her territory in time of war, though such use should not be automatically excluded.

228. Additional connections to the System in the Benelux countries following the relocation outside France of United States petroleum stocks were approved. Meanwhile the amount of North-South transport of product increased considerably.

229. Taxation problems and the possibility of setting-up a third party insurance for the System were examined by the directing bodies who also devoted much time to the study of the financial and legal implications of the accident described in my last report, in which a tanker caused serious damage to the South Sealine at Octeville near Le Havre.

(d) NATO Maintenance and Supply Organization

230. In my last report I mentioned the forthcoming departure of the United States Air Force from Déols (Châteauroux Airfield) and the probable effect this would have on the activities of the NAMSU. Following their departure, the airfield was manned by the French Air Force who ensured the continuity of operations for all allied planes transporting spare parts from the NATO Supply Centre to their respective countries. Consequently, the NAMSU did not have to resort to the use of Orléans-Brécy Airfield as hitherto foreseen. The IBM Company has leased a transceiver to the NATO Supply Centre to replace that which belonged to the United States Air Force. This transceiver has been connected to the United States network at Seigelbach (Federal Republic of Germany).

231. Pending a decision by the Council on the possible transfer of the NAMSU to another NATO country, studies were undertaken with a view to selecting new sites both for the Agency and the Supply Centre. These studies showed that two depots would be required, the first in the Central/North Region and the second in the South, and that the Agency should be situated close to the Northern depot.

232. While the depot at Capellan (Luxembourg) has been found to be the most suitable site for the Northern depot, no choice has yet been made for the Southern depot. Two nations have offered sites and a third has been invited to do so. However, only an agreement between the three interested parties can lead to a final decision on the location of this depot, and this does not appear to be forthcoming in the near future. A study is also being undertaken on the transfer of the HAWK common depot to the NAMSOC as well as the services at present entrusted to the French Authorities.

D. INFRASTRUCTURE

(a) Programming

233. During the second half of 1966 the military authorities were engaged in the preparation of the Slice of infrastructure works for 1967 (Slice XVIII), the third Slice of the current five-year infrastructure programme for 1965 to 1969.

234. Although this Slice has been examined in the normal way by the Supreme Commands (meetings in September), it was only during the first half of 1967 that the Infrastructure Committee was able to begin the first phase of its usual critical review. This review has, however, been suspended in order to study more carefully the availability of funds to cover the military needs up to 1969.

235. During the Ministerial Meeting of December last, the Ministers, having agreed to study whether a NATO satellite communication programme should be established, approved a first phase experimental project in this field.

236. The Defence Planning Committee approved the recommendation of the Infrastructure Committee of the Fourteen for the anticipated inclusion in Slice XVIII of a sum of £500,000 for phase I, the greater part of the money to be spent on the leasing of two Mascot ground terminals of this project.

(b) Allied Command Europe Plan for Air Defence of NATO Europe (NADGE)

237. The successful bid submitted by the Hughes NADGE Consortium now known as NADGECO Ltd. has been split up into nine separate contracts with the host countries. They were prepared and signed according to schedule by the host countries and NADGECO Ltd. and came into effect on 28th December, 1966.

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238. Since then NADGEMO's principal tasks have been the review of technical specifications, the review of system design definition, the elaboration of test and acceptance plans and procedures.

239. Major items now under study by NADGEMO and the NADGE Policy Board (NPB) are, among others, the method of financing operation and maintenance costs, financing of local utilities and personnel housing in Greece and Turkey and communications in both these countries and Italy, the upgrading of the minimum facilities to full NADGE, procedures governing the implementation of modifications and additions to contracts.

240. Two decisions may be worthwhile remembering. The NPB requested that the amount originally allotted by the Council to cover NADGEMO's budget be doubled from £1.1 million to £2.2 million. This request has been approved by the Council. The Council approved furthermore the Defence Planning Committee's decision to relocate NADGEMO in Brussels. This relocation was carried out in July.

(c) Other questions

241. During the first half of 1967 the Infrastructure Committee met 17 times and the Infrastructure Payments and Progress Committee met 23 times. During the semester the Infrastructure Committee studied the following major questions:

- Transfer of infrastructure equipment from NATO War Headquarters in France;
- Outstanding audit problems;
- Tax exemption agreement;
- Method of conversion of infrastructure expenditures following the French monetary measures of August 1957;
- Prefinancing statements;
- Transportable TACAN beacons;
- Final inspection of works at airfields used by the United States in France.

242. The High Level Working Group, under the Chairmanship of the Assistant Secretary General for Production, Logistics and Infrastructure, charged with the evaluation and selection of online teletypewriter cryptographic equipment (TROL), submitted its report which was studied by the Defence Planning Committee during the month of July(1).

243. The Council having decided (C-R(66)58, Item II) that: "the Defence Planning Committee should extend its activity from the strictly military planning field to all integrated matters and to all matters concerning bodies in which France no longer participated", the Infrastructure Committees took the necessary steps to assure that the activities of the "14" could follow their normal course as from January 1967 (AC/4-R/555 and AC/4(PP)R/689).

(d) Progress of infrastructure

244. The total value of works authorised by the Infrastructure Payments and Progress Committee during the first half of 1967 amounts to £9.1 million to be financed by the "15" and £20.5 million to be financed by the "14". This amount brings the total of funds authorised at 30th June, 1967, to £1,148.5 million, £1,124.3 million by the "15" and £24.2 million by the "14", i.e. about 91.5% of the estimated cost of Slices II to XVII inclusive.

245. The contributions which have been approved for the first half of 1967 in order to pay for the works carried out in the host countries amount to £24.7 million.

246. During the second half of 1966, expenditure rose to £25.1 million. However, the International Staff has had to reduce the country expenditures by about £2 million not yet covered by authorisations from the Infrastructure Payments and Progress Committee. The total expenditure for 1966 taking into account the reductions in expenditure not covered by authorisations, amounts to about £48 million. In view of the difficulties encountered during 1966, the rhythm of expenditure can be considered satisfactory.

247. During the half-year in question, the Infrastructure Payments and Progress Committee approved Final Inspection reports representing an amount calculated at around £21 million.

248. The graphs attached at Annex show the financial situation of NATO Infrastructure.

249. Graph I sets out the comparison between funds authorised, actual expenditure, the value of projects which have been the subject of a final technical inspection and the cost estimates of the different Groups of Slices (Annex II).

(1) PO/67/475

250. Graph II shows the value of the different categories of projects which make up the Programmes of Slices II to XVII inclusive (Annex III).

X. CO-ORDINATION OF CIVIL AND MILITARY AIRSPACE ORGANIZATION AND AIR TRAFFIC CONTROL SYSTEMS IN NATO EUROPE

251. The Committee for European Airspace Co-ordination (CEAC) has continued its study on standardisation of civil and military air traffic control in NATO Europe, and having eliminated most of the existing differences in airspace organization and control procedures is now co-ordinating long-term plans in order to maintain standardisation in the future.

252. The Committee has also:

- (a) produced a revised joint civil/military plan for navigational aids and frequency assignments for NATO Europe. This plan, which incorporates many new requirements, provides for joint interference free use of facilities and frequencies and is designed to permit the requirements of non-NATO states to be fitted into it without interference to the NATO facilities. It has since been adopted by the International Civil Aviation Organization (ICAO);
- (b) established a joint civil/military plan for optimum and interference free use of UHF frequencies for air traffic control;
- (c) agreed civil/military technical characteristics for secondary surveillance radar for use in NATO Europe. The agreed characteristics will avoid mutual interference and permit joint use of equipment for air traffic control purposes and are furthermore compatible with those for International Civil Aviation.

253. Co-ordination of civil and military use of airspace during five major NATO exercises affecting international air navigation has been effected.

XI. CIVIL EMERGENCY PLANNING

(a) General

(i) Follow-up action on Council decisions

254. In accordance with the instructions given by the Council in November 1966, the Senior Committee has provided planning boards and committees with precise objectives, priorities of effort and target dates for the completion of approved projects.

255. As a result of initial steps by the Senior Committee and the Military Committee, it has been agreed by the Senior Committee that joint studies would be undertaken to improve civil/military co-operation procedures. It was also agreed that studies would be initiated to improve co-operation in respect of exercise planning and the NATO Alert System. The Senior Committee noted that the International Military Staff were fully prepared to co-operate and that they advocated action at working level.

256. With the assistance of boards and committees, the Senior Committee has completed a revision of guidance to nations on Civil Precautionary Measures.

(ii) Planning for the NATO civil wartime agencies

257. Further progress has been made in following up the lessons of Exercise CIVLOG 65, especially as regards the inter-relationship of the agencies and liaison with the military authorities. Decisions have been made with respect to liaison between the wartime shipping organization and the Central Supplies Agency. Relationships have been defined between the NATO Refugee Agency and other agencies.

258. During the first half of 1967 efforts were concentrated mainly on the preparation of manuals for the agencies. Guidance was circulated to the planning boards and committees regarding their own contributions. Good progress is being made on this basis by the boards and committees. The Senior Committee itself has undertaken the preparation of chapters which apply identically to all agencies; the initial consideration of these draft chapters raised various problems which are now being studied.

(iii) Exercise CIVLOG 69

259. A document has been prepared for submission to the Council outlining the aims and objectives for the conduct of a NATO-wide civil logistics exercise - CIVLOG 69. In the meantime further preparation is under way as follows:

- (1) the development of a NATO-wide military setting;
- (2) the development of a world-wide setting;
- (3) the preparation of national narratives;
- (4) selection of commodities, raw products and end items to be played in the exercise.

(iv) NATO-wide military Exercise FALLEX 68
(Exercise GOLDEN ROD)

260. The staff of the Civil Emergency Planning Bureau participated in the preparation of the operation order for this Exercise. Extent of participation of national ministries and agencies in FALLEX 68 is now being ascertained and the results of these investigations will determine the extent of civil emergency play.

(b) Activities of the specialised boards and committees

(i) Planning Board for Ocean Shipping (PBOS)

261. Substantial progress was made at the 19th meeting of the Planning Board with the staffing of the Eastern and Western Branches of the Defence Shipping Executive Board. Recommendations were approved covering some 275 posts in each of the two branches. Nominations will now proceed for the filling of these posts except the clerical - to be mainly provided for by the United Kingdom and the United States as host countries with assistance from other nations - and mails and messages - provision for which will be discussed with the Petroleum Planning Committee on the basis of a joint service for the Defence Shipping and NATO Oil Executive Boards since they will be located together.

262. Other activities included the submission to SACLANT of comments on the proposed amendments to the Ocean Clearance Policy paper; progress on the subject of Insurance of Shipping War Losses; and consideration of the problem of oil bunkering in war.

(ii) Civil Communications Planning Committee (CCPC)

263. The Civil Communications Planning Committee considered a draft operational priority indicator system prepared by the Allied Long Lines Agency (ALLA) and submitted its comments to ALLA so that the system, when finally approved by member countries, could be enforced for joint civil/military use.

264. The Committee agreed temporary rules for the registration with ALLA of international circuits for essential civil wartime requirements. The procedure will need to be reviewed when the new operational priority system referred to above is approved and enforced. In the meantime, however, registration can begin as the procedure has been accepted by ALLA.

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265. The Committee has undertaken to prepare a plan for the maintenance of international Gentex service in war within the NATO Continental area, along the same lines as the plan agreed for the maintenance of international Telex service in war.

(iii) Planning Board for European Inland Surface Transport (PBEIST)

266. Following Council approval of new Terms of Reference and a new structure for PBEIST, the three technical and the three regional sub-committees were given their own new Terms of Reference and detailed programmes of work to 30th June, 1968.

267. Principal activities undertaken during the first half of 1967 related to the following items and, in June 1967, PBEIST approved:

- (a) six reports establishing:
- a list of the bilateral or multilateral agreements or arrangements for inland transport and ports, existing or drafted since 1952;
 - some technical instructions to be applied by several member countries in respect of the transport of ammunition by rail, in case of emergency or war;
 - construction characteristics of flat wagons for the transport of tanks;
 - residual capacities of inland waterways in war;
 - deficiencies prejudicial to vital allied interests in the field of inland waterways;
 - conditions for night navigation (on inland waterways) in wartime;
- (b) four reports, for submission to the Senior Civil Emergency Planning Committee, on:
- the status of progress for the Central Europe Wagon Pool;
 - the arrangements for evacuation of the Rhine inland waterways craft;
 - the organization of coastal shipping in wartime in the Central Europe Region;
 - changes to the Terms of Reference of ACTICE.

A revision of the Terms of Reference of ACTISUD has also been undertaken.

(iv) Petroleum Planning Committee (PPC)

268. During the reporting period, the Petroleum Planning Committee, inter alia, continued preparations for a NATO Wartime Oil Organization manual, implemented a replacement procedure for nominations to wartime agency posts falling vacant, conducted a trial exercise to test revised reporting forms for the agency, and inaugurated revised biannual oil reporting procedures for the NATO area (SHAPELOG-7).

(v) Industrial Planning Committee (IPC)

269. During the first six months of 1967, the Industrial Planning Committee has considered the conclusions drawn by those members who participated in Exercise FALLEX 66.

270. Other activities of the Committee included remaining appointments to industrial posts with the Central Supplies Agency; with the Food and Agriculture Planning Committee and PBOS, the development of joint proposals for liaison between the wartime shipping organization and the Central Supplies Agency; the adjustment of new reporting forms to the limited communications facilities that are planned for agencies; and the preparation of a small-scale exercise (which will be conducted in September of this year) to evaluate the arrangements for activation and procedures of the Industrial Division of the Central Supplies Agency.

271. The Industrial Planning Committee has completed its study on electricity; the findings will be submitted shortly to the Senior Committee. The study on coal and the study on pharmaceutical industries have proceeded.

272. During the period under review, the Committee has co-operated closely with the Food and Agriculture Planning Committee.

(vi) Food and Agriculture Planning Committee (FAPC)

273. During the first half of 1967, the Food and Agriculture Planning Committee has mainly concentrated its efforts on improving plans for the supplies agencies. Activities in this area included the appointment of experts to the posts that remained to be filled, the drafting of job descriptions for new posts, a revision of the structural organization, arrangements for liaison with the transport agencies, an adjustment of reporting forms to communications requirements, and studies related to co-ordinated procurement of agricultural commodities in war.

274. The study of radioactive contamination of food and agriculture and of methods of protection against such contamination has been resumed.

275. During this period, the Committee has co-operated closely with the Industrial Planning Committee.

(vii) Civil Aviation Planning Committee (CAPC)

276. The Civil Aviation Planning Committee approved, during the first half of 1967, a revised organization for the Board for the Co-ordination of Civil Aviation (BOCCA). In accord with the new organizational concept, national civil aviation information centres for wartime are being constituted in each member country. Appropriate staffing for BOCCA has been completed, and a working procedure agreed for the completion of a BOCCA war manual by the Spring of 1968.

(viii) Civil Defence Committee

277. During the first half of 1967, particular emphasis was placed upon obtaining clear and concise assessments as to the current status of national operational civil defence organizations, national fallout warning systems, and potential protection in member countries against fallout. In addition, technical studies relating to fallout warnings and shelters were pursued in the appropriate Working Groups.

278. An elaboration of the operational planning for the NATO Refugee Agency (NRA) was approved by the Committee to serve as a basis for the preparation of the NRA manual.

XII. NATO SECURITY PROBLEMS

279. The Security Directorate has continued to be engaged in the practical implementation of the ATOMAL System in accordance with the security requirements of the Agreement for Co-operation Regarding Atomic Information (C-M(64)39). In the past it has been the practice of the Security Directorate to give some statistics with respect to work accomplished in this field in the Progress Report; we believe it to be more meaningful, however, to include this part of the Directorate's activities in the semi-annual Progress Report following the end of the calendar year. Suffice it to say, however, that the Security Directorate, in anticipation of the relocation of the NATO Headquarters to Brussels in October 1967, has made a great effort to accomplish the majority of its COSMIC, CABAL and ATOMAL inspections during the period covered by this report, and that with a few exceptions, has been successful in this regard.

280. The most important single accomplishment during the period of this report is reflected in Council approval of the reorganization of security within NATO (C-M(67)16). This process began with the disestablishment of the Standing Group of the Military Committee on 1st July, 1966 and a subsequent proposal from the Military Committee to transfer the executive functions for security, formerly the responsibility of the Standing Group Security Committee (SGSC) to the Security Bureau.

The draft proposal for the revision of Section I of Enclosure 'C' to C-M(55)15(Final) was put before the Security Committee at its meeting held on 15th September, 1966 at which time it was agreed that an Extraordinary Meeting of the Committee would consider this proposal following comments by member countries. Such an Extraordinary Meeting of the Security Committee was held on 17th January, 1967. With final approval of the draft proposal as amended on 14th and 15th March of this year, the reorganization then went to Council and was approved on 17th May, 1967.

281. This reorganization is a departure from former practices in many respects. It provides for more than one security system within NATO and contemplates the inclusion of ATOMAL as one of these systems. It clearly delineates the responsibilities of member states, the North Atlantic Council, the Military Committee, Major Military Commands and the Security Directorate, and for the first time in the history of NATO establishes a single organization having executive responsibilities for security within NATO, namely the Security Directorate.

282. All concerned in the consideration of this reorganization were convinced that this new approach would increase the efficiency and effectiveness of security procedures and practices within NATO.

283. At its meeting held on 14th and 15th March, 1967, the Security Committee also approved for future inclusion in C-M(55)15(Final) a revised Section on Microfilming of COSMIC Documents, which is intended to give flexibility to member countries and Military Commands, while at the same time maintaining a high degree of accountability in this field.

284. It was also agreed at this meeting that the Security Directorate, on a Section by Section basis, would undertake a general revision of C-M(55)15(Final), with a view to placing the suggested revisions before the Security Committee for consideration. The United States Representative offered a qualified officer for drafting assistance in this regard. This offer has been accepted by the Directorate and is much appreciated because of the pressure of work. This redraft of C-M(55)15(Final) is not intended to inject policy changes into the basic security doctrine so long established in NATO, but rather is intended to enhance the clarity of the document, and where appropriate, suggest procedural changes which from experience have been found to be more applicable than those presently followed.

285. Although the Security Directorate does not have direct responsibility for the ATOMAL control arrangements proposed by the United States, it should be noted that when these arrangements were put forward the Directorate prepared

comments for the members of the Security Committee (AC/35-D/754). When the AC/228 Working Group met on 3rd and 4th July, 1967, many of the suggestions contained in the Directorate's document were adopted by the Working Group. The revised draft approved by the Working Group is presently being considered by member countries and will be the subject of reference in the next Progress Report.

286. The Security Directorate has continued to work very closely with the Belgian National Authorities on the various aspects of security relating to relocation of the NATO Headquarters to Brussels. Through the good offices of the Directorate working with these Authorities, the United States has agreed to make available training and equipment to give the Belgian Authorities a capability in the field of technical security in order that they can serve the Council, the Military Committee and related agencies in much the same manner as the French Security Authorities have served NATO Headquarters in Paris.

287. The Belgian Authorities have observed, during the period under review, that there has been stepped-up activity in Belgium - and possibly in the Benelux countries - on the part of Soviet bloc Intelligence Services. Additional personnel have been assigned to official missions and at least one case in Belgium has been identified as being targeted directly at SHAPE. These activities are being watched closely and a co-operative effort has been made between the Belgian National Security Authorities, SHAPE, the Security Directorate and related Security Agencies in an attempt to exchange information which would be useful in countering these activities.

288. The previous Progress Report made specific reference to the study of the organization for security within the NADGE Programme. It has been the view of the National Security Authorities that the Council should be invited by the NADGE Policy Board to amend the NADGE Charter in order that security procedures on the lines of those approved for NATO Production and Logistics Organizations (NPLOs) rather than those applicable to infrastructure projects should be applied to NADGE classified productions and that a full-time professional security officer should be appointed to the NADGE Management Office. The Security Directorate is pleased to report that these amendments to the NADGE Charter have now been proposed to Council and have been approved, and that a full-time security officer is presently on duty, serving the NADGE Management Office, but situated in London near the site of the NADGE Consortium, where the major portion of the work must be carried out.

289. The NATO Special Committee has met once during the period under review. Apart from its general discussions, it considered submissions by member countries on "Trends in the Collection of Unclassified Information by Soviet Intelligence Services". This same subject had previously been studied by the appropriate Committees in 1960 and was fully reported in document AC/35-D/370. At its meeting this year, the Special Committee agreed when contributions were solicited that only new developments should be covered. It was agreed generally by member countries that no basic changes in these collection efforts had transpired, but that they had been intensified. The Chinese Communists were now active in the field, cultural and other exchanges had now become the order of the day and students, scientists and technicians were being exploited. There is a clear indication of greater stress on the collection of scientific and technical information. Essentially the drive for, and volume of, the collection of unclassified information has increased; the techniques have remained the same.

(Signed) Manlio BROSIO

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NATO CONFIDENTIAL
ANNEX I to
C-M(67)59

BREAKDOWN BY GRADE AND NATIONALITY

30th June, 1967

	Uncl.	A.1	A.2	A.3	A.4	A.5	A.6	A.7	Total	B.1	B.2	B.3	B.4	B.5	B.6	Total	C.1	C.2	C.3	C.4	C.5	C.6	Total
BELGIUM	1			1					19		3	2				8			1				2
CANADA	1				2				4			1				1							
DENMARK					4				6														
FRANCE		3	8	10	15	6			42	5	10	39	81	81	5	221	6	11	26	164	36		243
GERMANY	1	2	4	10					18			1	2	1		4							
GREECE					6			1	7		1					1							
ICELAND									1														
ITALY	1	2	5	8	2	1			18	1		1				2			2				4
LUXEMBOURG						1			1				1			1							
NETHERLANDS		1	6	3					10	1	1	1	2			5							
NORWAY					4	1			5														
PORTUGAL					1				1														
TURKEY			1	5	1				7				1	1		2							
UNITED KINGDOM	2	1	1	8	20	15	8		53	1	12	46	69	1	129								
UNITED STATES	2		5	7	2				16														
<u>TOTAL</u>	<u>5</u>	<u>9</u>	<u>6</u>	<u>43</u>	<u>89</u>	<u>44</u>	<u>17</u>		<u>208</u>	<u>6</u>	<u>13</u>	<u>57</u>	<u>134</u>	<u>158</u>	<u>6</u>	<u>374</u>	<u>6</u>	<u>11</u>	<u>29</u>	<u>167</u>	<u>36</u>		<u>249</u>

NB. This table does not include linguistic posts filled at this date.
(FRANCE 44 + UNITED KINGDOM 21 + BELGIUM 1 = 66)

TOTAL: 836
+ 66
902

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CHART I - GRAPHIQUE I

NATO COMMON INFRASTRUCTURE - INFRASTRUCTURE COMMUNE OTAN
ALL COUNTRIES ALL PROJECTS - TOUS PAYS TOUS PROJETS
SLICES II - XVII - TRANCHES II - XVII

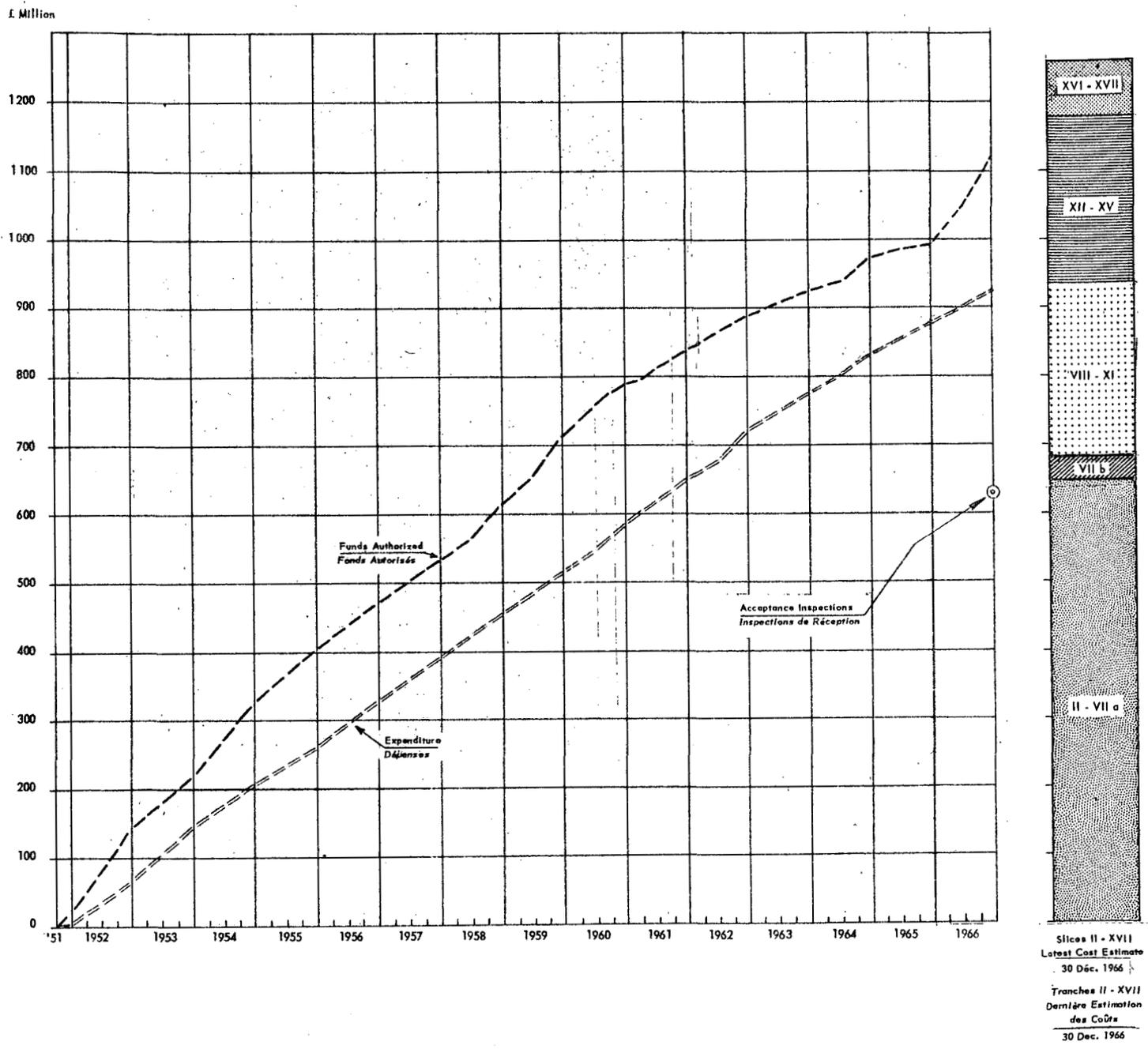


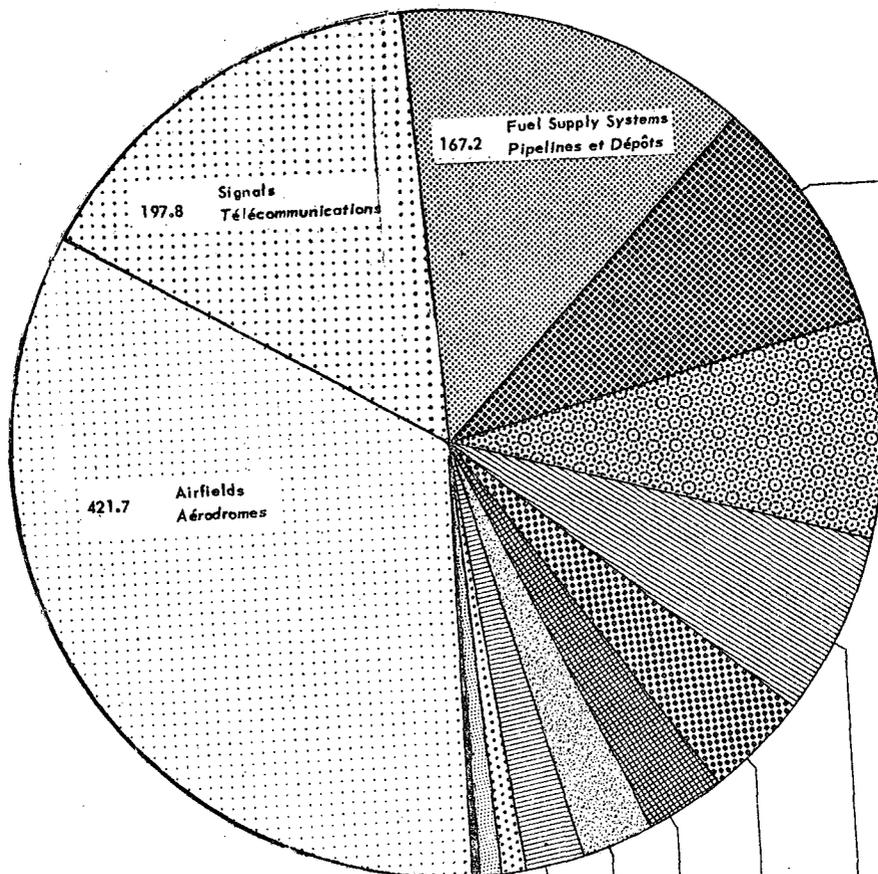
CHART II - GRAPHIQUE II

NATO COMMON INFRASTRUCTURE - INFRASTRUCTURE COMMUNE OTAN
LATEST COST ESTIMATE BY CATEGORIES OF WORKS - DERNIERE ESTIMATION DU COUT PAR CATEGORIES DE TRAVAUX

£ 1,255.1 MILLION - 1,255.1 MILLIONS DE £

SLICES II - XVII - TRANCHES II - XVII

(31 DEC. 1966 - 31 DEC. 1966)



- 0.7 Anti-Submarine Installations - Installations de détection pour sous-marins
- 7.5 Surface-Surface Missile Installations - Installations Engins Sol-Sol
- 11.4 Radio Navigational Aids - Aides à la navigation
- 27.1 Training Installations - Installations d'Entrainement
- 33.1 Radar Warning Installations - Installations Radar
- 37.2 Special Ammunition Storage - Dépôt de Munitions spéciales
- 55.3 War Headquarters - Quartiers Généraux de Guerre
- 89.0 Surface-Air Missile Installations - Installations Engins Sol-Air
- 97.1 Naval Installations - Installations navales
- 110.0 NATO Air Defence Ground Environment - Infrastructure Electronique de la Défense Aérienne de l'OTAN