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DURING THE PERIOD
1ST JANUARY TO 30TH JUNE, 1968

OTAN/NATO,
Brussels, 39.

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INDEX TO THE SECRETARY GENERAL'S REPORT

	<u>Paragraph Numbers</u>
I. <u>THE COUNCIL</u>	
(a) Presidency of the Council	1
(b) June Ministerial Meeting	2 - 12
(c) Council Operations	13 - 33
II. <u>ACTIVITIES OF THE SECRETARY GENERAL AND THE DEPUTY SECRETARY GENERAL</u>	
(a) Visits to and meetings in member countries	34 - 45
(b) Visits to NATO	46
(c) Speeches by the Secretary General	47
(d) Courtesy visits	48 - 49
III. <u>THE INTERNATIONAL STAFF</u>	
(a) Establishment	50 and Annex I
(b) Emoluments and conditions of employment	51 - 53
(c) Construction	54
IV. <u>THE MILITARY ORGANIZATION - CHANGES IN APPOINTMENT</u>	
(a) Military Committee in Chiefs of Staff Session	55 - 56
(b) Military Committee in Permanent Session	57 - 59
V. <u>POLITICAL CO-OPERATION</u>	
(a) Future tasks of the Alliance	60 - 63
(b) Reports to the Council on international contacts	64 - 67
(c) East/West relations - Political consultation in NATO	68 - 72

	<u>Paragraph Numbers</u>
(d) Disarmament and related issues	73 - 78
(e) Berlin	79 - 82
(f) Vietnam	83 - 84
(g) Other consultation subjects	85 - 86
(h) Atlantic Policy Advisory Group	87 - 88
(i) The work of the Political Committee	89 - 110
VI. <u>ECONOMIC CO-OPERATION</u>	
(a) Economic aspects of defence effort	111
(b) Economic relations with Communist countries	112 - 113
(c) Economic developments in Communist countries	114 - 115
(d) Military expenditure of Communist countries	116
(e) Economic activities of Communist countries in the developing countries	117
(f) Activities of the United Nations Economic Commission for Europe	118
(g) Results of the 2nd United Nations Conference on Trade and Development	119
(h) Economic data to be stored at the Situation Centre	120
VII. <u>SCIENTIFIC AND TECHNICAL CO-OPERATION</u>	
A - Activities of the Science Committee	121 - 165
B - General Activities of the Scientific Affairs Division	166 - 172

Paragraph
Numbers

VIII.	<u>ACTIVITIES IN THE FIELDS OF CULTURE AND INFORMATION</u>	
	A - Cultural Co-operation	173 - 175
	B - Information Activities	176 - 193
IX.	<u>DEFENCE</u>	
	A - NATO Defence Policy and Planning	194 - 228
	B - Defence Support	
	1. Infrastructure	229 - 251 (Graphs Annexes II and III)
	2. Co-operation in Research, Development and Production	252 - 304
	C - Logistics	305 - 314
X.	<u>CO-ORDINATION IN THE USE OF NATO EUROPEAN AIRSPACE</u>	315 - 317
XI.	<u>SECURITY DIRECTORATE</u>	318 - 322

I. THE COUNCIL

(a) Presidency of the Council

1. On becoming Minister of Foreign Affairs for France in June Mr. M. Debré succeeded Mr. M. Couve de Murville as President of the Council. Owing to Mr. Debré's inability to attend the Reykjavik meeting he suggested, and Mr. W. Brandt agreed, to start his term as President of the Council in time to act in that capacity at the Reykjavik Ministerial Meeting.

(b) June Ministerial Meeting

2. The North Atlantic Council met in Ministerial session in Reykjavik on 24th and 25th June, 1968.

3. In reviewing the international situation, Ministers examined the situation created by the recent measures affecting the access route to Berlin and urged that the Soviet Union should discontinue such actions as hampered or endangered freedom of communication with Berlin. They considered that, by challenging international agreements and long-standing practices, the East German Authorities had created a serious situation and were making a deliberate attempt to jeopardize the détente.

4. Ministers recalled the Declaration of the North Atlantic Council on Berlin of 16th December, 1958, and reiterated the fact that member governments did not recognize the "German Democratic Republic" whose actions, having no juridical basis, cannot create international rights nor consecrate the division of Germany against the will of her people.

5. Ministers approved, and associated themselves with, the expression of determination of the Three Powers to maintain freedom of access to Berlin, and noted the decision of these Powers, together with the Government of the Federal Republic of Germany, to remain in continuous consultation concerning Berlin and to stand ready to meet any contingency.

6. Ministers discussed a report from the Council in Permanent Session on the follow-up to the Report on Future Tasks of the Alliance. Ministers reaffirmed their intention to continue their efforts to promote détente, each Ally playing its full part in improving East/West relations bearing in mind the established practice of timely consultation within the Alliance.

7. Ministers confirmed the decision of the Council in Permanent Session to give priority to the study of disarmament and practical arms control measures. They did not underestimate the existing obstacles but they confirmed the need to prevent an escalation in arms levels on both sides.

8. Ministers representing the nations participating in the NATO defence programme adopted a declaration on mutual force reductions, which was attached to the final communiqué of the Reykjavik meeting.

9. Ministers examined and approved a report from the Council in Permanent Session dealing with the situation in the Mediterranean and related defence problems. They directed their Permanent Representatives to consult fully on this situation.

10. Ministers of the countries taking part in the Defence Planning Committee, concerned at the recent expansion of Soviet activity in the Mediterranean, decided that their Permanent Representatives, with the assistance of the NATO Military Authorities, would take under early consideration measures designed to safeguard the security interests of NATO members in the Mediterranean area and to improve the effectiveness of Allied forces in that area. They would also consider other measures or organizational changes that may be needed to enhance the effectiveness and co-ordination of Allied surveillance activities in the Mediterranean. France did not associate herself with these decisions.

11. The Council in Ministerial session heard statements from the Foreign Ministers of Greece and Turkey on the subject of relations between these two Allied countries, and noted with satisfaction recent developments. They hoped that further progress to the benefit of both countries and of the Alliance might be achieved in the future. They also expressed the hope that the informal talks started between the two communities of the Republic of Cyprus would make an important contribution towards a final settlement of the problem.

12. It was agreed that the next Ministerial meeting of the Council would be in Brussels in December 1968.

(c) Council Operations

General

13. In the period under review the techniques and procedures associated with the operation of the NATO Situation Centre have been further developed. The needs of the Council/DPC and the Military Committee in peacetime and in periods of tension and crisis have been under continuing examination by the Council Operations and Exercise Co-ordination Working Group in conjunction with the staff of the Situation Centre.

14. In the establishment of requirements and the development of procedures various Committees of the Council/DPC have been briefed on the functions of the Centre and, in addition, they have been consulted in regard to the type, extent and method of presentation of material required by Council/DPC in its consultative rôle.

15. The Council Operations and Exercise Co-ordination Working Group, at the request of the DPC, conducted an exhaustive examination of those sections of the NATO Alert System (MC 67/2) concerning actions required by the Council/DPC and national capitals in regard to authorization for the declaration of alerts. This study was recently completed and recommendations associated therewith have been agreed to by the DPC. This will permit the revised version MC 67/2 to be played in FALLEX 68. The Council Operations and Exercise Co-ordination Working Group will re-examine these procedures after an analysis of FALLEX 68 has been completed.

16. Provision of basic equipment and facilities for the Situation Centre has continued and most of the initial requirements have been met. Studies are continuing to obtain the maximum use of the Automatic Data Processing unit installed in the Centre.

Communications

17. Significant progress has been made in the field of communications for the Council/DPC in several areas. These are:

NATO-Wide Communications System

18. The NATO-Wide Communications System was put in service at the end of May. Terminals in each of the NATO capitals and at the Major NATO Commanders Headquarters are now operational. On the recommendation of the Military Committee, the DPC decided to accept the offer of the Belgian Authorities to provide, against repayment, a Signals Unit to man the Communication Centre at the NATO Headquarters at Evere. While the Evere Switching Centre is currently operating on a manual basis a contract has been let for the delivery of fully automatic switching equipment which will ensure the optimum use of the capabilities of the system. It should come into use early in 1969.

19. Studies are continuing in regard to the development of the second stage of the NATO-Wide Communications System which will result in the provision of dual access to all subscribers and the establishment of an alternate Switching Centre in the United Kingdom.

20. The System is now carrying considerable message traffic between the HQ and national capitals and Major NATO Commanders and will be fully exercised during Exercise HILEX-2 and FALLEX 68.

NATO Satellite Communications Programme

21. The first phase of the NATO Satellite Communications Programme is continuing with the operation of the two air-portable MASCOT ground terminals at SHAPE (Casteau) and

AFSOUTH (Naples). This first phase is an experimental and training programme with a limited operational capability utilizing satellite time on US IDCSP satellites, at no charge to NATO. Personnel from nine NATO nations have so far participated in this activity.

22. Implementation of Phase II of the NATO Satellite Communications Programme is now underway and funding and contractual arrangements have been completed for the procurement of two SKYNET type synchronous satellites for NATO. Negotiations have been completed for the provision of boosters, the launch and the control of these two satellites.

23. Bidding specifications have been issued for the twelve ground terminals for the system which are to be produced by European/Canadian firms or consortia. It is envisaged that tenders will be received by approximately mid-September 1968.

24. According to present planning the first of the two satellites is to be launched in November 1969 and the first ground terminals off production should be delivered and operational by early 1970. By the end of 1970 the system should be completely operational.

Speech Secrecy Equipment

25. In order to take full advantage of the capabilities of the NATO Satellite Communications Programme the voice circuits of the system should be provided with speech secrecy equipment. A canvass of nations capable of producing this type of equipment and willing to make it available to NATO is in progress. In the meantime a survey is being made of non-military user needs with a view to proposing a co-ordinated procurement programme to cater to the requirements of both the NATO Military and Civil Authorities.

Council Exercises

26. The principal responsibilities of the Council Operations and Exercise Co-ordination Working Group in the field of exercises include:

- (a) the formulation of recommendations and procedures associated with the participating of the Council and/or the Defence Planning Committee or its components in NATO-wide exercises;
- (b) the development of aims, objectives, settings and method of conduct of "high-level" exercises for the participation of Council and/or the Defence Planning Committee, and where appropriate, national and NATO Military Authorities.

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27. On 13th June, 1967, the Defence Planning Committee approved the recommendations of the Working Group concerning the organization and conduct of high level exercises within NATO, the aim of which should be to enable the arrangements and procedures for consultation and collective decision-making in the forum of the North Atlantic Council/DPC to be further developed. These exercises are to be designated HILEX.

28. The first exercise in this series known as HILEX-1 was conducted from 11th to 14th March this year and was played completely within the Headquarters without participation of national capitals or Major NATO Commanders.

29. A number of lessons were learned from this first activity and these were subsequently reported upon to the Military Committee and to the DPC. In the report on HILEX-1 to the DPC the Council Operations and Exercise Co-ordination Working Group expressed the belief that at least one further test exercise should be played in the HILEX series before an exercise was played at a higher level involving Permanent Representatives, Military Representatives and corresponding echelons in national capitals and MNCs. Consequently, HILEX-2 is now scheduled for July 1968.

30. The active play period of HILEX-2 will be broken into two cycles the first terminating on the afternoon of the 16th July and the second cycle on the afternoon of 22nd July. The first cycle should lead to the consideration of the need to institute "State Argus" which calls for necessary increases in levels of manning of operational elements throughout NATO and an increased flow of intelligence, evaluation and assessment.

31. The second cycle should lead to national assessments of the developing situation and the consultation relating to the desirability and necessity of deployment of the AMF to the Southeast region.

32. The DPC has agreed that it should be represented by an exercise component during the conduct of FALLEX 68 in October 1968. This Council Component, at the level of the Council Operations and Exercise Co-ordination Working Group, will furnish the required responses to the NATO Military Authorities throughout the Exercise and also provide the point of contact for play of national civil authorities throughout the Exercise. The Situation Centre will function on an around-the-clock basis during FALLEX 68.

33. Preparations are continuing for the conduct of a major NATO civil/military logistic exercise in May 1969 designated CIVLOG 69. This exercise will be played at national capitals, at exercise civil wartime agencies located in Evere, Rome and in the United States, and will involve in all some 400 active participants. Council approval for this exercise was granted early in 1968.

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

(a) Visits to, and meetings in, member countries

34. On 24th January, the Secretary General went to Rome to address the Rotary Club.

35. The Secretary General also visited Rome from 7th to 9th February to deliver a speech at the NATO Defence College.

36. The Secretary General visited the United States from 17th to 21st February. In Washington, he was received by the President of the United States, the Secretary of State, the Secretary of Defence, Mr. McNamara, and his successor, Mr. Clark Clifford. The Secretary General then visited SACLANT in Norfolk (Virginia), where he spoke to officers and held a press conference.

37. The Secretary General went to London on 2nd and 3rd March for a meeting with the Prime Minister, the Foreign Secretary and the Defence Minister.

38. On 10th March, the Secretary General travelled to Bologna, where he addressed the students of the John Hopkins Institute the following day.

39. On 15th March, the Deputy Secretary General, Mr. James A. Roberts, visited London to speak at the Imperial Defence College.

40. Between 16th and 30th March, the Deputy Secretary General had talks with bankers in London, New York and Toronto on NATO Provident Fund investment policy.

41. On 20th and 21st March, the Secretary General paid a visit to The Hague, where he met the Prime Minister, the Foreign Minister and the Defence Minister. He also addressed the Netherlands Officers' and NCOs' Christian Associations.

42. The Secretary General returned to The Hague on 17th April to attend the Ministerial Meeting of the NPG (Nuclear Planning Group).

43. On 14th and 17th May, the Deputy Secretary General visited Frankfurt and then The Hague for talks on the NATO Provident Fund.

44. On 13th June, the Deputy Secretary General was in Paris for the meeting of the Standing Committee of Secretaries General of the Co-ordinated Organizations.

45. On 22nd June, the Secretary General travelled to Iceland with the Deputy Secretary General to chair the Spring Ministerial Meeting of the North Atlantic Council in Reykjavik. He returned to Brussels on 26th June.

(b) Visits to NATO

46. The Secretary General was visited by the United States Under-Secretary of State, Mr. Katzenbach (4th January), and by groups of Italian (16th January), Norwegian (22nd April), Danish (5th June) and Australian (28th June) Parliamentarians. Norwegian journalists (7th March), a Netherlands journalist (19th March), German Television (8th April), high-ranking Turkish officials (24th April), the Italian Advanced Military Studies Centre (17th May), a group of Italian Reserve officers (16th May), the NATO Defence College (27th May), Turkish Television (7th June) and Turkish journalists (18th June) were also received by the Secretary General at NATO Headquarters.

(c) Speeches by the Secretary General

47. Speech at a dinner held in the Cercle Gaulois by the Association Atlantique Belge on 12th January. Address at the Palais des Congrès on 31st January on the 10th Anniversary of the NATO Science Committee. Speech at a dinner given by the Cercle Mars et Mercure on 28th April. Address on 6th May at SHAPE at the beginning of Exercise SHAPEX. Speech to the members of the Cercle Royal Gaulois during a luncheon on 13th May.

(d) Courtesy Visits

48. On 14th February, the Secretary General had the honour of presenting the Permanent Representatives and senior officials of NATO to their Majesties the King and Queen of Belgium.

49. On 7th March, the Secretary General and Deputy Secretary General were officially received by SACEUR at SHAPE Headquarters, Casteau.

III. THE INTERNATIONAL STAFF

(a) Establishment

50. Table at Annex I gives a breakdown of staff by grade and nationality as at 30th June, 1968, at which moment the total number of staff in post was 943. In the last six months, 129 staff members have been recruited and taken up their appointments. The gaps caused by the departure of staff not able to follow the Organization to Brussels have therefore been largely overcome, except in the case of secretaries, where the normal delay in security clearance appears to be more pronounced.

NATO SECRET
C-M(68)47

-14-

(b) Emoluments and Conditions of Employment

(i) Emoluments

51. Under the procedure for the annual adjustment of the remuneration for staff of the Co-ordinated Organizations, the Council approved with effect from 1st January, 1968, cost of living allowances for all the countries in which NATO bodies are located with the exception of Germany and Greece. For staff serving in Belgium, the approved cost of living allowance represented 4.5% on the salary scales approved by the Council with effect from 1st January, 1965.

52. The Council also approved with effect from 1st May, 1968, the Co-ordinating Committee's recommendations for revised daily subsistence allowances.

(ii) Conditions of Employment

53. The Administration has been studying over a period of time alternative methods of providing transport to and from work with a view to improving the present services and providing transport for official visitors as well as for shopping at lunchtime. The Administration has also studied and discussed with various Committees proposals to construct certain recreational facilities for all personnel of the International Staff, International Military Staff and Delegations.

(c) Construction

54. During the first six months the construction of a technical building adjoining the Communications Centre was undertaken and almost completed. Minor modifications have been carried out to the interior of the building.

IV. THE MILITARY ORGANIZATION - CHANGES IN APPOINTMENT

(a) Military Committee in Chiefs of Staff Session

55. Lieutenant General G.V.R. Vivario succeeded Lieutenant General U.M.J. Dessart as the Belgian Representative to the Military Committee in Chiefs of Staff Session.

56. General G. Vedovato succeeded Lieutenant General G. Aloia as the Italian Representative to the Military Committee in Chiefs of Staff Session.

NATO SECRET

-14-

(b) Military Committee in Permanent Session

57. Lieutenant General H. Hauser succeeded Lieutenant General G. Wessel as the German Member of the Military Committee in Permanent Session.

58. Major General H. Mehre succeeded Major General P. Frisvold as the Norwegian Member of the Military Committee in Permanent Session.

59. Air Chief Marshal Sir David Lee succeeded Admiral Sir Nigel Henderson as the United Kingdom Member of the Military Committee in Permanent Session.

V. POLITICAL CO-OPERATION(a) Future Tasks of the Alliance

60. In the Report on the Future Tasks of the Alliance, unanimously approved by governments in December 1967, the Council in Permanent Session was directed "to carry out, in the years ahead, the detailed follow-up resulting from this study." The Council accordingly set work in hand during the period under review to carry out this task. The Political Committee, meeting at Senior (Deputy) Level, was the Council's executive agent. Work went forward on three fronts:

61. As regards paragraphs 11 and 12 of the Future Tasks Report, the present situation and future prospects for East/West relations, European security, and the problem of Germany were reviewed. The results of this examination took the form of a "Commentary on the 1966 Report on East/West Relations".(1) An accompanying report, "Trends in the Soviet Union and Eastern Europe and their Policy Implications", was produced by the Working Group of Experts on the Soviet Union and Eastern Europe(2).

62. Paragraph 13 of the Future Tasks Report is concerned with studies of "disarmament and practical arms control measures". The Council, as a first phase, took up the question of mutual and balanced force reductions. Work included a substantive discussion at the regular semi-annual meeting of the Political Committee with Disarmament Experts 27th February - 1st March, 1968; the Political Committee at Senior Level held two special meetings with disarmament and military experts from capitals 22nd-26th April and 27th-29th May, 1968; various balanced force reduction models were constructed and discussed; the NATO Military Authorities were asked for comprehensive comments; a progress report and future work schedule were submitted to Ministers by the Council and approved.(3)

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- (1) C-M(68)21, Part I, Chapter I
(2) C-M(68)21, Part I, Chapter II
(3) C-M(68)21, Part II

NATO SECRET
C-M(68)47

-16-

A declaration on mutual balanced force reductions was prepared for Ministers and issued, as amended by them, as an attachment to the Reykjavik Ministerial Communiqué, 25th June, 1968.

63. As a follow-up to paragraph 14 of the Future Tasks Report, the Council exhaustively discussed "The Situation in the Mediterranean".(1) It reviewed Soviet activities in the political, military and economic fields, examined the objectives of Soviet policy and the attitudes of countries in the Mediterranean area, and concluded with an assessment of the implications of Soviet penetration on the interests of the Alliance. The Council submitted its recommendations to Ministers(1).

(b) Reports to the Council on International Contacts

64. The Council practice of exchanging reports about international contacts, primarily those with the Soviet Union and the East European countries, was continued. The number of reports made to the Council was slightly greater than during the previous six-months' period.

65. On 31st January the United Kingdom Representative reported on the visit of Prime Minister Wilson to the USSR from 22nd-24th January, 1968; a supplementary report on Mr. Wilson's visit was given 7th February. The Italian Representative gave an account of the visit of Rumanian Prime Minister Maurer and Foreign Minister Manescu to Italy from 22nd-23rd January, 1968. On 28th February the Italian Representative informed the Council about the visit of Bulgarian Foreign Minister Bashev to Italy from 10th-22nd February, 1968.

66. On 6th March, the United States reported about a visit of Rumanian Deputy Foreign Minister Macovescu to Washington from 1st-4th March, 1968. On 20th March, the Council heard an account from the Netherlands Representative on the visit of Netherlands Foreign Minister Luns to Yugoslavia from 12th-17th March. On 30th May, the United Kingdom Representative reported on the visit of United Kingdom Foreign Secretary Stewart to the USSR from 22nd-23rd May.

67. On 20th June the Council heard a report by the German Representative on German Foreign Minister Brandt's visit to Yugoslavia 12th-14th June. On 20th June the German Representative reported on a meeting between German Foreign Minister Brandt and Soviet Ambassador Abrasimov in East Berlin.

(c) East/West Relations: Political Consultation in NATO

68. On 7th February, 1968 the German Representative informed the Council regarding the resumption of diplomatic relations between Yugoslavia and the Federal Republic of Germany. On 8th May, the United States Representative reported on the mission of Marshal Yakubovsky to Czechoslovakia.

(1) C-M(68)21, Part III

NATO SECRET

-16-

69. On 22nd May, the United States Representative made a statement on the possible evolution of the Warsaw Pact towards a political rôle. On 24th April, the Council exchanged views on recent developments in Eastern Europe and the Communist movement, and took note of the Political Committee Chairman's report on this subject.(1)

70. On 24th April, the Council heard a statement by the Netherlands Representative on the possibilities of organizing a meeting of experts from countries belonging to the "Group of Ten"(2) on "détente" measures. On 8th May the Netherlands Representative reported on the results of tripartite talks on this subject on 7th May at The Hague among the three NATO members of the "Group of Ten" - Belgium, Denmark and the Netherlands.

71. The Council exchanged views on the situation in Czechoslovakia on 14th May, 1968.

72. Other items of Council consultation were: security implications of the development of East/West relations; exchange of military visits between NATO countries and the USSR; and recent events in Korea.

(d) Disarmament and related issues

73. Disarmament work within the framework of the Future Tasks Report is noted above. The regular semi-annual meeting of disarmament experts and the Political Committee from 27th February to 1st March, 1968 is noted below.

74. On 7th February the United States Representative reported regarding President Johnson's most recent offer to begin discussions with the Soviet Union about arms control of strategic weapons.

75. The question of a non-proliferation treaty was the subject of intensive and frequent Council consultation. The Council was kept informed of progress at the Geneva ENDC. The Council had an opportunity to exchange views on various suggested amendments, some of which were incorporated into the final draft. The Council also was informed of interpretations of the treaty by the United States and other representatives.

76. Arrangements were made for visits by observers from NATO countries to Exercise FIRST LOOK, a joint United States-United Kingdom arms control verification exercise held in the United Kingdom in the summer of 1968.

(1) PO/68/194

(2) Austria, Belgium, Bulgaria, Denmark, Finland, Hungary, Netherlands, Sweden, Rumania and Yugoslavia, who have exchanged views at United Nations General Assembly sessions under the 1965 UN Resolution on "good-neighbourly relations" in Europe.

77. The Council held a series of consultations on the uses of the sea bed and ocean floor. The Political Committee was then asked to pursue NATO's study of the sea bed, concentrating on the military aspects of interest to the Alliance, and to report its findings to the Council.

78. The Council agreed in principle on the desirability of a special disarmament section within the Political Division of the International Secretariat to handle NATO's increasing activity in this field.

(e) Berlin

79. On 13th March, the Council heard reports from the German and other representatives on developments regarding the German-Soviet exchange of memoranda on Berlin.

80. On 8th May, several representatives made declarations on recent "DDR" measures regarding Berlin.

81. On 12th June, the Council heard a statement by the German Representative on new "DDR" measures regarding Berlin access.

82. On 18th June, the Council noted a Four-Power memorandum on countermeasures envisaged to respond to restrictions imposed by "DDR" authorities on Berlin access. The Council discussion of countermeasures continued on 20th June.

(f) Vietnam

83. On 24th April, the Council heard a statement by the United States Representative about the evolution of negotiations about contacts with the North Vietnamese on a place to begin talks on the Vietnam war.

84. On 8th May, the United States Representative briefed the Council on the opening of US-North Vietnamese talks in Paris and on military activity in Vietnam.

(g) Other consultation subjects

(i) North Atlantic Assembly

85. After exhaustive discussions in the Council and the Political Committee on relations with the North Atlantic Assembly and the Assembly's resolutions, the Council on 24th May, 1968, approved the Secretary General's recommendations on this subject(1). The French Delegation took note only of these recommendations.

(1) PO/68/242 and Corrigenda

(ii) NATO's relationship with Malta

86. Studies and consultations on the different aspects of NATO's relationship with Malta continued within the Alliance.

(h) Atlantic Policy Advisory Group

87. The Atlantic Policy Advisory Group (APAG) met at Bergen, Norway, from 22nd March to 5th April, 1968. It discussed "Basic Elements of a Common Western Position in Relation to the European Security Problem". The Chairman (Assistant Secretary General for Political Affairs) submitted a report on the session to the Council(1).

88. The Group proposed that its next meeting be held in the Netherlands on 8th to 12th October, 1968, to discuss "Long-run trends in Asia and their implications for the NATO countries". On 3rd July, 1968, the Council noted the Chairman's report and approved the proposed arrangements for APAG's next meeting.

(i) The work of the Political Committee

89. The Political Committee continued to meet regularly and frequently.

90. Like the Council, the Political Committee heard a number of reports on East/West official visits and other international contacts.

91. On 9th January the United Kingdom Delegate made available a report on the visit of Hungarian Minister Szylagyl to the United Kingdom.

92. On 23rd January the Italian Delegate reported on Italian Foreign Minister Fanfani's visit to the Somali Republic from 11th to 15th January, 1968.

93. The United Kingdom informed the Committee on 13th February about the visit of Rumanian First Deputy Prime Minister Vedet to the United Kingdom from 23rd January to 3rd February.

94. The Netherlands Delegate briefed the Committee on 20th February about Netherlands Foreign Minister Luns' visit to Hungary from 12th to 13th February, 1968.

95. On 5th March the Italian Representative reported on Mr. Fanfani's visit to Algeria.

(1) C-M(68)25

96. The Icelandic Delegate gave an account on 21st May of a visit by Bulgarian Foreign Minister Bashev to Iceland from 7th to 11th April.

97. The Committee reviewed the situation in the Middle East periodically. On 8th January the Yemen was discussed. A general exchange on the Middle East was held 13th February.

98. East/West relations and developments in the Communist World were watched closely by the Committee. The Rumanian situation was reviewed 8th January. Developments in Czechoslovakia were discussed 30th January and 21st May. The Committee held several exchanges on Communist preparation for a World Conference of Communist Parties. Experts from a number of Alliance Governments reinforced a discussion of Eastern European developments on 26th March; the Chairman reported the meeting's conclusions to the Council(1). Consultations about the UN "Group of Ten" were held (see also Council discussions noted above). Several exchanges of information focussed on Czechoslovak démarches concerning the internal political situation in the Federal Republic of Germany.

99. The Soviet Zone of Germany and its attempts to gain recognition as a sovereign state were the subjects of frequent Committee scrutiny. Consultations were held about various approaches and initiatives by "DDR" in this regard. The Committee was kept informed by the German Representative regarding his Government's efforts to ease the situation between the two parts of Germany.

100. The Committee, at the Council's request, continued NATO's study of the uses of the sea bed and ocean floor. Preliminary work of the Committee concentrated on military uses of the sea bed, in preparation for an eventual Chairman's report to the Council.

101. The Committee's semi-annual meeting with Disarmament Experts took place from 27th February to 1st March, 1968. This meeting was the fifth in the series to study what has been called the "professional aspects" of disarmament issues. Topics examined were: "arms control measures of particular relevance to European security", "measures which might afford the best chance to reach arms control and disarmament arrangements, bearing in mind the strategic arms balance"; "arms control measures in the field of biological and chemical weapons"; and "regional conventional arms transfers".

102. At the request of the Council, the Committee consulted on the implications of a Soviet draft treaty of friendship with the United Kingdom. A Chairman's report was prepared and noted by the Council(2).

(1) PO/68/194

(2) C-M(68)13

103. The Committee, at the Council's request, studied the issues of the exchange of East/West military visits. A Chairman's report set out the main conclusions of this consultation, and was noted by the Council(1).

104. The Committee requested the Information Committee to exchange information on meetings of "progressive" and Communist parties on the Mediterranean. Several reports from the Information Committee were received and noted.

105. Nigeria was the subject of several Committee exchanges of information.

106. Provision of political data to the NATO Situation Centre was discussed. Preliminary recommendations of the Committee were sent to the Chairman of the Council Operations and Exercise Co-ordination Working Group(2).

107. Reactions by Communist countries in the wake of the NATO Ministerial Meeting were, as usual, examined by the Committee.

108. Based on contributions from delegations, the Secretariat published the regular semi-annual compilation of East/West Contacts(3) and Treaties and Agreements between NATO Members and the Soviet Union and East European countries(4).

109. In addition, the Political Committee discussed a number of other items: Tito's initiative for a non-aligned summit conference; diplomatic visa reciprocity in Moscow; USSR notes regarding UN consideration of the non-proliferation treaty and Soviet policy toward the United States-North Vietnamese talks in Paris. The United Kingdom Representative kept the Council informed regarding the Gibraltar situation. The Greek Delegate made a statement on 30th May relative to an incident affecting Royal Hellenic Air Force aircraft and Russian ships.

110. Working Groups of Experts on the Middle East, Far East, Latin America, Africa and the Soviet Union/Eastern Europe prepared reports for the June Ministerial Meeting at Reykjavik. The Working Groups on the Soviet Union and Eastern Europe, which as a rule had met separately, were this time combined; the joint Group's report was included with the Permanent Council's submission to Ministers on paragraphs 11 and 12 of the Future Tasks Report(5).

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- (1) C-M(68)12
 - (2) AC/237-D/33
 - (3) NATO Press Service Background Note, 24th June, 1968
 - (4) PO/68/305
 - (5) C-M(68)21, Part I, Chapter II

VI. ECONOMIC CO-OPERATION(a) Economic aspects of defence effort

111. On the basis of statistical estimates, made available by the International Secretariat and certain delegations, the Committee of Economic Advisers updated its previous study(1) of the resources which member countries are likely to allocate to defence, extending the period covered from 1975 to 1977. The Committee agreed that this new report(2) be considered as a reference document at the disposal of other NATO bodies(3).

(b) Economic relations with Communist countries(i) Problems relating to East/West trade

112. Within the framework of the reports on East/West trade, the International Secretariat prepared a note describing the salient features of trade by products between member countries and Communist countries in 1966(4). It also submitted to the Committee of Economic Advisers statistics on the volume of trade between the same countries during the period 1963 to 1967(5). The International Secretariat continues to prepare the usual statistical reports on imports by member countries of petroleum from Communist countries(6). It has also forwarded to the Committee information given by member countries on commercial agreements with the Communist countries.

(ii) Problems relating to credit guarantees

113. According to the Council's instructions(7), the Committee of Economic Advisers submitted to it a report analysing the importance and significance of the continuing increase in the credits granted to Communist countries(8). It appears that such credits might ease the functioning of Communist economies by breaking bottlenecks and by putting at their disposal advanced techniques and know-how which would be very expensive to develop independently. Member countries had different opinions as to the effect these credits might have on the amount of credit available to developing countries. They noted that credits granted to East European countries might decrease their dependence on Soviet equipment and technology. In addition, credits create

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- (1) AC/127-D/229(Final)
 - (2) AC/127-D/251
 - (3) AC/127-R/230, Item 1
 - (4) AC/127-WP/215
 - (5) AC/127-D/250
 - (6) AC/127-D/245
 - (7) C-R(67)30
 - (8) C-M(68)6

a certain interdependence between Communist countries and the West. To repay them these countries will be obliged to develop their exports to the West which, if it wishes to get its money back, will have no alternative but to open still more its markets to them. The Committee of Economic Advisers revised the reporting procedure on credits of over 180 days to Communist countries(1).

(c) Economic developments in Communist countries

114. In the framework of the second series of reviews of economic development in individual East European Communist countries, the Sub-Committee on Soviet Economic Policy examined, on the basis of contributions from member countries and with the participation of experts from several capitals, the economic situation in Poland and in Rumania. The Committee of Economic Advisers then submitted to the Council two reports dealing with the implementation of economic reforms, the current developments in the economy and the external economic relations of these two countries(2) and drawing a number of conclusions. The Committee also considered the rôle of economic factors in current developments in Czechoslovakia and submitted a report to the Council(3) which examines the means of economic pressure at the disposal of the USSR and the possibilities of closer relations between Czechoslovakia and the West. In addition, the Committee submitted to the Council a report on the economic situation in Communist China(4), prepared as the result of the special meeting devoted to this country during the previous half-year.

115. On the basis of studies prepared by the International Secretariat during the previous half-year, and in the light of additional information provided by various delegations, the Sub-Committee on Soviet Economic Policy continues to examine the prices in intra-COMECON trade(5), the present position of COMECON(6), the energy problems in Communist countries(7) and the tin supply situation in the same countries(8). The Sub-Committee also examined notes by certain delegations on the Soviet agricultural programme in 1967(9) and on the economic results for the same year in the USSR(10).

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- (1) AC/127-D/244
 - (2) C-M(68)31 for Rumania and C-M(68)32 for Poland
 - (3) C-M(68)29
 - (4) C-M(68)10
 - (5) AC/89-WP/234, 234/1 and 234/2
 - (6) AC/89-WP/227, 227/1, 227/2, 227/3, AC/89-WP/243 and AC/89-WP/244
 - (7) AC/89-WP/237, 237/1
 - (8) AC/89-WP/232, 232/1
 - (9) AC/89-WP/247, 247/1
 - (10) AC/89-WP/251, 253

(d) Military expenditure of Communist countries

116. During the past months, the Sub-Committee on Soviet Economic Policy has devoted a number of meetings, some attended by national experts, to assessing the real defence expenditure of Communist countries. The Committee submitted to the Council a report(1) summarizing the main results of this study. For the USSR, this report contains estimates of military spending in 1967 and of the percentage of the Gross National Product, which this represents, as well as a brief assessment of the defence expenditure for 1968. For the East European countries, it provides an analysis of their military spending in 1966, with estimates for 1967 and 1968. Finally, some comparative data on defence expenditure in Communist and NATO countries have been given.

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

117. In accordance with the Council's instructions(2), the Committee of Economic Advisers submitted to it a study of the economic activities of the Communist countries in the Mediterranean(3). This study served as a basis, as far as the economic part is concerned, for the report on the situation in the Mediterranean which was submitted to the last Ministerial Meeting(4). The Committee intends to pay particular attention to developments in the Mediterranean region in connection with its studies on the economic activities of Communist countries in the developing areas of the Free World; the Economic Directorate is now preparing the twelfth report in this series. In addition, the Sub-Committee on Soviet Economic Policy, on the basis of a document presented by the United States Delegation(5), had an exchange of views on the cost of Soviet economic aid to developing countries.

(f) Activities of the United Nations Economic Commission for Europe

118. In accordance with its annual practice, the Committee of Economic Advisers had, prior to the 23rd session of the United Nations Economic Commission in Europe, an exchange of views, in which several national experts participated, on those items on the Agenda for the session which were of particular interest to the Alliance(6). It was confirmed that the member countries of the Alliance considered this organization as an appropriate forum for developing East/West trade and for

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- (1) C-M(68)23
 - (2) C-R(68)13
 - (3) C-M(68)15
 - (4) C-M(68)21, Part III
 - (5) AC/89-WP/239
 - (6) AC/127-R/221

exploring the possibilities of co-operation between East and West. After the session, the Committee heard a number of exposés by participants(1); the session had been marked by an improvement in the atmosphere of East/West relations, and it was possible to register some progress.

(g) Results of the 2nd United Nations Conference on Trade and Development

119. The Committee of Economic Advisers had an exchange of views(2) on the results of the 2nd United Nations Conference on Trade and Development and, in particular, on the position of the Communist countries at that Conference. The developing countries tended to regard the Communist states as industrialised countries which, like the West, were expected to grant aid and trade concessions. Furthermore, the Communist thesis that an expansion of East/West trade would benefit the developing countries was questioned. In consequence, the Communist countries found themselves on the defensive and they may well have ceased to regard UNCTAD as a suitable forum in which to pursue their designs. The disappointment over the Conference felt by the developing countries applies also to the West. However, in this respect, much will depend in the future on the possibility of implementing, within a reasonable time, the measures envisaged by the Conference as regards trade preferences and increased aid.

(h) Economic data to be stored at the Situation Centre

120. On 25th January, 1968, the Committee visited the Situation Centre, where they attended a briefing on the functions of the Centre; there was an exchange of views on the possibility of storing economic data in the ADPS, the conclusions of which were incorporated in the aide-memoire(3) which has been communicated to the Chairman of the Council Operations and Exercise Co-ordination Working Group.

VII. SCIENTIFIC AND TECHNICAL CO-OPERATION

A. ACTIVITIES OF THE SCIENCE COMMITTEE

(a) Meetings

121. The thirtieth meeting of the Science Committee on 1st and 2nd February, 1968, coincided with the Committee's tenth anniversary. To mark this event a public ceremonial session was held at the Brussels Palais des Congrès to which

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- (1) AC/127-R/226
(2) AC/127-R/226 and AC/127-R/229
(3) AC/127-D/246

Ambassadors, former Assistant Secretaries General for Scientific Affairs, founder members of the Committee and other distinguished personalities of the political, scientific and military life were invited. At this ceremony, which was noted by many international newspapers, the Secretary General of NATO, Minister Halvard Lange (one of the authors of the "Three Wise Men Report"), Sir Solly Zuckerman, Prof. I.I. Rabi, and the Acting Assistant Secretary General for Scientific Affairs took the floor(1). They drew a picture of the rôle of science in the political, military and social environment, and praised the achievements of the Science Committee in the first decade of its existence.

122. On 1st February, the Secretary General and members of the Committee had a full exchange of views in restricted session, concerning the future chairmanship and the scope of work of the Committee. Committee members unanimously adopted a resolution(2) stressing the need for an Assistant Secretary General for Scientific Affairs to be appointed. They considered this to be indispensable in order to implement the plans for extending the activities of the Science Committee. These plans would be designed to have a more direct and immediate impact on the defence aspects of NATO.

123. After the Council had supported the wish of the Committee to nominate an Assistant Secretary General for Scientific Affairs on 10th April(3), the Secretary General appointed Dr. Gunnar Randers (Norway), who will take up his duties in September 1968(4). Dr. Randers was received with applause by the Committee at its meeting of 27th/28th May, which he attended as an observer. The Committee also paid tribute to its Acting Chairman, who had presided over the Committee in this ad interim capacity for two years(5).

124. In connection with this meeting, the Committee paid a visit to the Von Karman Institute, where it was briefed on the Institute's facilities and activities. The Committee was impressed by the high quality of work and modern equipment available at this Belgian Institute, which is at present commonly financed by NATO countries.

(b) Science Fellowship Programme

125. The report on the NATO Science Fellowship Programme for 1966 was published on 12th April, 1968(6). During that year 666 fellowships were awarded in the different NATO countries, of which more than 98% were used for fellows to

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- (1) AC/137-D/330
 - (2) AC/137-R/30 Annex
 - (3) C-R(68)18
 - (4) PO/68/292
 - (5) AC/137-R/31
 - (6) AC/137-D/355

travel abroad. This can be considered a great achievement for this programme which strongly contributes to strengthening the links between member countries of the Alliance in the scientific field, and at the same time to raising the scientific level in NATO countries.

126. Complete figures for 1967 are not yet available but similar results can be expected, although due to the increase in the cost of living, and to the steadiness of funds attributed to this programme, there is a slight tendency to a decrease in the number of fellowships awarded.

127. The National Administrators for this programme held a meeting at the NATO Headquarters in Brussels on 3rd May, 1968, to discuss the report and to harmonize their policy(1).

128. They discussed several possibilities for making an evaluation of the efficiency of the Programme and the United States and United Kingdom administrators presented some statistical surveys which had been made in their respective countries. The German administrator announced that a similar survey would be carried out in his country in 1969. Although it was generally agreed that a complete survey would be impossible for practical reasons, the administrators felt that exchanges of information on attempts of this kind should be of the greatest interest.

129. The National Administrators were also informed of the awards given under the NATO Visiting Professorships Programme, which comes out of the administrative overheads of the Fellowship Programme. Six awards were given in 1968, totalling \$23,300, to distinguished scientists of NATO countries to enable them to visit and lecture in scientific institutions abroad(2).

(c) Advanced Study Institutes Programme

130. Decisions on support of Advanced Study Institutes to be held in 1968 were taken at the end of 1967 and presented to the Science Committee in February 1968(3).

131. Since then, some directors of institutes have decided to postpone their meetings to 1969. This allowed the Advisory Panel on the Programme to make further awards for institutes in 1968. The final Programme for 1968(4), published at the end of February, lists 47 meetings, one of which was brought forward from 1967. The Science Committee was informed of postponements and late awards at its May meeting(5).

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- (1) AC/137-D/344
 - (2) AC/137-D/332
 - (3) AC/137-D/325
 - (4) SA.5-2-04.131/AJ
 - (5) AC/137-D/340

132. A statistical report on the 1965 Programme has appeared as an official document(1).

(d) Research Grants Programme

133. The Advisory Panel for the NATO Research Grants Programme held two meetings: one in Ghent on 23rd February, 1968(2), and one in Brussels on 14th June, 1968(3).

134. At the Ghent meeting the Panel members examined 42 applications totalling \$609,183. They awarded 16 grants amounting to \$118,770, of which 6, totalling \$32,550, were extensions of previous grants. Four applications were rejected and 12 were deferred to the next meeting. In addition, the Panel confirmed three decisions taken by the Scientific Affairs Division as a matter of urgency, amounting to \$840, and three decisions taken by correspondence amounting to \$14,000.

135. At the June meeting the Panel members examined 57 applications totalling \$1,049,121, of which 28 were accepted, 16 were rejected and 13 were deferred to the next meeting. Of the applications accepted 13 were extensions to previous grants totalling \$119,350 and 15 were new grants totalling \$96,025.

136. The report on the meeting held in Lisbon from 24th to 31st October, 1967, was published on 8th January, 1968(4). The Panel had examined 39 applications totalling \$626,920. Fifteen grants had been awarded amounting to \$111,640, twelve requests had been rejected and twelve had been deferred.

137. Prof. F. Pocchiari from the Istituto Superiore di Sanità, Rome, has been appointed as a new member of the Advisory Panel by the Science Committee during its meeting of 27th/28th May, to replace Prof. Inönd who had resigned during 1967(5).

(e) Computer Science

138. The Study Group on Computer Science met in Brussels on 21st and 22nd March. It was able to present a definite proposal for the establishment of an International Institute for Software Engineering to the Science Committee at its May meeting(6).

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- (1) AC/137-D/320
 - (2) AC/137-D/336
 - (3) to be issued
 - (4) AC/137-D/327
 - (5) AC/137-R/31
 - (6) AC/137-D/339

139. Preparations are progressing for the Conference on Software Engineering to be held from 7th to 12th October at Garmisch, Germany. Forty of the invited participants have already accepted, and most of them will prepare working material for one of the three working groups, Design, Production and Service of Software.

140. The Conference group leaders met in Brussels in conjunction with the meeting of the Study Group.

141. Further details concerning the Study Group's proposal for a second conference(1) on "Information Processing 1969-1984" were presented to the Science Committee in May(2), but no decision on this conference was taken.

(f) Oceanography

142. The Sub-Committee on Oceanographic Research met in Brussels on 26th and 27th February(3). It reviewed the financial situation and discussed scientific projects to be supported. Three requests for extensions in 1968 of previous grants were considered, and recommended to the Science Committee.

143. Commander Morgan, Secretary of the NATO Group on Military Oceanography, attended the meeting, and informed the Sub-Committee on recent activities of his group. Co-ordination of work programmes and possibilities for mutual scientific assistance were discussed.

144. Dr. Dahme of the SACLANT ASW Centre also attended the meeting, and gave an exposé on the activities of the Centre. The Sub-Committee accepted an invitation to hold its October meeting at the La Spezia Centre.

145. At the meetings of the Science Committee in February and May, the Chairman of the Sub-Committee gave briefings on the Sub-Committee's activities(4)(5).

146. The Science Committee has appointed its Norwegian member, Professor Mosby, to undertake a survey of the field of oceanography in order to establish which areas are specially promising for a NATO initiative(6). Professor Mosby presented an oral report to the Science Committee in May(7).

(g) Meteorology

147. The members of the Ad Hoc Advisory Group for Meteorology have examined by correspondence seven applications for NATO Research Associateships in Meteorology. Five applications (from Germany, the United States, Belgium, Greece and Italy) were accepted.

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- (1) AC/137-D/326
 - (2) AC/137-WP/44
 - (3) The records will be issued shortly
 - (4) AC/137-R/30
 - (5) AC/137-R/31
 - (6) AC/137-R/30
 - (7) AC/137-R/31

148. The Research Associateships will allow these scientists to visit and carry out research in foreign meteorological institutions mainly in the United Kingdom and the United States.

149. The Ad Hoc Group has also awarded a visiting lectureship to the Oregon State University (United States) to invite a scientist from Germany to lecture in the United States and Canada.

(h) Radiometeorology

150. In May the Science Committee took note of the report of the last meeting of the Advisory Panel on Radiometeorology in 1967(1).

151. The Advisory Panel held a meeting at the Meteorological Station of the University of Hamburg on 8th-10th May. Detailed plans were discussed for an Advanced Study Institute on the effects of atmospheric water vapour on wave propagation to be held in Canada in 1969, under the direction of Professor D.R. Hay. The research projects in radiometeorology were reviewed, and a preliminary proposal for a joint French-British project on measurement of climatic influences on antenna-gains was presented.

152. At its May meeting, the Science Committee appointed Professor D.R. Hay (Canada) as a member of the Advisory Panel(2), following a recommendation from the Panel(3).

(i) Human Factors

153. The Advisory Group on Human Factors held its seventeenth meeting on 1st and 2nd February, 1968(4) at NATO Headquarters, Brussels. The Group drew up a programme of conferences and symposia for 1969, and considered a number of proposals for Study Visits, Visiting Lectureships, and Advanced Study Institutes in the behavioural sciences.

154. As part of the 1968 conference programme, a meeting on "Major Trends in the Research on Programmed Learning" was held at Nice from 13th to 17th May. This conference was attended by some 150 participants representing most of the nations of the Alliance.

155. Two lecture tours were undertaken by recipients of awards for Visiting Lectureships. In April, Prof. Harry Kay, United Kingdom, lectured at a number of university and research

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- (1) AC/137-D/333
 - (2) AC/137-R/31
 - (3) AC/137-WP/41
 - (4) AC/137-D/341

centres in Italy, Greece and Turkey on the subject of training and teaching machines. In June, Prof. Ezra S. Krendel, United States, spoke on his work on various aspects of systems engineering in France, Greece, Italy and the United Kingdom.

156. During the period of the report, four Study Visits were undertaken by research workers in France, Italy, the Netherlands and the United States.

157. On behalf of the Advisory Group, Dr. N.A.B. Wilson, United Kingdom, prepared an explanatory paper on "The Influence of the Environment on the Performance of Military Tasks" for the long-term study exercise on this topic.

(j) Operational Research

158. The eighteenth meeting of the Advisory Panel on Operational Research took place at Brussels in March(1). The Panel discussed its programme of conferences, Graduate Apprenticeships and Study Visits, and prepared a conference programme for 1969.

159. The Panel organized two conferences on Operational Research in June. The first meeting on "Survival of Communication Networks", was held at the Ile de Bendor, France, and the second, which dealt with "Applications of Mathematical Programming Techniques", took place at Cambridge, United Kingdom. Both conferences were well attended by representatives from civil and military operational research organizations.

160. During the early part of the year, the selection procedure for the 1968 Graduate Apprenticeship awards was held. Over fifty applications were received for seven vacancies.

161. A number of applications were made for awards for Study Visits and three of these were accepted (one from Italy, two from Turkey).

162. The Advisory Panel submitted a number of topics to the Defence Research Group which might be considered as subjects for Defence Research Group Seminars.

(k) Visiting Professorships Programme

163. The Advisory Panel on this programme consists of three members of the Science Committee, and meets in conjunction with that Committee's formal meetings. Six requests have been considered by the Panel in 1968: three were accepted for support. A report on the awards in 1967 and early 1968 was prepared in March(2).

(1) AC/137-D/338
(2) AC/137-D/332

(1) Financing of Scientific Programmes

164. At its meeting of 27th/28th May, the Science Committee accepted a proposal by its Chairman(1) to submit to the Civil Budget Committee, for the year 1969, a budget proposal for \$4,517,000(2). The following suggested breakdown will be reviewed at the October meeting of the Science Committee in the light of the decision of the Budget Committee:

NATO Science Fellowship Programme	\$2,700,000
Research Grants Programme	750,000
Advanced Study Institutes Programme	800,000
Operational Research Programme	120,000
Human Factors Programme	25,000
Programme Planning	100,000

165. The Science Committee decided at its February meeting(3) to recommend the creation of a new scientific programme which was called "Programme Planning", and which aims at funding studies or actions on scientific subjects of immediate and general interest to the Committee, including long-term scientific studies. The Civil Budget Committee has already examined this recommendation(4), which will shortly be submitted to the Council.

B. GENERAL ACTIVITIES OF THE SCIENTIFIC AFFAIRS DIVISION

(a) Relations with the Defence Research Group

166. At its February meeting, the Science Committee adopted a resolution(5) stating, inter alia, that the Committee would gear its future work so as to have a more direct and immediate impact on defence matters. Accordingly, a still closer co-operation between the Science Committee and the Defence Research Group can be expected. The present link through the common use of the two Advisory Panels on Operational Research and Human Factors has given full satisfaction to both Groups. The Groups have also continued to keep themselves mutually informed on their activities by briefings given at the meetings(6)(7)(8).

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- (1) AC/137-R/31
 - (2) BC-D(68)46 and ISM(68)2
 - (3) AC/137-R/30, Item V
 - (4) BC-R(68)7, Item V
 - (5) AC/137-R/30 Annex
 - (6) AC/137-R/30, Item II
 - (7) AC/137-R/31, Item II
 - (8) AC/243-R/8, Item III

167. The Acting Assistant Secretary General for Scientific Affairs, following an invitation of the Defence Research Director, participated in a Defence Research Seminar on "Realistic Approach to the Furtherance of Co-operation in Defence Research", which was held at Naples on 16th-18th April.

(b) Relations with the Von Karman Institute for Fluid Dynamics

168. The Acting Assistant Secretary General for Scientific Affairs being the Chairman of the AC/168 Ad Hoc Working Group on the Financing of the Institute and, in a personal capacity, a member of the Institute's Board of Direction, has a double responsibility for the operational framework of this Belgian institute which, since the academic year 1966/1967 is commonly funded by all NATO nations. At a meeting of the Board of Direction on 3rd February, the Representative of the Belgian Government declared that Belgium wished to reduce by half the share to which it had committed itself. After an exchange of letters between the Secretary General and the former Belgian Prime Minister, the Belgian Permanent Representative on the Council stated however, that Belgium would stand by its obligations for the present academic year(1), but that it would only be able to continue to co-operate in the present framework if its share were substantially reduced.

169. Since then the AC/168 Ad Hoc Working Group as well as the Science Committee(2) have dealt with the situation. It is generally recognized that the new funding scheme has very positively influenced the development of the Institute, which never in the 14 years of its existence flourished as well as today. The Science Committee, following a visit to the Institute on 27th May, reconfirmed its view on the Von Karman Institute as benefitting NATO from a scientific viewpoint. The Committee strongly recommended that a suitable funding method be found to ensure long-term stability. The AC/168 Ad Hoc Working Group devoted a series of meetings to this aim(3), which was not, however, reached at the end of the reporting period. At a meeting of the Institute's Board of Direction on 29th May, the Acting Assistant Secretary General reported on the progress made, the difficulties met and expressed his optimism in view of the fact that member countries had stressed their continued interest in a scientific and technological co-operation through the Institute.

(c) NATO Technological Co-operation and Relations with Military Technical Agencies

170. On 29th March, the Council confirmed that NATO's part in fostering international technological co-operation should mainly lie in the defence area and that actual work should be done by existing NATO bodies(4). Effective co-ordination

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- (1) C-R(68)9, Item V
 - (2) AC/137-R/31
 - (3) AC/168-R/17, R/18, R/19
 - (4) C-R(68)16, Item IV

between them should be ascertained by the Secretary General himself who pointed out, that he would entrust his Assistant Secretary General for Defence Support to perform this task through the Armaments and Defence Research Directorate. The Secretary General would, however, see to it that not only progress in civil research is applied to defence problems, but that new results in defence technology will in turn be used for civil needs. The Science Committee was especially asked to pursue intensely its work in oceanography and computer science, fields which are particularly suited for international technological co-operation.

171. According to C-M(66)33(Revised), responsibility for military research lies mainly with the Defence Research Group. The Secretary General, in a letter addressed to the Assistant Secretary General for Defence Support, stated that he wished to be represented by the Director of Armaments and Defence Research at future meetings of the SHAPE Technical Centre and the SACLANT ASW Centre(1). This did not, however, prevent close relations to continue between these military agencies and the Scientific Affairs Division. In particular, a closer co-operation than ever has developed between the Science Committee's Sub-Committee on Oceanographic Research, the NATO Group on Military Oceanography and SACLANTCEN.

172. The Acting Assistant Secretary General for Scientific Affairs has continued to maintain close relations with AGARD. He attended, for example, the meetings of the AGARD Steering Committee, while AGARD representatives attended scientific meetings of aeronautical interest held under the aegis of the Science Committee.

VIII. ACTIVITIES IN THE FIELDS OF CULTURE AND INFORMATION

A. CULTURAL CO-OPERATION

(a) NATO Fellowships Programme

173. Eighteen awards were made by the Selection Committee this year out of a total of 150 applications forwarded to the International Staff by member governments. The projects chosen included some new subject, e.g. an investigation of NATO's immunities and privileges, student attitudes about the unification of Europe, and study of the limits imposed by NATO membership on the investigatory powers of parliaments.

174. Several completed manuscripts have been received from previous fellows. They include a study on the transport problems of the six members of the EEC, which Sijthoff has agreed to publish in the Atlantic Series; a bibliography on the foreign relations of Turkey between 1919 and 1967, which has been

(1) PO/68/264

published in English in Turkey; a sociological examination of patterns of rural settlement in the Helos Plain in Greece; and a long work on NATO strategy and logistics.

(b) Visiting Professorships Programme

175. Under existing programmes arrangements have been concluded for an Italian professor to lecture at Brown University, Rhode Island, and for one Norwegian and one Turkish professor to give courses at two universities in Canada. In addition, six nominations are in the phase of discussion between the countries and universities concerned while eight vacancies remain to be filled. Despite the long and largely inevitable delays to which the operation of the professorships is subject, it is hoped that most of the outstanding awards will be taken up before the expiry of the programme.

B. INFORMATION ACTIVITIES

176. During this period the first task of the Information Service was publicising the Harmel Report. This formed the basis of most briefings given to visitors, of special articles in the NATO Letter and two editions of the Report itself were produced and distributed. One was a straight print of the text, the other in narrative form, without numbered paragraphs, was designed to highlight the fact that the Harmel Report provides the answers to all the main questions on the future tasks of the Alliance.

177. Two new publications were started - "Speakers Notes" and "NATO Latest". The first of these is designed to meet the need for Atlantic Treaty Associations' members and others who lecture about NATO for basic factual information on all aspects. They are for use without quotation. The second, NATO Latest, is a roneoed sheet sent by express airmail direct to Atlantic Treaty Associations and others who need to be kept informed as quickly as possible of major NATO developments. It is not designed to compete with the press but unfortunately newspapers seldom publish full texts of communiqués, even after important Ministerial meetings. NATO Latest will in future always carry these in full with a covering note on the background to the communiqué. (Details of issues so far are given below under "Media Operations".)

178. During this period the Director of Information visited Norway, Denmark, Iceland and the Federal Republic of Germany, as well as the United Kingdom. The object of these visits was to assess the value of the output of the Information Services in the countries concerned and see what improvements or alterations should be made. In Iceland in addition the regional

office was inspected and found to be in a very bad location. Various new offices were inspected, one was selected and is now in use. (The Director intends to visit all other countries of the Alliance in turn as soon as is practicable).

179. It is worth noting that the opponents of NATO who in some countries had tried to claim that the Organization was an obstacle to détente and disarmament have been much more easily answered than previously on the basis of the Harmel Report and, later, the declaration on mutual and balanced force reductions attached to the Reykjavik communiqué. These two documents are of the greatest assistance to NATO Information work but are still not as widely known as they should be.

180. Particular attention was paid, and will increasingly be paid, to youth, since this is the segment of opinion in almost all member countries which tends to be most sceptical about the value of the Alliance.

181. At the beginning of the year, there were a number of vacancies in important posts within the Information Directorate. Most of these posts have now been filled and dislocation of work caused by the move to Brussels is now behind us.

(a) Media Operations

Ministerial Meeting

182. Owing to events elsewhere the number of press, radio and television representatives covering the Ministerial Meeting at Reykjavik was slightly less than anticipated but the main world news agencies were there and, although total coverage was rather less than usual, the quality on the whole was good. The NATO film and photo team fulfilled a particularly useful need on this occasion by providing material which would not otherwise have been published. For example, although there was no BBC or ORTF representative there it is known that they both used television material provided by us. At the request of the Icelandic Government NATO Information Service technicians installed the lighting and sound equipment used at the inaugural ceremony.

Films, Television and Radio

183. The Information Service provided film material and other assistance in the production of:

- (a) Three Norwegian television programmes on NATO;
- (b) A long Netherlands programme;
- (c) British Independent Television (Granada) for a programme on Soviet naval strength in the Mediterranean;

- (d) Germany's second television channel for a programme on the same subject;
- (e) Material for two complete programmes on the new Turkish television service;
- (f) A forty minute television programme for Iceland broadcast on the eve of the Ministerial Meeting.

All the above programmes, except (c), included a specially filmed interview with the Secretary General.

Two films completed were joint productions with the governments of the countries concerned: "Prospect of Greece" and "Prospect of Iceland".

Two NATO films won prizes: "Rocket Story" won the Quincidesima Rasseyna Internazionale Cinematografica Nucleare di Roma and "Vital Ocean" won a prize at Milan offered by the Italian Ministry of Defence.

Photo Section

184. Demands for NATO photographs continued, including many requests for background material on Iceland and continued requests for picture coverage of this headquarters.

NATO Mobile Information Centres

185. One of the Information Centres visited some 90 schools in the southern part of the Netherlands.

NATO Letter

186. The NATO Letter continues to be published monthly - in English (European edition 31,500), (North Atlantic edition 13,500), in French (27,000), in Dutch (9,300), in Italian (15,000), in German (12,000). The quarterly editions were published - in Danish (8,000), in Greek (5,000), in Norwegian (5,000), in Turkish (5,000).

Publications Section

187. The large NATO book previously called "FACTS ABOUT NATO" has been revised and the new edition is due out at the end of the year. The smaller NATO Handbook is now also published in Italian, Danish, Norwegian and Icelandic. (It previously existed only in English, French, German and Dutch.)

Speakers Notes

188. Speakers Notes, mentioned above, have so far been produced on the following subjects:

- (1) THE HARMEL REPORT "Future Tasks of the Alliance";

- (2) THE STRUCTURE OF NATO FOLLOWING THE WITHDRAWAL OF FRANCE FROM THE MILITARY ORGANIZATIONS;
- (3) THE SOVIET NAVY;
- (4) DIFFERENCES BETWEEN THE ATLANTIC ALLIANCE AND THE WARSAW PACT.

NATO Latest

189. After a practice run covering the NATO Defence Ministers Meeting, this series started officially with NATO Latest No.1 covering Reykjavik and No.2 covering the meeting with the Western Four from the ENDC.

(b) Public Affairs

Visits, Lectures, Youth and Education

190. Under official auspices twenty-seven weekend conferences and seminars were organized for university students and youth leaders in Belgium, Denmark, Iceland, the Netherlands and Norway.

191. Three international activities were arranged:

- (1) a meeting of 100 Young Politicians in Luxembourg in May, at which all member countries except Belgium, Greece and Turkey were represented;
- (2) a conference in France for Young Politicians in March; and
- (3) another in France for students in April.

192. Fourteen tours to NATO and SHAPE by groups of students were organized. In addition a special effort was made in co-operation with the Belgian Atlantic Committee to receive senior pupils from schools in Belgium, and in this period 91 groups came.

193. Visits and Lectures

In all over 7,000 visitors have been received, most of whom also visited SHAPE. This is a much higher level than ever before and in practical terms the ceiling has now been reached. These groups included women's organizations and trade unions. A large number of these groups was addressed by the Secretary General; and Assistant Secretaries General, particularly for Political Affairs and for Defence Planning, have also given much time to this activity. This is in addition to several lectures to audiences outside NATO Headquarters.

IX. DEFENCEA. NATO DEFENCE PLANNING AND POLICY(1) FORCE PLANNING(a) Force Goals 1969-1973

194. On 10th May, 1968, the Defence Planning Committee in Ministerial Session met to take a further step forward in the development of a NATO force plan for 1969-1973 in the first full scale exercise under the procedures(1) for NATO Defence Planning Reviews. Ministers discussed the relationship between this specific action and the more general questions of defence planning in the 1970's and the adaptation of NATO's force structure to the requirements of the new strategy adopted by Ministers in December 1967(2). For Ministers' consideration, the Defence Planning Committee in Permanent Session had submitted a report setting out its force goal proposals for 1969-1973(3) which had been developed from the Military Committee's report(4) recommending force proposals for the same period.

195. Concerning the force goal proposals the point was made that the force goals adopted did not constitute a commitment but could be regarded as presenting to countries a reasonable collective challenge in the allocation and effective application of resources, and as a statement, agreed amongst the Allies, of targets which governments should make a serious attempt to meet; it was accepted however that it might not in all cases be possible to meet them in full. Ministers also noted that, while the Military Committee had not been called upon to conduct a fresh assessment of the military risks associated with the 1969-1973 force goals, it had expressed the view that the risks set out in the Defence Planning Committee's report would be increased if the level of forces that it (the Military Committee) had proposed for 1973 could not be achieved or if NATO's overall force capabilities were reduced.

196. At the conclusion of their discussions Ministers adopted as NATO force goals for the period 1969-1973 those proposed by the Defence Planning Committee(5), taking into consideration the Committee's detailed comments upon them(6). Countries were invited to submit, by end-July 1968 at the latest, force and financial plans for meeting the force goals. Ministers endorsed the suggestions made by the Defence Planning Committee for the further study of various questions pertinent to the submission of country plans for 1969-1973.

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- (1) DPC/D(66)12(Revised)
 - (2) MC 14/3
 - (3) DPC/D(68)10 with Annexes I and II
 - (4) MCM-17-68
 - (5) DPC/D(68)10, Annex II
 - (6) DPC/D(68)10, Annex I

197. Ministers also endorsed the proposition that the overall military capability of NATO should not be reduced except as part of a pattern of mutual force reductions balanced in scope and timing; in this connection Ministers drew attention to the studies proceeding under the aegis of the Council on the subject of possible balanced force reductions. In addition Ministers invited the Defence Planning Committee in Permanent Session to arrange for an examination of the relative force capabilities of NATO and the Warsaw Pact.

(b) SHAPE Special Study 1972 Onwards(1)

198. The Military Committee submitted its final report(2) on the SHAPE Special Study to the Defence Planning Committee in March 1968; subsequently a report was prepared by the Defence Planning Committee(3). On 10th May Ministers endorsed the Military Committee's conclusion that the Study made a significant contribution towards the development of an ACE force posture, and agreed that, subject to the results of certain studies not yet completed, SACEUR's conceptual ideas, as they might be modified by the Military Committee and the Defence Planning Committee, should form one of the bases for the development of future force proposals. They requested the Defence Planning Committee in Permanent Session in association with the Military Committee to review the organization and timetable of the necessary studies; and the Military Committee to examine what implication there might be for defence planning if SACEUR's operational concept for the South East region were to be reassessed on the basis of a different sector division proposed by the Turkish Authorities(4).

(c) A Concept for the External Reinforcement of the Flanks

199. On 10th May, 1968, the Defence Planning Committee in Ministerial Session considered the Military Committee's report(5), on a concept for the external reinforcement of the flanks to supplement adequate local national forces, and the related comments by the Defence Planning Committee in Permanent Session(6). In adopting the concept as a basis for the development of plans, Ministers invited(7) the Military Committee to instruct Major NATO Commanders to prepare in collaboration with the Ministries of Defence concerned, contingency plans for the employment of Immediate Reaction Forces and Reinforcement Forces, and to discuss with Ministries of Defence the designation and provision of units for such forces.

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- (1) SHAPE 33/67
 - (2) MCM-20-68
 - (3) DPC/D(68)12
 - (4) DPC/D(68)12, paragraph 23 and footnote thereto
 - (5) MCM-23-68
 - (6) DPC/D(68)15
 - (7) DPC/D(68)18, paragraph 3

(d) Mobilization and Force Expansion Plans and Potential - NATO Committed Forces other than Category 'C' Naval Forces

200. On the 14th December, 1966, Ministers had requested(1) the Defence Planning Committee in Permanent Session to examine further the mobilization and force expansion plans of member countries. Accordingly questionnaires were issued to countries covering the manpower and equipment required to fill out to war strength assigned or earmarked active duty M-Day land and air forces, NATO committed army strategic reserves, 1st and 2nd Echelon army formations, and Category 'A' and 'B' naval forces.

201. The completed questionnaires(2) formed the basis of a report(3) submitted by the Defence Planning Committee to the Ministerial Meeting on 10th May, 1968. In taking note of the report Ministers invited countries(4) to examine mobilization and reserve systems other than their own and to undertake, where necessary, appropriate investigations on improving the training and equipment of reservists including the possibility of training reservists under NATO or bilateral agreements with other countries.

202. The Defence Planning Committee was also invited by Ministers to investigate various other problems, including improvements in the categorization of naval ships and the possibility of arranging national briefings on the reserve systems of member countries. The Defence Review Committee, on behalf of the Defence Planning Committee and in conjunction with the NATO Military Authorities, has these matters under active consideration and it is hoped that the first national briefing will take place, at the invitation of the Netherlands Authorities, on 13th September, 1968.

(e) Netherlands Force Contributions

203. The Netherlands Authorities informed the Secretary General in June(5), that the anti-submarine warfare aircraft carrier "Karel Doorman" would be phased out of service in 1968 following a very serious fire on board. To compensate for this, certain adjustments would be made to the maritime patrol aircraft earmarked for assignment to SACLANT and CINCHAN.

(f) United Kingdom Force Contributions

204. On 10th May, 1968, the United Kingdom Defence Secretary announced that the United Kingdom was prepared to make two offers of forces to improve NATO's capacity for mobile

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- (1) DPC/D(66)44, paragraph 3(f)
 - (2) DPWG/D(67)2, DRC/D(68)1, DRC/D(68)2
 - (3) DPC/D(68)16
 - (4) DPC/D(68)18, paragraph 4
 - (5) Netherland's letters 3287 dated 5th June, and 3766 dated 28th June, 1968.

reinforcement. The first was a highly trained, highly mobile task force for use on the flanks or in the centre, together with an armoured reconnaissance squadron and supporting transport and close support aircraft. The second, subject to certain provisos, was a contribution of an amphibious force of two commando carriers with embarked commando groups and two assault ships with other commando units. In addition the United Kingdom proposed to keep two frigates in the Mediterranean and to leave its squadron of photo reconnaissance aircraft in Malta until 1970. A commando carrier with an embarked commando group would assist in NATO Mediterranean exercises for two or three months in 1969. The commitment offered was firm for the current year, and it was hoped to include it in the United Kingdom force plans for 1969.

(g) United States Troop Commitments

205. On 16th February, 1968(1), the United States Permanent Representative informed the Defence Planning Committee in Permanent Session that certain additional forces committed in Vietnam would remain available for NATO if required.

(h) Defence Planning Studies

206. On 10th May, 1968, Ministers took note(2) of a report by the Defence Planning Committee(3) containing a status report on a number of defence planning studies and invited it to arrange, in conjunction as necessary with the Military Committee, for the continuance of studies in progress.

(2) SYSTEMS ANALYSIS

207. The recently established Systems Analysis Section of the Defence Planning and Policy Division of the International Staff is directing its activities towards three main areas:

- (a) the development of a Planning Element System Report procedure adapted as far as possible to the special conditions and requirements of the European and Canadian members of the Alliance, as well as to those of the United States, and designed to facilitate the analysis of force structures and their associated costs on the basis of planning elements comprising specific military units;
- (b) the conduct of a study to determine the desirability and feasibility of establishing and operating a NATO Defence Management School on the pattern of the United States Navy Management Centre at Monterey, California;

(1) DPC/R(68)2, paragraph 48
 (2) DPC/D(68)18, paragraph 5
 (3) DPC/D(68)13

- (c) a study of methods of applying automatic data processing techniques to the storage and manipulation of defence planning information - this work is being co-ordinated with SHAPE, the SHAPE Technical Centre, and the NATO Situation Centre.

Progress in each of these areas is co-ordinated and reviewed with national representatives through a series of NATO Defence Planning Workshops, of which three have so far been held.

(3) NUCLEAR PLANNING

208. The Nuclear Planning Group (NPG) held a Ministerial meeting in The Hague on 18th and 19th April, 1968. Ministers continued their discussion of ballistic missile defence and concluded that, in the light of current and foreseeable technological circumstances, the deployment of an anti-ballistic missile system in NATO Europe was not at present warranted. They agreed, however, that the underlying factors could change and that it was necessary to keep developments in this field under constant review. They reaffirmed their hope that progress could be made in discussions with the Soviet Union towards a limitation of the strategic nuclear arms race, and welcomed the intention of the United States Government to consult fully with its allies on new developments in this direction.

209. Continuing their discussion of Atomic Demolition Munitions (ADM), Ministers concluded that the usefulness of these weapons depended critically upon the time factor. They accordingly invited their Permanent Representatives to study the time factors relevant to the employment of ADMs, including practical means of reducing the time required for their emplacement and release.

210. Having reviewed a number of studies concerning the tactical use of nuclear weapons, Ministers gave directions for the elaboration of tentative guidelines for the NATO Military Authorities under the following circumstances: use for demonstrative purposes, use of defensive systems, use at sea, and selective use against battlefield targets in a limited conflict.

211. Ministers decided to make recommendations to the Nuclear Defence Affairs Committee (NDAC) for increasing national participation in military nuclear planning. They also agreed that in consultation on the use of nuclear weapons special weight should be given to the views of the NATO countries most directly affected, i.e. the country on or from whose territory nuclear weapons would be employed, the country providing the nuclear warheads, and the country providing or manning the envisaged means of delivery.

212. Finally Ministers reviewed the arrangements for NPG membership and made recommendations regarding the continued association of former members of the Group with its work at Permanent Representative level and at staff level.

213. The recommendations of the NPG Ministers concerning ballistic missile defence, increased national participation in military nuclear planning, and membership arrangements were considered and approved by the NDAC Ministers at their meeting in Brussels on 10th May, 1968. Final approval of the first two of these items was given by the Defence Planning Committee in Ministerial session on the same day. The NDAC Ministers also agreed that for the second Nuclear Planning Group term, starting on 1st July, 1968, the members to be elected should be Belgium, Denmark, Germany, Italy, United Kingdom and the United States, in addition to Greece who assumed her seat for an eighteen month term on 1st October, 1967.

(4) CIVIL EMERGENCY PLANNING

(a) Follow-up Action on Council Decisions

214. In accordance with the instructions given by the Council the Senior Civil Emergency Planning Committee has:

- provided technical planning boards and committees with the necessary guidance for the continuation of their work;
- finalised a new set of basic assumptions for Civil Emergency Planning, which it has sent to the Military Committee for its comments. The new basic assumptions will be submitted to the Council after the comments by the Military Committee have been received;
- set up a Working Group to prepare a symposium to discuss various aspects of the practical application of the new basic assumptions.

(b) Planning for the Civil Wartime Agencies

215. Further progress has been made in the completion of the war manuals for the NATO Civil Wartime Agencies: the Senior Committee is concentrating its efforts on the finalisation of those parts of the war manuals which are essential for Exercise CIVLOG 69.

(c) Exercise CIVLOG 69

216. Preparation of this exercise is under way with the aim of conducting it in May 1969. National narratives have been completed and have been issued. The NATO-wide and world-wide military settings have been agreed and issued. Exercise

instructions have been issued regarding reporting procedures and lists of commodities to be played. The specialised boards and committees subordinate to the Senior Committee have set in motion detailed planning in respect of the participation of wartime agencies.

(d) Activities of the Specialised Boards and Committees

Civil Defence Committee (CDC)

217. Although the Committee did not meet during the first half of 1968, its Ad Hoc Study Groups were active preparing draft reports, and the Working Group on Refugees completed a draft war manual for the NATO Refugee Agency, for consideration at the Committee's annual Autumn meeting. The Working Group on Refugees has also focused its efforts on ensuring the designation of national representatives to the NATO Refugee Board and completing the staffing of the International Staff element of the Refugee Agency in time for Exercise CIVLOG 69.

Planning Board for Ocean Shipping (PBOS)

218. Progress with the selection of senior staff for the Defence Shipping Executive Boards (East) (DSEB(E)) and (West) (DSEB(W)) has continued, and broad agreement has been reached on the complement of the joint mail and messages service for the collocated Defence Shipping and NATO Oil Executive Board branches. Work has continued on the subjects of insurance against shipping war losses and oil bunkering of merchant ships in war. Other activities have included further preparatory work on the Defence Shipping Authority Manual, the relocation of the joint headquarters for the Eastern branches of the DSEB and the NATO Oil Executive Board, and co-operation with the NATO Military Authorities on revision of the ocean clearance policy, with particular reference to the Mediterranean.

Planning Board for European Inland Surface Transport (PBEIST)

219. A draft report on the list of deficiencies endangering vital allied interests is in preparation. Drafts for the various parts of the war manual have been examined.

220. The Railroad Sub-Committee has continued its studies of the consequences of electrification and automation on the running of locomotives. Instructions for the Central Europe Waggon Pool have been kept up-to-date. The draft letters to be exchanged by Transport Ministries on the evacuation of rolling stocks in wartime have been finalised. Several international aspects of reducing the vulnerability of railroad transport have been studied.

221. The Road Transport Sub-Committee has submitted to PBEIST a draft multilateral technical arrangement for international civil road transport in wartime. Studies have continued on Allied regulations for road movement, on problems of fallout warning, and on the blackout of lights.

222. The Ports, Beaches and Inland Waterways Sub-Committee has submitted a draft consolidated report on the consequences of the use of containers in wartime. The report on the crossing of frontiers in wartime by inland craft and their crews has been approved by PBEIST. PBEIST's manual of documents on problems involved in the evacuation of the Rhine has been noted by the Council.

Civil Aviation Planning Committee (CAPC)

223. At its annual meeting in June, the Civil Aviation Planning Committee, inter alia, approved and forwarded to the Senior Civil Emergency Planning Committee those parts of the Board for Co-ordination of Civil Aviation (BOCCA) war manual for which it was responsible; completed the designation of personnel for the International Staff element of BOCCA: and agreed to limited participation in Exercise FALLEX 68.

Petroleum Planning Committee (PPC)

224. With the concurrence of the Council(1), the monthly reporting on the oil stock position in European NATO countries, initiated following the Middle East crisis in the Spring of 1967, was discontinued in February, 1968.

225. During the first six months of the year, the Committee inter alia, completed those parts of the war manual for the NATO Wartime Oil Organization (NWOO) designated for preparation by the Petroleum Planning Committee; considered the final formats for the reporting forms; approved a simplified replacement procedure for positions other than senior posts on the Joint Operational Staff; and participated in a joint PBOS/PPC Working Group on wartime bunkering on merchant shipping.

Industrial Planning Committee (IPC)

226. A technical study by the Committee, on electrical power, led to a requirement for additional work, which was sanctioned by the Senior Committee. Work on the study of the pharmaceutical industries has been completed, and the resultant recommendations will shortly be submitted to the Senior Committee. A draft final report on coal has been prepared and is currently being studied in the capitals.

(1) PO/68/141
RDG/68/72

Food and Agriculture Planning Committee (FAPC)

227. During the first half of 1968, the Committee was engaged, in collaboration on a continuing basis with the Industrial Planning Committee and representatives of other interested committees, in adapting those texts of the war manuals of the Central and European Supply Agencies with which it was concerned. The study on the effect of fallout on food and agriculture was continued.

Civil Communications Planning Committee (CCPC)

228. The Civil Communications Planning Committee, inter alia, finalised its draft report on maintenance of the Continental European International Telex Service in war; forwarded to the Senior Committee proposals on a NATO Courier Service in war, as well as Chapter I of the Communications part of the Agencies' War Manual; approved a study on transatlantic routes and media to be used as guidance for national planning; and continued the preparation of an overall plan for the maintenance of Gentex services in NATO Continental Europe and the study of the maintenance of international telephone services in war.

B. DEFENCE SUPPORT

(1) INFRASTRUCTURE

(a) Programming

229. As already mentioned in the previous report, Slice XVIII, the 1967 programme, was approved by the Defence Planning Committee at its meeting of 23rd February, 1968(1) for an amount of IAU 47,034,000 (Infrastructure accounting unit).

230. A preliminary study of Slice XIX, prepared during the second half of 1967, was made by the Infrastructure Committee during the first semester 1968, and the second round of screening of projects proposed by the Military Authorities was begun in June.

231. During this semester there has also been a reprogramming in previous slices of two projects due to the transfer from France, provisionally programmed in Slice XVIII for a total amount of IAU 3.3 million.

(b) NADGE

(a) General

232. Major issues requiring essential progress or decision in 1968 were forecast in the Annual Report of the NADGE Policy Board and are summarized below. The financial status of the NADGE Project was determined and related to the £110 million ceiling. Indications are that the ceiling will not be exceeded provided contingencies and additions are kept to a minimum.

(b) Operation and maintenance costs

233. Despite sustained attempts, no agreement to the method of funding operation and maintenance costs was reached. At the Secretary General's request, the Policy Board again met on 3rd April, 1968 to seek agreement to proposed cost-sharing. However, the money needed each year to close the gap remains some +10% of the total recurring operation costs. The matter was accordingly referred to the Council. It will need to be resolved in the current year.

234. An integral part of the operation and maintenance cost problem was the provision of 21-month operational spares. To meet a most urgent need, the Council separately approved an advance of funds on 14th May, 1968, enabling NAMSA to negotiate a call contract with NADGECO Ltd. for the 21-month spares. The loan covered 92.9% of the total required and was underwritten pro rata by the countries.

(c) NADGE Testing

235. By the first quarter of 1968 NADGEMO had sufficient planning information to request the countries to participate in international test teams. A schedule of work was drawn up for the March-July period, test objectives and specifications were established and procedures negotiated. The NADGE Test Plan was jointly reviewed by NADGEMO, Host Countries and SHAPE at a conference on 22nd April, 1968. Progress was sufficient to provide test guidance to NADGECO Ltd. and National Quality Assurance agents. A "Certificate of Conformity" was introduced to ensure quality control during the production phase of the NADGE Project. NADGECO Ltd. claimed that cost precluded a Central Facility in Belgium and located specialists at Fullerton (United Kingdom) and two Italian sites.

236. A schedule of training courses is being discussed between NADGEMO, NADGECO Ltd. and the host countries; based upon requirement, location of Sub-Contractor facilities and BOP considerations. NADGECO Ltd. is discussing with the three Southern Region countries the possibility of training within their own frontiers to reduce their costs. Chairman NADGE Policy Board has emphasized BOP aspects of training and need to ensure continued training in the "follow-on" phase of the NADGE Project.

(d) Personnel housing and local utilities

237. SHAPE is examining the military criteria to be applied to personnel housing in Greece and Turkey. Agreement to common funding of local utilities in Greece and Turkey was obtained after protracted and difficult negotiations within the NADGE Policy Board subsequently instructed NADGECO Ltd. to begin a study of work and cost for local utilities in Greece and Turkey.

(e) Operational Control of the System

238. Progress of the NADGE Project required consideration of how the NADGE System should be controlled after final acceptance. Automation implicit in the NADGE System is less flexible than manual operation and centralized control is essential. SHAPE completed a concept of control, based on need for centralized configuration control of software and associated hardware. This concept is being studied by the NADGE Policy Board. SHAPE intends to submit this concept of control for discussion by the Military Committee.

239. NADGEMO provided a detailed interceptor profile description to all delegations and to NADGECO Ltd. for the latter to establish profiles as speedily as possible. NADGE Policy Board approved a request for up to £25,000 towards a change order on intercept profiles, including associated work within 60 days and a costing. NADGECO Ltd. contended that work estimates and intercept profiles could not be undertaken simultaneously and suggested a stop order on related activities. Views differ as to future action and discussion to reconcile them continues.

(f) Financial matters

240. Early in 1968, delegations asked for the effect of tax changes introduced by certain NATO countries on the NADGE contract. NADGEMO is negotiating with NADGECO Ltd. and the countries concerned to arrive at acceptable procedures for implementing the intent of Article XVI of the NADGE contract. This Article stipulates liability of contractor and purchaser. A forecast of expenditures for the NADGE project, for the third quarter of 1968, was submitted for approval by the NADGE Policy Board and transmission to the Infrastructure Payments and Progress Committee. NADGECO Ltd. agreed to meet the BOP up to £100 million. Growth to full NADGE implied most of the expenditure being made in the United States a probable deficit of some £3 million in the German BOP and a certain loss of flexibility to NADGECO Ltd. in implementing BOP requirements. A solution was being sought within the NADGE Policy Board.

(g) Growth to full NADGE

241. After Hughes Aircraft Corporation submitted a proposal for a growth to full NADGE contract including:

- technical specification and schedule of deliveries;
- contract terms and conditions;
- costing of £4,810,951 without taxes or dues.

No BOP Plan accompanied the proposal. HAC stipulated that their proposal is valid until 31st August, 1968.

242. HAC subsequently submitted an acceptable BOP Plan which hinges on Germany's acceptance of a deficit in her BOP allocation of £2.3 million which would be spent in the United States. The technical content of the proposal meets the requirements, the terms and conditions are acceptable and the cost could be provisionally agreed as a ceiling, with arbitration by an objective third party. The NADGE Policy Board is considering specific recommendations of NADGEMO regarding the technical content of the proposal, contract terms, cost and BOP Plan.

(c) Other questions

243. During the first half of 1968 the Infrastructure Committee met 40 times, 21 times at "15" and 19 times at "14" whilst the Infrastructure Payments and Progress Committee met 22 times.

244. During the semester, apart from the critical study of Slice XVIII, the Infrastructure Committee examined the following principal questions:

At "15":

- (a) consequences of the devaluation of the £ sterling and of the Danish crown;
- (b) revision of the procedure for international competitive bidding;
- (c) transfer of installations in France from the user to the host nation;
- (d) modifications of the tax system in Germany;
- (e) use of the German contribution for Slice XI;
- (f) report of the Board of Auditors for the exercise 1966;
- (g) study of possible programming of intersite communications for NADGE in Slice XIX;
- (h) contingency funds for Slices XII to XV;
- (i) financial situation at 30th June, 1967;
- (j) eligibility for common financing of payment of premiums for NATO infrastructure works in Turkey;
- (k) delay in the payment of a contribution due to a member country;
- (l) proceeds from the sale of the NADGEMO building, rue Quentin-Bauchart, Paris;
- (m) application of the tax exemption agreement to tax-free transactions.

At "14":

- (a) phase II of the satellite communications system;
- (b) purchase of TROL cryptographic equipment;
- (c) continuing need for infrastructure beyond Slice XX;
- (d) changes in the deployment plans for national air forces;
- (e) restoration projects for NATO airfields;
- (f) infrastructure standards for weapons systems support: F-111 and F-4;
- (g) future programming of certain works at two LORAN stations in Greenland.

(d) Progress of Infrastructure

245. The total value of works authorised by the Infrastructure Payments and Progress Committee during the first half of 1968 amounts to 3.1 million IAU to be financed by the "15" and 14.7 million IAU to be financed by the "14". This amount brings the total of funds authorised at 30th June, 1968 to 1,128.4 million IAU at "15" and 57.1 million IAU at "14", i.e. about 92.1% of the estimated cost of Slices II-XVIII inclusive.

246. The contributions which have been approved for the first half of 1968 in order to pay for the works carried out in the host countries amount to 25 million IAU.

247. During the second half of 1967, the gross expenditure rose to 22.2 million IAU (NADGE not included). Total expenditure for exercise 1967 amounted to 40.7 million plus 22.2 million IAU for NADGE, i.e. a total of 62.9 million IAU. This rate of expenditure is rather slow but can be considered satisfactory in view of the fact that the review of Slices II-XVIII stopped a great many works over a long period.

248. During the period in question, the Infrastructure Payments and Progress Committee approved final inspection reports representing works costing approximately 43.7 million IAU.

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

250. 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).

251. Graph II shows the value of the different categories of projects which make up the programmes of Slices II-XVIII inclusive (Annex III).

(2) CO-OPERATION IN RESEARCH, DEVELOPMENT AND PRODUCTION

(a) General

252. The outstanding event during the reporting period was the Experimental Consultative Conference of Industrialists (ECCI) held at the NATO Headquarters from 15th to 17th May, 1968. This brought together for the first time in a NATO forum leading industrialists and government representatives from all NATO countries, except Luxembourg and Iceland, and was attended by some 140 persons, of whom 53 were from industry, 37 from governments, the rest being made up of members of national delegations, international staffs both civil and military, and some special observers. Although the majority of industrialists came from firms primarily concerned with electronics there were sufficient representatives from other industries such as metallurgy, aircraft and explosives to give a broad and balanced expression of views. The industrialists spoke very freely and constructively, and submitted many papers of high quality and interest. The main theme was co-operation both between the industries of different nations and between governments and industry, and at the end of the conference, the industrialists drew up a series of recommendations for future action, including proposals for establishing a permanent industry/NATO consultative body.

253. In June, the Conference of National Armaments Directors (CNAD) met and considered the recommendations of the ECCI. It approved in principle the idea of a continuing Industrial Advisory Group and instructed its representatives the NADREPs to draw up suitable terms of reference and procedures. It also instructed them to study the other recommendations and make proposals for future action.

254. During the half-year the CNAD has given the "NATO Project" qualification to three more equipment projects and a defence research project. The first of these was for the co-operative development of the SEASPARROW Point Defence Surface Missile System. A memorandum of understanding has been signed by the United States, Norway, Denmark and Italy, and the CNAD has established the NATO SEASPARROW Steering Committee to carry out the development and production programme.

255. The second project was the AN-USD 501 Surveillance System in which Canada, Germany and the United Kingdom are participating, and the CNAD has recognised the existing tripartite Policy Board as the NATO AN-USD 501 Surveillance System Steering Committee. These three countries will now work together to implement the production phase of the project, the research and development having already been completed.

256. Similarly, the CNAD accepted the FH-70 155 mm. towed Howitzer project, which was submitted by the Federal Republic of Germany and the United Kingdom, as a NATO project and agreed to the establishment of the NATO FH-70 Steering Committee. Two other countries, Italy and the Netherlands have expressed their interest and are investigating the possibilities of collaborating in this project.

257. Finally, the co-operative construction and use of a fixed underwater acoustic range off the Azores has been agreed between the United States, Portugal, France, Germany, Canada, the Netherlands, Italy and the United Kingdom. A Memorandum of Understanding has been signed, the project has been accepted by the CNAD as a "NATO Project" and an Executive Director and Steering Committee appointed.

258. The CNAD has also been informed of the prospects of several more promising projects for which Project Groups have been established by the appropriate Armaments Group. These include the Naval Variant of the WG-13 Helicopter, the Mark 31 Torpedo, an Armoured Infantry Fighting Vehicle, a 110 mm. Light Artiller^Rocket System and an improved NBC decontaminant.

259. In my last report I mentioned the concern expressed by the CNAD on the overall problem of air defence and the instructions it had given to its four main groups to study the best method of resolving this problem. The two groups particularly concerned, that is the Air Force and Army Armaments Groups, agreed on a proposal for an Interservice Group to be set up to deal with this subject. This received the agreement of the Chairmen of the Naval Armaments and Defence Research Groups and led to approval by the CNAD of the formation of an Interservice Group to be under the direction of the Air Force Armaments Group but to be composed of national operational and technical representatives from any arm of service or department as appropriate, together with representatives of the NATO Military Authorities and their agencies. This Group, entitled Interservice Group on Overall Problems of Air Defence, will study the relationships between NATO and national air defence concepts, doctrines and equipment and the overall needs for such equipment, with the objective of identifying suitable areas for co-operation.

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260. In previous reports I have mentioned the concern expressed by the NATO Maritime Patrol Aircraft Steering Committee on the lack of further orders for such a well proved aircraft and urged countries to reconsider their positions with a view to taking advantage of the possibilities still offered by the ATLANTIC programme. I am now able to report with satisfaction that on 5th July, 1968, the Netherlands Authorities forwarded a letter of intent to the Chairman of the Steering Committee for the purchase of nine ATLANTICS. Negotiations are also under way with the Italian Authorities, and it is hoped that they will place an order for some aircraft, thus extending still further the industrial life of this programme.

261. Detailed reports on the activities of the existing groups and their subsidiaries 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 other activities are reported on individually in the paragraphs succeeding those on the four main groups.

(b) NATO Naval Armaments Group

262. The NATO Naval Armaments Group (AC/141) held a meeting towards the end of June 1968 when it reviewed the activities of its subsidiary bodies during the period under review. A short report on this meeting is contained in document AC/259-D/53, and a summary of the status of activity of its Information Exchange Groups is set out in AC/141-D/45(8th revise). In brief, the NNAG instructed its Information Exchange Groups to make proposals for the revision of their terms of reference with a view to devoting more attention to the future development of the potential enemy technology so as to achieve earlier collaboration in the identification of common means to meet the future threat. It also authorised the creation of two sub-groups with precise terms of reference, and for a definite duration, to study navigational aids and problems related to anti-ship missile defence.

263. Project Group No. 1 on an Underwater Acoustic Communication System in the short term (including submarine identification) has now completed Stage II of its activities and a draft memorandum of understanding has been prepared for signature by the interested nations. Five countries, the United Kingdom, France, Germany, Italy and the Netherlands have each ordered, for sea trial purposes, two experimental models of a United Kingdom design for this system. If, as expected, the outcome of these trials is favourable, it is the intention of these countries to adopt the system. In this event, Belgium will adopt the same system for her escort vessels and the United States Navy intends to make its own systems compatible with this system.

264. As a result of the work undertaken by Project Group No. 2 on a Point Defence Surface Missile System, the Conference of National Armaments Directors approved the establishment of the NATO SEASPARROW Steering Committee.

265. Project Group No. 3 on the Naval Variant of the WG-13 Helicopter has made good progress and hopes to complete Stage I of its activities later in the year.

266. Following a proposal made by the United Kingdom, and the interest expressed at least in the first phase by France, Belgium and Germany, the NNAG agreed to set up Project Group No. 4 on the Mark-31 Lightweight Anti-Submarine Torpedo and invited other nations to express their interest in this project.

267. The Exploratory Group on the Use of Helicopters armed with Air-to-Surface Guided Weapons against OSA/KOMAR Fast Patrol Boats has accomplished the task originally assigned to it and been given new terms of reference with instructions to recommend to the NNAG at its next meeting the best possible solution to the threat posed by these vessels.

268. Finally, the NNAG has requested SHAPE and SACLANT, through the International Military Staff, to continue to provide the support necessary for the continuation of the studies undertaken in collaboration with the SHAPE Technical Centre (STC) in the field of NATO Maritime Headquarters.

(c) NATO Air Force Armaments Group

269. The NATO Air Force Armaments Group (AC/224) met once during the period under review, in March 1968. At that meeting it reviewed the work of its subsidiary bodies and received a progress report on the activities of the NATO Jaguar Steering Committee, details of which will be found elsewhere in this report. Progress reports were also received on the Franco-British MARTEL missile and the Franco-British helicopters.

270. With the assistance of computer facilities and manpower made available by the United States and Germany, Sub-Group 4 has now completed its comparative assessment of the cost-effectiveness of a V/STOL formula compared with a conventional take-off and landing formula (CTOL) for the future ground attack aircraft previously studied by the former Sub-Group 3. A final report will be submitted to the NAFAG at its meeting in September 1968.

271. Sub-Group 6 on Tactical Air Reconnaissance-Intelligence met twice during the period under review and exchanged information on national requirements for reconnaissance systems and studied various equipment under development which might meet those requirements. As a result of these discussions it may be possible to initiate co-operative development on short-term sub-systems such as a reconnaissance pod for the NORTHROP F-5 and the F104G aircraft. The possibility of co-operative action on longer term requirements for such systems is under active study.

272. Sub-Group 7 on Approach and Landing Systems held two meetings during the reporting period. At least six nations have already expressed similar requirements for such equipment in a similar time frame. The desirability of having common approach and landing systems for all NATO nations is obvious.

273. The United Kingdom has proposed that co-operative action be initiated for the development of a long range airborne early warning system. The United Kingdom has conducted research in this field for some years and has recently acquired funds to undertake the initial stages of development of a frequency modulated interrupted continuous wave radar system. Other nations have been invited to participate in this development in the Project Group.

(d) NATO Army Armaments Group

274. The NATO Army Armaments Group (AC/225) met once during the reporting period in May 1968, when it reviewed the activities of its technical panels. As a result of this review, three additional projects were considered suitable for co-operation under the new procedures, namely, a light artillery rocket system, an improved NBC decontaminant and an armoured infantry fighting vehicle. Appropriate Project Groups were established in each case. In addition, as mentioned earlier in this report, the Conference of National Armaments Directors approved recommendations by the NAAG to set up two NATO Steering Committees, the first on the FH-70 155 mm. Towed Howitzer and the second on an AN-USD 501 Surveillance System. The main aspects of the activities of the technical panels are summarised below under the different panel headings.

(i) Transport Vehicles

275. Two important studies initiated by the former Group of Experts on Multifuel Engines, namely NATO Standard Multifuel Engine Laboratory Tests and the NATO Standard Method for measuring the Cetane Numbers of Gasolines have now been approved and circulated to nations. With a view to defining possible areas for co-operation, presentations were made by Italy on an infantry support vehicle and various types of artillery tractors by the United Kingdom on a 4 ton truck, and by France on a 35 to 45 ton tank carrier. Progress reports were also given on the development of other transport vehicles which had already been presented to the Panel.

(ii) Combat Vehicles

276. In June 1968, following the presentation of various concepts made by the Netherlands, the United Kingdom and the United States, the NAAG agreed to set up a Project Group on an Armoured Infantry Fighting Vehicle based on the Netherlands and United Kingdom concepts, it being understood that these could be modified to cater for the requirements of other interested nations.

(iii) Infantry Weapons

277. With a view to promoting common development of the next generation of anti-armour weapons, seven fields of interest have been identified in connection with the operational conditions for the use of these weapons. These concern range problems, target presentation and exposure, target detection, disclosure probability, weapons system performance under bad visibility, human operator performance in manual and semi-automatic systems, and helicopters in the anti-armour rôle. Studies on each of these aspects are being undertaken by nations.

278. The activities of the regional and national test centres for the testing of 7.62 mm. and 9 mm. ammunition have continued. Four new national test centres have been inspected and approved in Belgium, Germany, the Netherlands and the United Kingdom respectively. Testing is now being extended to 7.62 mm. links and chargers.

279. The question of the standardisation of the future ammunition calibre for small arms has been kept under continual scrutiny. It has been observed that the industries of several countries are producing 5.56 mm. ammunition. An exploratory group has therefore been set up by the NAAG to study the situation regarding the 5.56 mm. production and to propose measures which could help to ensure standardisation if this calibre were to be adopted by nations.

(iv) Surface-to-Surface Artillery

280. Three standardisation agreements (STANAGs) relating to internal and external ballistics and propellants have been approved and circulated to nations for ratification, namely STANAG 4114 on Measurement of Projectile Velocities, STANAG 4106 on Standardisation of External Ballistics Performance of Shell, and STANAG 4117 on Stability Test Procedure and Acceptance Limits for Propellants. The United States/Germany/United Kingdom agreement on the standardisation of the internal ballistics of 155 mm. cannons is to be made less restrictive so that other nations, such as France and Italy can participate.

281. Following a proposal made by Germany, and the interest expressed by Belgium, France and the Netherlands, the NAAG set up a Project Group on a 110 mm. Light Artillery Rocket System (LARS). Firing trials of this weapons system will take place in Germany in September of this year.

(v) Land-based Air Defence Weapons

282. Good progress continues to be made in the assessment of various land-based air defence weapons systems. Phase I of this assessment study concerns isolated weapon systems against single flying aircraft. Reports on the assessment of the RAPIER, ROLAND and CHAPARRAL weapon systems have already been circulated, and the study on the REDEYE has now been completed. Phase II, which concerns the assessment of a combination of air defence systems in combat situations, has been initiated and criteria to be used in this assessment have already been defined. Liaison has been effected with the Defence Research Group's body of experts on land-based air defence to assess the lethality of the warhead of surface-to-air weapon systems and to study the effects of terrain masking. During the reporting period a comprehensive presentation was made by Germany on a mobile 30 mm. twin gun anti-aircraft system (MATADOR 30 ZLA) which is being developed by a consortium of four firms.

(vi) Combat Intelligence

283. In the field of combat intelligence seven nations, Belgium, Canada, Germany, Italy, the Netherlands, the United Kingdom and the United States, have expressed interest in a proposal submitted by France for the joint development of SERPEL - an automatic data processing system. The Project Group on EPERVIER - an unmanned aircraft for combat surveillance - held three meetings during the reporting period. However, in view of the advanced stage reached in the development of this project there appears to be no prospect of collaborative agreement, and it is expected that this Group will be disbanded at the next meeting of the NAAG. A paper on concepts and doctrines for combat intelligence has been prepared and will be considered by the Panel at its next meeting.

(vii) NBC Defence

284. In the biological field the most important problem is still that of developing means for the rapid detection and identification of BW agents, although developments in the United States indicate that equipment to meet this requirement will be developed in the not too distant future. Studies have continued on the means of providing collective protection against CW, the efficiency and short-comings of existing respirators, and improved methods for detection of CW agents. A Project Group

for the co-operative development of new and improved decontaminants has been set up and has held one meeting which was attended by representatives of ten nations. In the nuclear field, activities have been directed towards the establishment of criteria for the protection of personnel and equipment, improved means for detecting and defining parameters for nuclear bursts, and the protection of equipment against electro-magnetic pulse.

(viii) Telecommunications

285. Work on the telecommunication system for the combat zone for the period 1970-1975 is in its final stages of completion, and that for the post-1975 system has made satisfactory progress. Common operational requirements for the post-1975 period have been generally agreed upon, and the results of studies undertaken by nations on possible new techniques to be introduced during this period have been presented to the Panel.

286. The Project Group on the FM-200 radio relay equipment presented by Germany and the Netherlands, which I mentioned in my last report, has held one meeting, but no basis for co-operation under the new procedures could be established with other nations. Nevertheless, the nations participating in the meeting of the Group stated that no inter-operability problems were foreseen between the FM-200 and other similar equipment at present under development or in production.

(ix) Engineer Equipment

287. A survey of equipment in service or under development in NATO member countries had led to the identification of areas in which common requirements exist. These include the development of new and improved methods and equipment for mine detection, minefield clearing, a post-1980 family of bridging equipment, the standardisation of tests for bridges and the development of improved gap-crossing aids. The possibility of initiating co-operative projects in each of these areas of interest is under active study.

288. The Project Group on Mines for use in Inland Waterways held its first meeting during the period under review, but formal declarations of intent have been deferred until early 1969 when a full-scale demonstration and briefing on prototype mines developed by the Netherlands and Germany will take place. As development is already in a very advanced stage it is anticipated that co-operation will be confined to the evaluation and testing of such mines.

(x) Land Forces Tactical Air Mobility

289. During the period under review the Interservice Panel on Air Vehicles of Tactical Air Mobility completed a co-ordinated concept for the use of such vehicles. This was subsequently approved by both the Army and the Air Force Armaments Groups.

(xi) Doctrine, Tactical Concepts and Logistics

290. The Panel on Doctrine, Tactical Concept and Logistics held its first meeting in February 1968. Some difficulties were encountered due to the fact that both the ABC and the FINABEL concepts are at present incomplete. The Panel was therefore unable either to determine to what extent these concepts could form a basis for the work of the different Panels of the NAAG or to point out differences which might have an influence on equipment characteristics. As a result the NAAG has endorsed a view expressed by the Panel that it would be preferable for it to concentrate on concepts for the post-1980 period.

(xii) Meteorology

291. The Panel on Meteorology held its first meeting in March 1968 when presentations of equipment were made by Canada, Germany, the United Kingdom and the United States. At this meeting, Germany proposed two projects for co-operative development: a radiosonde and a frangible meteorological rocket. Canada, France, the Netherlands, the United Kingdom and the United States have expressed their interest in one or both of these proposals. The Panel also approved STANAG 4082 on the adoption of a standard artillery computer meteorological message and this will be circulated to nations for ratification.

(e) NATO Defence Research Group

292. The NATO Defence Research Group (AC/243) held a meeting in March 1968, when it reviewed the activities of its subordinate bodies and received technical presentations from the United States, the United Kingdom, Norway and Germany respectively on technological forecasting, war gaming, electromagnetic pulse and rain erosion of aircraft materials.

293. As a result of the work undertaken by Project Group No. 1 on a Fixed Acoustic Range, the Conference of National Armaments Directors, as I have already stated earlier in this report, approved the establishment of a NATO Project for a Fixed Acoustic Range and set-up a corresponding Steering Committee.

294. The Defence Research Group held a seminar on "Realistic Approaches to the furtherance of Co-operation in Defence Research" in April at AFSOUTH Headquarters, Naples. Attendance was limited to senior scientific and technical representatives of the nations, the NATO International and Military Staff, and the NATO Technical establishments in order to ensure thorough, frank and authoritative discussion of various obstacles to co-operation, and of ways and means of promoting wider defence research co-operation in the future. The Seminar strongly endorsed the procedure of organising collaborative projects under the leadership of volunteer pilot nations.

(f) NATO Maritime Patrol Aircraft Steering Committee

295. At the end of the reporting period, it was expected that a firm decision by the Netherlands for the purchase of this aircraft would be made known in the very near future before the ATLANTIC production line is discontinued.

(g) NATO JAGUAR Steering Committee

296. Work has continued in preparation for the first flight of this aircraft from Istres. The first two versions of the aircraft are scheduled to fly in 1968, namely two trainers with French equipment, followed by two tactical aircraft with a French navigation/attack system.

297. Construction of the prototype airframes is continuing. The British-built wings, rear fuselages and tails have now been mated to the French forward fuselages at Bréguet Aviation at Vélizy. The Adour engine which had its first run in May 1967, has since completed a 24-hour "de-rated" flight clearance test at 97% dry thrust, and re-heat will be available for the first flight. The United Kingdom and French Governments have authorised the initial investments in tooling for production engines, some of which would be used later in the prototype programme.

298. The first tooling contract for the airframe was signed in January 1968, and planning was authorised for a total of 400 aircraft; the agreement was for an initial batch of 200 aircraft each. Joint production with other countries is still feasible, but by mid-1968 extra costs and some duplication of work and of tooling might make this uneconomic. The present production arrangements are that the forward and centre fuselages will be made in France and the wings and rear fuselages in the United Kingdom. Final assembly will take place in the respective user countries.

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

299. At the end of the reporting period the total order of 225,700 weapons had been delivered and the programme office was disbanded.

(i) NATO HAWK Production and Logistics Organization

300. The NHPLO Board of Directors held three meetings during the reporting period which were mainly devoted to basic problems related to the exploratory phase of the HAWK European Limited Improvement Programme (HELIP) which I mentioned in my last report. A licence agreement with the United States government has been signed and negotiations with the United States' Firm Raytheon to sign an assistance agreement are in progress.

301. In addition to the "Wooden Round" missile developed in the United States project HIP, it is expected that a low coverage acquisition radar (LCAR) developed in Europe will be introduced into the HELIP weapon system. To select the basic principle of this acquisition radar the NHPLO has organised at Schwabenberg in the Federal Republic of Germany an assessment of this LCAR in a realistic environment including strong clutter conditions. Four European firms will present industrial prototypes for evaluation which is being carried out by common funding by the participating nations. Several types of aircraft and helicopters will be used in this evaluation whose purpose is to measure for each prototype various operational and technical characteristics.

(j) Industrial Property

302. In the first half of 1968 the "NATO Agreement on the Communication of Technical Information for Defence Purposes" was approved by the Council. The implementing procedures for this agreement, as well as a draft Council resolution for the application of the agreement to the various NATO Organizations, were approved by the Conference of National Armaments Directors in June 1968. The procedures will be submitted to the Council for approval in the near future; the draft resolution will be submitted to the Council as soon as the Agreement has entered into force.

303. The Working Group on Industrial Property (AC/94) met in April 1968 when it considered first, industrial property questions arising in connection with NATO co-operative research, development and production programmes and prepared a questionnaire for circulation to nations. Secondly, a Restricted Group was set-up to compile information provided by countries for the preparation of a "Comparative Study on National Law Policy and

Regulations concerning Procurement of Defence Material in which Industrial Property matters are involved". Finally, the Group agreed to follow closely the progress of work on the BIRPI (Bureaux Internationaux Réunis pour la protection de la Propriété Intellectuelle) plan for a Patent Co-operation Treaty and the implications such a treaty could have on the "NATO Agreement for the Mutual Safeguarding of Secrecy of Inventions relating to Defence, and for which applications for patents have been made".

(k) Inspection and Quality Control

304. Agreement has now been reached on the administrative basis for international co-operation in the assurance of quality of military equipment, and a uniform NATO Quality Control System has thus become effective. This system, which is based on two Standardisation Agreements: STANAG 4107 providing for mutual acceptance in government quality assurance, and STANAG 4108 setting out NATO Quality Control Systems Requirements for Industry, is further developed in three Allied Publications.

C. LOGISTICS

(a) Codification of Equipment

305. During the reporting period a seminar was held in the United States on the Improved Item Identification Programme with the object of showing the interrelationship between codification, data processing and supply management. The broad aspects covered by this seminar illustrated the progress achieved and trends in modern logistics. The adoption of this programme by NATO will involve modernising the NATO system and, in particular, introducing a high degree of automation earlier than had been previously envisaged. The European nations of NATO, however, are reluctant to adopt this programme without further detailed consideration in view of the financial implications involved (the expected expenditure in the United States alone is some \$2,000,000) and the enormous physical effort required for the conversion of existing records to the new system.

(b) Transportation and Storage of Military Ammunition and Explosives

306. The Group of Experts on the Safety Aspects of Transportation and Storage of Military Ammunition and Explosives (AC/258) met in May 1968 when it continued its review of national and international regulations for the transport of dangerous goods by rail, road, air, sea and inland waterways.

307. A considerable number of items of military ammunition do not qualify to be carried according to the Regulations for the International Transportation of Dangerous Goods by Rail (RID). The Group has therefore examined a special agreement between four countries which modified the RID in order to make the transportation of military ammunition possible, and amended it to render it acceptable to other NATO nations. The revised agreement will now be used as a model for bilateral agreements between the railways authorities of the nations concerned.

308. A similar agreement is also being prepared to modify the current regulations for the International Transportation of Dangerous Goods by Road (ADR) as these also do not allow for the transportation of all items of military ammunition. The Group is also studying other problems related to road transportation of military ammunition such as standard signs and labelling, escorts for vehicles, and limits on the quantity of ammunition to be carried per vehicle. Work on other forms of transportation is in its preliminary stages. The Sub-Group on Storage has continued with its revision and up-dating of document AC/106-D/5(Revised).

(c) NATO Pipeline System

(i) NATO Pipeline Committee

309. There is continued interest in several regions in the possibility of the use of installations for non-military purposes. In Norway, agreement has been reached for the use of part of a NATO facility to supply aviation fuel to a civilian tank farm on an airfield.

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

310. The two directing bodies of the Central Europe Pipeline System, the Central Europe Pipeline Policy Committee (CEPPC) and the Central Europe Pipeline Office (CEPO) held a joint meeting in Washington in April and took the opportunity to visit some important civilian pipeline installations in the south-eastern part of the United States as well as certain other facilities.

311. During the period under review the movement through the system of refined products for non-military purposes was 10% higher than for the corresponding period in 1967, thereby providing additional income as well as causing more economic use of the system. In addition, the study of the request by the French Authorities for the transport of large quantities of crude oil through the Le Havre-Cambrai-Glons section of the system, which I mentioned in my last report, has continued and there is general agreement in principle, although a number of details, particularly financial, remain to be settled.

(d) NATO Maintenance and Supply Organization

312. The main activity in NAMS0 has been centred on physical and organizational movements. The first of these was the transfer of the main part of the Organization to Luxembourg, where the Headquarters of the Agency and the Northern Depot are now fully operational. Problems concerning the remainder of the move have been discussed, and the Board of Directors has recently decided to open the Southern Depot on a temporary basis in Taranto (Italy) until the final location has been agreed, and to arrange for the transfer of the stocks from Châteauroux (France).

313. As regards the transfer to NAMS0 of the HAWK Common Depot, a Working Group set up by the Council to study this question submitted a report to a meeting of the Council in March 1968, in which it was foreseen that the transfer of the depot would take place in the Autumn of 1968. However, at that meeting, the Council was informed that there had been a delay in the commencement of the construction of additional warehouse facilities at Camp Capallen with the result that the transfer would not now take place before the end of March 1969. For the same reason, the transfer to NAMS0 of certain functions carried out for the HAWK by the French Authorities will be postponed for several months.

314. NAMS0 has also prepared with the BULLPUP Organization an agreement concerning the transfer to NAMS0 of the remaining responsibilities concerning the BULLPUP, whose Organization is now in liquidation. Finally, the Council agreed to a proposal to amend the NAMS0 Charter to enable it to handle certain end-items for weapons systems and carry out other residual responsibilities of Production and Logistics Organizations in liquidation.

X. CO-ORDINATION IN THE USE OF NATO EUROPEAN AIRSPACE

315. The Committee for European Airspace Co-ordination (CEAC) has carried out a review of its previous study of Standardisation of Civil and Military Air Traffic Control in NATO Europe which now provides an up-to-date statement of the actual situation in the member countries. As a result of this review the Committee decided that, with a view to accelerating the standardisation and associated safety of Air Traffic Control, the CEAC Secretariat should submit to CEAC at six monthly intervals a statement of the specific developments that have taken place in the European NATO countries in this field. Through this procedure the Committee hopes to be able to take a more active part in promoting implementation, in member countries, of previous recommendations as well as making additional recommendations as may be necessary.

316. The Committee has also:

- (a) revised its joint civil-military plan for navigational aids and frequency assignments for NATO Europe which 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 NATO facilities. The revised plan has since been adopted by the International Civil Aviation Organization (ICAO);
- (b) reviewed its joint civil/military plan for optimum and interference-free use of UHF frequencies for Air Traffic Control.

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

XI. SECURITY DIRECTORATE

318. During June 1968 the United States National Disclosure Policy Committee team visited NATO to examine and view at first hand NATO procedures and practices for the protection of documents and information communicated to NATO by the United States under the terms of the ATOMAL Agreement. This visit was made within the terms of Section IX, Annex B to C-M(64)39. The team's itinerary covered a very representative cross-section of NATO civil and military elements including the NATO Headquarters at Evère, SHAPE and CINCHAN and discussions were held with security staff at all levels. The leader of the team said that they were very satisfied with the arrangements in force within NATO for the protection of ATOMAL information: any shortcomings found had been of a minor nature and were of administrative rather than security significance. In the opinion of the team the key to the continuing efficient and effective operation of the NATO security system was the inspection programme carried out under the aegis of the NATO Security Directorate. The team did not, however, consider that the staff of the Directorate was large enough to conduct the comprehensive sampling inspection programme which is required by the new ATOMAL control arrangements. One of the main recommendations of the team's report would therefore be that the inspection staff of the Directorate be augmented.

319. The Security Committee met on 5th and 6th March, 1968. One of the main items on the Agenda was a draft revision of Enclosure 'C' to C-M(55)15(Final). The Committee decided that a Working Group should be formed to consider the draft revision and the comments received thereon and to present a new draft to the Committee at its meeting in September 1968.

320. The Special Committee met on 2nd and 3rd April, 1968. The Committee continued its examination of current issues such as the security implications in East/West relations, the evolution of the Communist threat and the security aspects of protest movements. The last of these three subjects was studied intensively during the meeting of a Working Group on 24th and 25th June, 1968. The Special Committee's report on the assessment of protest movements will be submitted to Council in the near future. The Committee further decided that a Working Group should study the evolution of the Communist threat after the Moscow Communist Party meeting in October of this year.

321. The Directorate continued to implement the ATOMAL system in accordance with the security requirements of the Agreement for Co-operation regarding Atomic Information - C-M(64)39. The reorganization within NATO (Section I of Enclosure 'C' to C-M(55)15(Final)) whereby the responsibilities for the overall co-ordination of security in the Military Committee, the International Military Staff, the Major NATO Commands and NATO military agencies passed from the Standing Group to the Directorate, has caused a very considerable expansion of the Directorate's inspection programme and a more than two-fold increase in the number of inspection reports to be reviewed.

322. By 30th June, 1968, eight member nations and two Major NATO Commands had been inspected within the terms of the ATOMAL Agreement. In addition, sampling inspections of 17 units holding ATOMAL information had been conducted in conjunction with the Security Authorities concerned. These inspections failed to reveal any deficiency whereby the security of ATOMAL information was endangered. Normal inspections have also been carried out.

NATO CONFIDENTIAL
ANNEX I to
C-M(68)47

INTERNATIONAL STAFF

BREAKDOWN BY GRADE AND NATIONALITY

Date: 2nd September, 1968

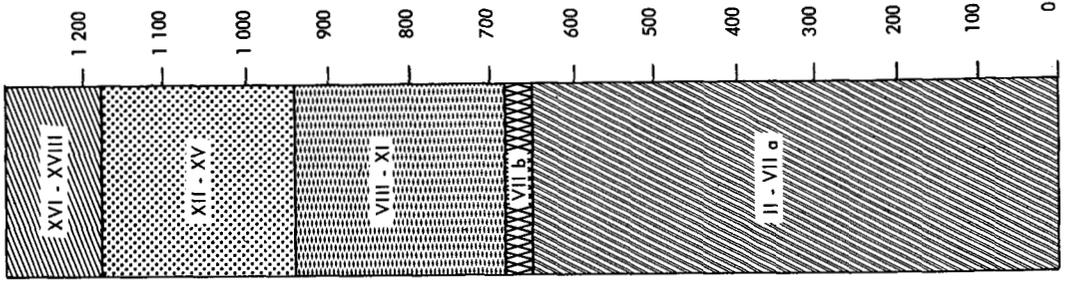
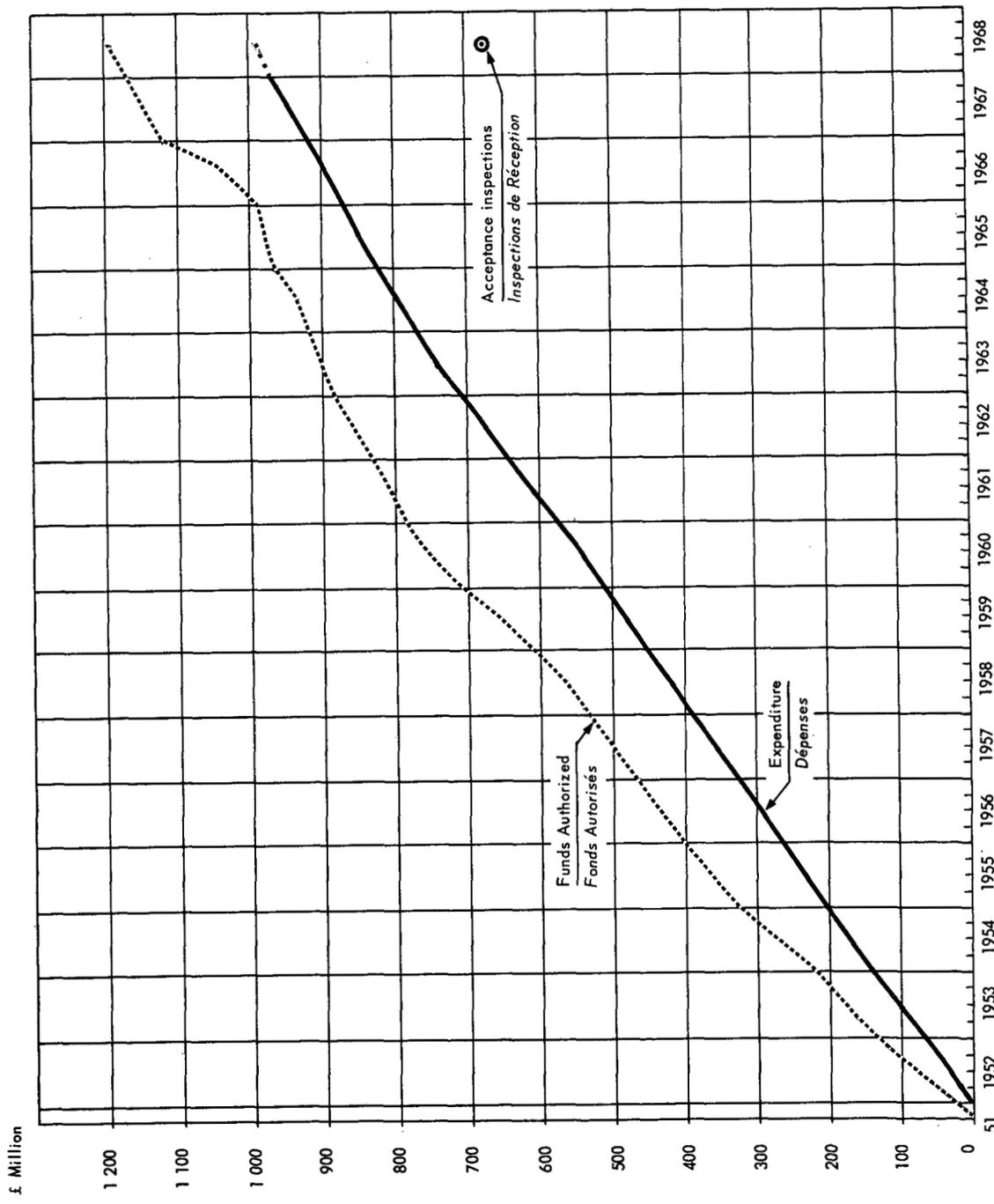
	UNCL.	A.7	A.6	A.5	A.4	A.3	A.2	A.1	Total	B.6	B.5	B.4	B.3	B.2	B.1	Total	C.6	C.5	C.4	C.3	C.2	C.1	Total
BELGIUM			1	5	12	3	5		26		3	12	30	72	1	118	3	10	24	162	50		249
CANADA	1	1	1		1				3					1	1	1							
DENMARK				3	3				6					1	1	1							
FRANCE		1	1	5	7	8	1		23	3	8	25	39	33	1	109	1	1	7	29	1		38
GERMANY	1	3		3	14	1			21		1	5	3		8	8							
GREECE				1	5	1	1		8				2	1	4	4				1			1
ICELAND					1	1			1														
ITALY	1	1	1	5	8	2	1		18	1		2		1	4	4		4	4	12	9		25
LUXEMBOURG					1				1			1	1		2	2							
NETHERLANDS		1		6	3	1			11	1	1	3	2	7	14	14							
NORWAY	1				4	3			7				2		2	2							
PORTUGAL							1		1											1			1
TURKEY		1		1	6	1			9		1		3		4	4				1			1
U. KINGDOM	2	1	1	11	17	14	7		51	1	2	12	39	65	119	119				11			11
U. STATES	1	3		6	8	2			19														
TOTAL	7	12	5	46	89	37	16		205	6	16	60	121	181	2	386	3	11	35	217	60		326

N.B. This table does not include linguistic posts filled at this date.
Ce tableau ne comporte pas les postes linguistiques occupés à cette date.
(FRANCE: 44 + UK: 24 + BELGIQUE: 4 + USA: 1 = 73)

TOTAL: 924
+ 73
x 997

NATO CONFIDENTIAL

CHART I - GRAPHIQUE I
NATO COMMON INFRASTRUCTURE - INFRASTRUCTURE COMMUNE OTAN
ALL COUNTRIES ALL PROJECTS - TOUS PAYS TOUS PROJETS
SLICES II - XVIII - TRANCHES II - XVIII



Slices II - XVIII
Latest Cost Estimate
31 Dec. 1967

Tranches II - XVIII
Dernière Estimation des Coûts
31 Déc. 1967

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
 £ 1,286.3 MILLION - 1.286,3 MILLIONS DE £
 SLICES II - XVIII - TRANCHES II - XVIII
 (31 DEC. 1967 - 31 DEC. 1967)

