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Summary record of a meeting of the Council held at the Permanent Headquarters, Paris, 16e, on Wednesday, 19th July, 1967 at 10.15 a.m.

PRESENT

Chairman: Mr. Manlio Brosio

BELGIUM	GREECE	NORWAY
Mr. A. de Staercke	Mr. J. Pesmazoglu	Mr. R. Busch
CANADA	ICELAND	PORTUGAL
Mr. Ross Campbell	Mr. H. Sv. Björnsson	Mr. A. Fortunato de Almeida
DENMARK	ITALY	TURKEY
Mr. H. Hjorth-Nielsen	Mr. A. Alessandrini	Mr. Nuri Birgi
FRANCE	LUXEMBOURG	UNITED KINGDOM
Mr. J. Schricke	Mr. P. Reuter	Sir Bernard Burrows
GERMANY	NETHERLANDS	UNITED STATES
Mr. W.G. Grewe	Mr. N. van Dijl	Mr. P. Farley

INTERNATIONAL STAFF

Deputy Secretary General:	Mr. J.A. Roberts
Assistant Secretary General for Political Affairs:	Mr. J. Jaenicke
Assistant Secretary General for Production, Logistics and Infrastructure:	Mr. John Beith
Executive Secretary:	The Lord Coleridge

ALSO PRESENT

Military Committee Representative:	Major General W.W. Stromberg
Chairman of the Budget Committees:	Mr. A.S. Duncan (for Item IV)

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I. MIDDLE EAST

Documents: PO/67/453
POLADS(67)27

1. The CHAIRMAN said that the United States Delegation had requested that the Council pursue its consultations on the situation in the Middle East. This request was entirely in line with the views expressed at the special meeting on 29th June. It had recognised that the situation was serious, that it was of direct interest to NATO countries, and that it should be kept under constant review.

2. The events since that meeting had justified the continuing concern of the Council. He need only cite the following facts:

> no majority view had developed in the United Nations and consequently no line of action was being pursued to deal with the basic issues of the situation;
>
> violence had again erupted along the Suez Canal; whether UN observers could ensure a cease-fire remained to be seen;
>
> last week the chiefs of the Communist countries had met again and had agreed on a common policy toward the area; the Soviets had maintained a steady flow of arms to the UAR.

In a word, three weeks after the last meeting of the Council, there was no reason to find much encouragement in the present situation.

3. A summary of the Council's discussion had been circulated under cover of PO/67/453. As indicated in this document, the Council had charged the Committee of Political Advisers to undertake two studies: one on the arms balance in the area, and the other on the relief efforts being undertaken by member countries.

4. The Council also had before it an initial tabulation of the arms situation (POLADS(67)27). This was based on a few national submissions; several other submissions were still expected. It was also subject to considerable further refinement before it could be considered an adequate study for Council purposes. Today it could only serve as an indication of the situation. The Political Advisers were seeking help from the NATO Military Authorities in this respect.

5. With regard to the study on aid, it should be issued later this week or early next week.

6. He invited the United States Representative to open the discussion.

7. The UNITED STATES REPRESENTATIVE made the following statement:

"Mr. Chairman:

You described the purpose of the Special Meeting of the Council on June 29 as one of keeping the situation in the Middle East under "continuing review". And in your report of the Special Meeting you recorded a general agreement that "this was an important and substantive exercise in consultation, as no member government had yet reached definitive decisions on how to proceed in this crisis and none had any "blueprint" of a solution".

It is in just this framework that we have asked to have the Middle East inscribed on the agenda again today--the framework, that is, of continuing review and substantive consultation prior to the formulation of national positions.

More specifically, Mr. Chairman, we would hope to focus this discussion today on the prospects and problems of a possible resumption of the arms race in the Middle East and on any ideas for dealing with it. You will recall that an "end of the arms race" was one of the elements of a peace settlement for the Middle East on which you found a consensus at our special meeting. It was also one of the "great principles of peace" for the Middle East enumerated by President Johnson in his foreign policy speech of June 19.

Some of the elements in any workable peace settlement for the Middle East will have to be dealt with in a UN context and much of the consultation that takes place among members of this Alliance may well take place in New York.

But deliberations in this Council are highly relevant in the case of the arms race issue. The Middle East and North Africa are on the flanks of the NATO defense area. Several of our members have provided significant supplies of arms to the Middle East in the past, and they and others have the ability to do so in the future. The Soviet Union is deeply involved--having supplied more arms to the Middle East over the past decade or so than all Western suppliers put together. Moreover, we can assume that the Soviets see the Middle Eastern area largely in terms of East-West confrontation; we can assume they look upon strengthening their position among the eastern Arab states as critical to the Soviet intention of playing a larger role in and around the Mediterranean as a whole. The high interest of NATO in all this is manifest.

We are aware, of course, of the inherent complexities of trying to restrain the Middle East arms race. The chances of direct agreement on arms limitation among the principals in the Middle East just now must be rated realistically as not much better than zero, the only reasonable hope being for some kind

of agreement among the major suppliers. Of course military inventories of both the Arab states and Israel do depend very heavily upon imports, especially for the air forces and more sophisticated equipment of all kinds. These have come in the past from both the Soviet Union and Western suppliers. Since 1955 Israel has been entirely dependent on Western suppliers for outside assistance; the Arab states taken together have received arms from both sides. But the picture is further complicated by the fact that the Soviet Union has made massive deliveries to the so-called "progressive" Arab states but not to the so-called "traditional" states--leading to a situation that takes on the semblance of an arms race within an arms race. Moreover, there are political and commercial interests in arms supply agreements which we would be very unrealistic to ignore in the course of our consideration of this tangled problem.

These are the sort of complexities we are up against, and there is no point in minimizing the obstacles they present. Indeed, we have had some direct and rather discouraging experience in the past in trying to limit arms shipments to the Middle East. After the Tripartite Declaration by the United Kingdom, France and the United States in 1950 we set up a Near East Arms Coordination Committee to monitor arms shipments and maintain an inventory of Middle East arms supplied by the three signatories of the Tripartite Declaration and, later, Italy. The members agreed to submit proposals for arms deliveries for review by the Committee, so an element of control was introduced. But with the Soviet entry into the Middle East arms race in a big way in 1955, these partial efforts of the Western powers to control arms shipments to the area effectually came to an end.

Since then there have been some bilateral discussions which have had some limiting effect on the quantity and sophistication of arms provided to certain countries as my own Government sought to limit its role as arms supplier to redressing imbalances in the hope that this would have a stabling effect. Obviously this did not work very well. And meanwhile, several high-level soundings with the Soviets elicited no interest no all in cooperating to keep the arms in the Middle East under some semblance of control.

Today we have no master plan for a new approach. But we do not intend to let the opportunity pass by default--however difficult it may be--to prevent another uncontrolled round in the Middle East arms race. We do not intend to fail for the lack of trying.

The case for making such an effort seems to us to be overwhelming. There is something deeply offensive to our sense of values in the spectacle of countries with urgent needs for development resources--and even with hungry populations--dissipating their limited national wealth in what for them are

orgies of spending on armaments, in some cases committing their scanty resources for years in the future. Apart from this, we have seen that an arms race does not produce stability in the Middle East. On the contrary, I suppose that the recent war out there was an almost perfect example of how an arms race can induce, not deter, the use of arms. And the prospect of repeating that tragedy--and reviving the threat of major power intervention in another five or ten years--is too appalling to be ignored.

Yet this certainly is a live possibility. The POLADS report which we have before us gives us some measure of the extraordinary exertions of the Soviet Union to replace at least a significant part of the huge losses of the Arab belligerents during the recent campaign. The radical Arab states are as uncompromising as ever; they are renewing talk of an eventual military victory over Israel. And emissaries from both sides of the Middle East conflict already are shopping around in other countries for deals which, if consummated, might well set another and even more ominous arms race in train.

What is more, we cannot disregard the problems that would flow from the possible introduction of nuclear, chemical, bacteriological, and radiological weapons; and surface-to-surface missiles. Even without nuclear warheads, a surface-to-surface missile capability in the Middle East would raise almost intolerable tensions and quite ominous implications.

If all this is to be avoided somehow, it is plain that the most critical problem is how to induce the Soviets to cooperate in exercising restraints on arms deliveries. We recognize that the Soviets may not want to cooperate with the West in any overt way on this question--for various reasons involving their relations with the Arabs, the Chinese and others. Perhaps the most we can hope for in the foreseeable future is some tacit acquiescence by Moscow in any arms limitation proposal or understanding. Any views or advice that our allies may have on this score would be welcomed by my Government.

Meanwhile it also is clear that the traditional and potential Western suppliers will have to act on a common appreciation of the situation and of their interests, and will have to some extent to harmonize their own policies.

We feel that these possibilities should be explored deeply and conscientiously within this Council. At this time, we have only a few thoughts to throw out for discussion.

It seems to us, Mr. Chairman, that it comes down to three possibilities.

First is the possibility of an arms limitation agreement worked out as part of a general peace settlement concurred in by the recent belligerents. Given the present political climate in the Middle East, this strikes us as most unlikely for the foreseeable future.

Second would be an understanding among the major arms suppliers on the levels of supply, at least of certain major categories of weapons. This could be effective, but as I indicated a moment ago, it depends basically upon the willingness of the Soviet Union to cooperate in deed if not in word.

Third, there is the possibility of a registration with the UN of all arms shipments to the Middle East.

As my colleagues are aware, President Johnson in his June 29 speech proposed that the United Nations should call upon its members to report all shipments of military arms to the area. This suggestion was made, as the President said at the time, merely "as a beginning". But we do have to begin--somewhere.

What my Government had in mind was that it would be helpful to bring arms supply arrangements out into the open; that it would be useful for everyone to have a common picture of just what was going into the area from what sources; and that an obligation to record shipments on a public international registry might exert something of a restraining influence. At the same time we feel that this suggestion is more likely to induce Soviet acquiescence than any other overt proposal.

We should like to know how our allies feel about this suggestion. We are open to the ideas of others and we would want to work out details in collaboration with our allies and with the UN Secretariat.

Meanwhile we have started working on some details of the arms registry idea; we conceive of it possibly as comprising quarterly reports to the UN by each shipping country covering major categories of armament. The categories we have in mind would include combat aircraft; missiles, tanks, armored cars and personnel carriers; heavy artillery, heavy mortars and rocket launchers; combatant ships; artillery ammunition over 100 mm. aerial bombs over 250 pounds, and torpedoes; and major components and facilities for assembling or manufacturing such items. We can envisage, and would be agreeable to, even fuller reporting to cover all arms shipments, even in advance of shipment, if other countries agreed.

Once again, we would appreciate the reactions of our allies.

More generally, Mr. Chairman, there is another point on which it seems that we might usefully exchange views today and in future meetings. It is this: how far do we believe the Soviet Union is likely to go in rebuilding the war machines of the so-called progressive Arab states? Surely, we can do no more than offer our best guesses. It is conceivable, at least to me, that the Soviets themselves may not yet have the answer to that question. But I would also assume that the Soviets will not be prepared to discuss cooperation with the West in limiting arms shipments to the Middle East until they have decided what they themselves want to do--and then do it.

Meanwhile, we might well see how close we come at the present time to a collective judgment about what the Soviets are about and what Soviet intentions are in this regard. This involves, of course, a complex equation; but we might as well avail ourselves of the combined information and analytical resources of our respective governments. I would therefore suggest that we pool our current judgments, or best guesses, as to whether the crash program carried out by the Soviets in recent weeks to rearm the Arabs is--for example--mainly political therapy to help the Arabs over the shock of defeat; whether it is intended to reinforce Soviet influence over the armed services of these countries, whether it suggests an intention to replace for defensive purposes, inventories at something like the levels obtaining before the outbreak of hostilities, or whether it has more ominous implications for another round of war in the Middle East. We might compare our answers at next week's meeting of the Council.

In any event, Mr. Chairman, these are the preliminary thoughts which my Government wanted to lay before its allies in the expectation of full, frank, and continuing consultation in this Council. If the problem is a formidable one, it is nevertheless there and each of us, to some degree, will have to act according to his best lights. Perhaps we can, together, shed a better light on how we should act.

And of course this question of arms supply is in turn only one of the complex and inter-related issues on which this Council will be consulting, and where the stakes are high indeed. For if we can increasingly harmonize our political strategy, we can hope to maximize the prospects for durable peace in the Middle East region--to find a coordinated response to Soviet efforts to establish the foundations for permanent power in that area-- and to minimize the damage to Western interests and particularly NATO defense plans, of a probable continuation of turbulence and uncertainty in the Middle East."

8. The CHAIRMAN noted that the United States Representative had raised two main points: firstly, the possibility of arms control, in particular the suggestion for registration of arms shipments to the Middle East, and secondly, the question of Soviet intentions both now and in the long term, and generally speaking possible developments in the area. He invited comments.

9. The BELGIAN REPRESENTATIVE welcomed the statement by the United States Representative both as a logical follow-up from the Council discussion of 29th June, and for its positive aspect. He had some personal comments to make which he considered would be in line with the thinking of his Government. Firstly, as regards the arms race, he thought this was a question of studying not only comparative lists of Arab and Israeli strengths and losses, but also of assessing strengths qualitatively. This was a subject which was of great concern to his Government. The Council should study not only a factual assessment of the arms held by the Arabs, but also what effective use the Arabs could make of these arms. Were the recent Russian deliveries intended simply to compensate Arab losses? Were they intended to provide the Arabs with the possibility of mounting a new offensive? Did in fact the Arabs know how to use these highly sophisticated weapons, and were these deliveries to be accompanied by the arrival of technical advisers who would provide training and continuing supervision for their use? If the Arabs did not have the technical possibility of using these weapons effectively, then their delivery in fact constituted a dangerous illusion for the Arabs. It was essential that the Council should assess this situation.

10. He suggested that the presence of enormous fire-power in Port Said provided by the Soviet fleet might in fact be a way of not providing missiles to the Arabs, i.e. in other words to keep them under Soviet command. If the Soviets were now to provide the Arabs with ground-to-ground or ground-to-air missiles this would be a very dangerous development; the Council should study whether this was likely to happen, or whether in fact missiles would not be placed under Arab command. The task before the Council was accordingly not only to compare quantitative lists, but to make a delicate analysis, taking into account political factors, of what the Arab military potential was likely to be.

11. Secondly, the United States Representative had made three proposals for ways of limiting the arms race in the Middle East. He thought that his Government would agree that the NATO allies should co-operate effectively in reaching an agreement on this subject. Perhaps the third United States suggestion, i.e. that for registration of arms shipments with the United Nations, provided the most hopeful possibility, but one should study how far it should go, and how far it might be effective. Would it be limited to the countries of the Middle East only, or would it cover other countries, such as Algeria, which were in a position to pass on arms to Arab countries in the Middle East? Any system to be agreed should be a thoroughly water-tight one.

12. Returning briefly to the first question, he repeated that the Council should study whether the political and material support now being provided by Russia to the Arabs would ultimately make possible a new offensive, or whether it was intended to prevent new hostilities by means of not providing the Arabs with all the arms they wished to have, and by ensuring that they did not know how to use certain sophisticated weapons.

13. The TURKISH REPRESENTATIVE said that he was without instructions on the points raised by the United States Representative, but that he had the following general instructions and personal comments to make. Commenting on the questions of firstly, the balance of arms, and secondly, the intentions of the Soviet Union, he said that while in a crisis there was a natural tendency to react immediately from the short-term point of view, one must nevertheless keep in mind the overall point of view. The arms race was only one aspect of the Middle East problem and was perhaps likely to remain somewhat artificial for some time to come.

14. He thought that it was not remotely possible at present to reach an agreement on arms shipments among potential supplying countries. He also thought that the proposal for registration of arms shipments was somewhat theoretical. At present the Russians were hiding their intentions, and possibly they had not yet decided what their intentions were. The Soviet interest was not to establish peace in the Middle East but to create a Soviet foothold. It was obviously easier for them to support the Arabs than the Israelis, who were Western-minded. In the same way as he thought that an agreement among arms suppliers was impossible, he questioned whether the idea of a balance of arms was a valid one. To provide a real balance it would be necessary to arm the Israelis far beyond their present strength. He thought that a "balance of arms" was a vague concept of which the elements were not sufficiently defined. Any question of arms control must also concentrate on the receiving countries. Here he pointed out the great differences which existed between the Arab countries, and the need accordingly to treat each of them differently. There were certain indications from Cairo that the Egyptians did not wish to be pushed into the arms of Russia, and would welcome a gesture from the West. This might be the familiar blackmail, but he thought that this question was worth studying in the Council. It was essential for Western countries to adopt an individual approach to each of the Arab countries; the fact that some countries had broken off diplomatic relations was not important, and could be got round. He suggested that in parallel with a study of the possibility of an arms agreement, on which he was most pessimistic, the Council should also study the question of overtures to the Arab countries with a view to finding the cracks in the Arab front.

15. As regards the other aspects of the Middle Eastern crisis, he noticed that the Council had not devoted much discussion to the question of aid to refugees; but that this could be useful from a demagogic point of view. The Council should also study the question of Jerusalem. He concluded by emphasising that these were mainly his personal reflections.

16. The CHAIRMAN recalled that, as he had pointed out, the Council would shortly receive an International Staff study on aid to refugees.

17. The DANISH REPRESENTATIVE said that he could comment only in a preliminary fashion on the United States proposals, but that he had received some indications from Copenhagen on the United States suggestions for tackling the arms race. His Authorities agreed fully that the possibility of an agreement by the Middle East countries on arms limitation was out of the question. The suggestion for registering arms shipments with the United Nations was a new idea, to which his Authorities had given some thought. He had been instructed to urge that in any case, one should ensure that this proposal was not used as a political demonstration in the United Nations. Very great caution was required. It was not enough to have a registration procedure; one must go further and, as suggested by the Belgian Representative, consider what the aim should be. He thought that it was unlikely that the Soviet Union would accept this suggestion since, if it found this suggestion acceptable, then it might even accept the suggestion for an understanding by the major supplying countries. However, if Russia did accept the idea of registration, this procedure could do much harm unless it was combined with arms limitation, for the reason that if large lists of arms shipments were published periodically there would also be periodical political recriminations.

18. Denmark considered that the basic problem was one of reaching an understanding among arms suppliers. Supplying countries fell into two groups, and unfortunately one of these groups was also divided in two. The NATO Allies should consult confidentially on this question. While there had been a scant Russian response so far to the idea of such an understanding, the Danish Authorities would welcome the views of the Western countries who were arms suppliers and who were discussing this question with the Soviet Union.

19. In conclusion he suggested that the proposal for registration of arms shipments should be thought out thoroughly before being launched. It must not become, or seem to be, a political propaganda manoeuvre on either side. The basic problem was to reach a discreet understanding in NATO among the four supplying countries; a tacit solution was the best.

20. The CANADIAN REPRESENTATIVE said that he very much welcomed the United States suggestion to explore this subject further. Canada had always said that if there was no initiative to achieve arms control another outbreak of hostilities would be unavoidable.

21. Commenting on possible Soviet intentions, he said that tentatively his Authorities thought that Soviet arms supplies had a two-fold purpose: (a) in the short term, to help to restore Arab military capacities up to a level of arms which would not be negligible during the forthcoming political negotiations; and (b) to repair the Soviet image by convincing the Arabs that the Soviet Union was a reliable ally.

22. Did the Arabs feel that they had nowhere else to turn? Here he agreed with the Turkish Representative that one should treat each Arab state differently; also that one should not neglect Algeria.

23. It was not yet clear how far the Soviet Union intended to go, and it was probable that they had not yet decided themselves. The Canadian Authorities thought that the Arabs would not be ready to contemplate war before at least one year. It was necessary for them to train new officers and armed corps, which would require more than a year. Unless there were precise indications of a shift in Soviet Middle East policy it was unlikely that the Russians would either encourage the Arabs to open hostilities on a large scale (though perhaps small-scale border incursions would continue) or introduce large-scale Soviet forces.

24. As regards methods of arms control, Mr. Martin had in the United Nations on 23rd June introduced the idea of control, and spoken on control by the supplying countries. He had also emphasised the need to apply existing resources to economic development instead. This suggestion might be brought up in the discussions between the Soviet Union and the United States. The Canadian Representative in Geneva had on 6th July referred to the idea of conventional arms control in three possible ways. Firstly, there might be a voluntary agreement by the receiving states. This was ideal, but obviously a non-starter at present. Secondly, there might be an explicit or tacit agreement by supplying countries. This could not be a foolproof system, as there would always be arms runners. Canada considered that when the Soviet Union had reached its limit of supplies and the Israelis had withdrawn against assurances regarding belligerency, the Soviet Union and the United States might then talk about arms limitations, but not till then. For example, Mr. Gromyko had circulated to the United Nations on 17th July a statement to the effect that the task of the United Nations was to remove the danger of the renewal of hostilities in the Middle East by ensuring the withdrawal of Israeli forces. It seemed that the Russians were thus setting a time limit on, and condition for, the opening of arms talks.

25. Thirdly, there was the possibility of an arms reporting system. Canada thought that this might inhibit deliveries, especially if it were given adequate publicity. Here he referred to a resolution which had been drafted by Malta in the United Nations regarding a regional approach to arms control, but which had not been supported by the NATO countries. One might now encourage other countries to pick up this idea; this would avoid the risk of a political demonstration on either side, against which the Danish Representative had warned.

26. The GREEK REPRESENTATIVE, thanking the United States Representative for bringing up this question, said that his country was deeply concerned and would continue to be deeply concerned by the situation in the Middle East. Noting that a series of events had taken place since the last Council discussion on 29th June, he suggested that it would be useful for the Council to hold periodic reviews of events in their chronological sequence. Reference had already been made in discussion to events such as the presence of the Soviet fleet in Port Said, the sporadic resumption of Arab-Israeli hostilities, the Arab "summit" meeting and the visit of Presidents Boumedienne and Arif to Moscow. He personally thought that it would be useful for the Council or the Committee of Political Advisers to establish and study the chronology of events in the Middle East.

27. As regards arms control, the ideal solution would obviously be for an agreement among the receiving countries, but this was obviously out of the question. He thought that an understanding between the supplying countries would also be ideal, but suggested that the aim should be to reach such an understanding now and not to wait until further arms had been delivered. The suggestion for registration of arms shipments, while worth study, must obviously be multilateral in its effect, and was perhaps inherently dangerous. If the idea was that there should be a register of arms deliveries not only in the Middle East but throughout the world, the result might be, for example, that a country such as Greece would be forced to indicate what arms it received from other countries.

28. While agreeing with the Turkish Representative on the differences between the different Arab countries, he emphasised that any approach to these countries should be carried out not on an Alliance basis but individually. This was a subject well worth study.

29. In conclusion he said that he would provide the Political Advisers Committee with information to supplement that in POLADS(67)27.

30. The ITALIAN REPRESENTATIVE, welcoming the statement by the United States Representative, thought that any study of arms control must be a global one, including both military and political aspects. From the first day of the war Italy had forbidden the export of arms to either Israel or Arab countries; and Italy supported in the Geneva Disarmament Conference the idea of regional arms limitation agreements to include the Middle East. While he could support all three of the United States suggestions for arms control, he would prefer the third suggestion, for practical reasons; even here his Authorities were sceptical and felt that one would have to live with the problem of arms control for some time.

31. The question of the balance of arms in the Middle East had often been raised in the Council. If there were no further arms deliveries to either side, this might produce a result which would be to the disadvantage of the West. For example, how would Israel be able to cope with the possiblity that the Soviet Union and Egypt might make the present situation drag on, with sporadic Egyptian attacks? This question deserved study. The Council should also study the question of the Western position vis-à-vis the Arabs. He agreed with the Turkish Representative that Western countries should adopt a pragmatic attitude and approach each Arab country individually. They should also pay considerable attention to the activities of the Soviet Union. The Russians had in fact no special love for the Arabs, and it might well be that the presence of the Soviet fleet in Port Said was intended to prevent the possibility of placing certain weapons under a command which might be either dangerous or ineffective. The attitude of the Italian Government was that the West should do all in its power to prevent the creation of a danger spot in the Middle East, which was traditionally a source of concern. There must be the most complete consultation among the Allies and a continuing review of developments in the Middle East with a view to seizing any possible hope of pacification.

32. He said that Italy had already given full information on the situation to the Political Advisers Committee and could make more information available in that restricted forum.

33. The NORWEGIAN REPRESENTATIVE said that his Government agreed on the need to limit arms supplies, and hoped that the great powers would abstain from further shipments. The Norwegian Government had for many years refused arms export licences to the Middle East, and would continue to do so as long as there was a risk of war. His Authorities would study with great interest the suggestion for arms registration.

34. The UNITED KINGDOM REPRESENTATIVE said that he had only personal and preliminary comments to make within the framework of his general instructions. He assumed that the Council was not aiming at reaching a conclusion at this meeting.

35. As regards the question of arms for the Middle East, this was a familiar difficulty. All recognised the general proposition that the Middle East would be a safer region if there were less arms, especially in the possession of aggressive countries. However, to move from this general proposition to a sensible solution in the light of reality was very difficult.

36. Firstly, addressing himself to what were the possibilities of any kind of agreement with the Soviet Union, he said that so far indications were not bright, but that as he would explain in further detail below, the United Kingdom assessment of the Soviet intentions regarding arms supplies was that the Russians had probably not yet taken any dangerous decisions. There was, however, little indication that they would be ready to reach an agreement with the other suppliers.

37. As pointed out by the Turkish Representative, there was also the question of what the Arabs and the Israelis were prepared to accept, and whether the Soviet Union would accept anything repugnant to the Arabs. At present the reply to this question was pessimistic.

38. Until one had a clearer assessment of the possibilities of a worthwhile agreement on arms supplies, even on the lines of the third United States suggestion, one should pay particular attention to the warning sounded by the Danish Representative. One should be clear whether the aim was to make a public proposal for registration as an attempt to secure an agreement, or as a political initiative. One should also take account of the risk of political pressure if it appeared that the balance of arms was not being maintained. Here he emphasised that this was not only a question of balance between the Arabs and Israel but also of balance between the different Arab countries.

39. There was also the danger that the Soviet Union might exploit, on the lines indicated by the Greek Representative, any proposal for arms limitation. The Russians might have their own idea of how to define the Middle East, and might suggest that it should not be limited only to the Arab countries and Israel. He agreed that the Western Allies needed to be very careful and to consider fully the implications of any proposal for arms limitation; they should especially consider whether a positive response from the Soviet Union was likely.

40. The United Kingdom Authorities were pessimistic as to the chances of agreement on the second United States proposal. As regards their assessment of Soviet intentions in respect of arms supplies at the present time, they thought that the Russians were at present reluctant to supply equipment to the Arabs to the point where they would be able to begin hostilities; also that the Russians were in favour of an agreement between the Arabs and Israel. Failing such an agreement they would have no alternative but to rearm the Arabs. He thought that the visit of Mr. Podgorny to Cairo had not produced any firm commitment, though of course talks were continuing between the Arabs and Moscow. The Budapest meeting had probably been used by the Soviet Union mainly to indicate Soviet views to the other Eastern countries.

41. The United Kingdom was following with interest the extent to which the Soviet Union was encouraging left-wing forces inside the Arab countries. There was at present no overt sign of a more active rôle being given to the Egyptian Communist Party.

42. He then made, in confidence, the following statement on the United Kingdom position regarding arms supplies to the area since the war. In this connection he drew a difference between any public announcement of arms supplies, for example on the lines of the registration proposal, and this confidential discussion in the Council, at least for the present. The United Kingdom was continuing to honour existing contracts for the supply to Israel of a few tanks, spare parts for tanks and ammunition. The rate of delivery would be kept to what it had been before the war. Any new requests for major items of lethal equipment would be examined very carefully.

43. In the year before the war £90,000 worth of miscellaneous items had been delivered to Jordan, of which nearly half were spares for tanks. A request had been made for radar equipment and aircraft which the United Kingdom no longer had. New supplies to Jordan would be largely governed by Jordan's ability to pay.

44. Few requests for supplies had been received from Iraq, Syria and Egypt. The United Kingdom would not rule out deliveries of certain types of minor equipment. As regards the less aggressive countries on the periphery, i.e. Saudi Arabia, Libya and Kuwait, some major commercial orders were under way, mainly for fighter aircraft and air defence equipment. The needs of these countries for air defence equipment seemed fully justified.

45. In conclusion he repeated that in studying the question of a balance of arms, one should also study the balance as between different Arab states. One should also take into account the quality and purpose of the equipment supplied.

46. The NETHERLANDS REPRESENTATIVE said that the following were the preliminary comments on the subject by Ambassador Boon. Mr. Boon was no more hopeful of success than was the United States regarding the three suggestions for arms control; he did not in fact think that they would lead to a reduction in arms in the Middle East. The suggestion for agreement among receiving countries was not realistic; that for arms registration might be useful up to a point, not because it would end the arms race but because it might constitute a slight control on arms deliveries. The problem was, however, a more practical one. The first question to study was at what stage a balance of arms was reached and when it was passed; also what the West should do when the other side passed the balance.

47. While this was perhaps a view which it would be preferable not to state publicly, he agreed with the Belgian Representative that what was important was not only the quantity of the arms delivered but also their quality and potential use.

48. The FRENCH REPRESENTATIVE, speaking mainly on a personal basis, said that his Authorities would wish to study the United States proposals for arms control. He was not sceptical regarding forms of control; on the contrary, he thought that it might be possible one day to reach a tacit agreement to aim at a relative balance of arms in the Middle East area, though this, as pointed out by the Turkish Representative, would depend on a solution to the general problem.

49. The balance of arms had been disturbed to the advantage of Israel, as was pointed out particularly on pages 2 and 6 of the report POLADS(67)27. Further, the balance was very far from having been restored to the situation obtaining before the outbreak of hostilities. This was a first fact for the Council to study.

50. One could obviously comment at length on why the balance had been disturbed. He thought that Israel had overwhelmed the Arab forces not because of her excellent aircraft - supplied by France - or because of the alleged poor quality of Egyptian pilots, but because the Arabs were not technically adapted to the requirements of twentieth century industrial society. The explanation of the Israeli victory was that Israel, unlike the Arab countries, was a modern industrial country; and this fact remained true.

51. As regards Soviet intentions, he agreed with the United States Representative that it was probable that the Soviets themselves had not yet defined them. This was not in fact surprising. However, Russia in her own interest had been obliged to do something chiefly because this had been a Soviet as well as an Arab defeat, for the reason that the equipment involved was Soviet and also very expensive. The Russians had therefore been forced to make a demonstration in Alexandria and Port Said, which demonstration, he noted, meant that not one single missile had been handed over to the Arabs. It was, however, the case that Soviet interests were not identical with those of the Arabs.

52. He thought it was not true that Egyptian pilots were inefficient, but if they were one could ask whether it was in the Russian interest to create conditions favourable to a new conflict. The Budapest communiqué was interesting in that while it stated the support of the Eastern European countries for the Arabs there was no precise indication of the aid envisaged. Migs were highly expensive and the Soviet Union must obviously take this into account. The Russians naturally wished to extend their influence in the Middle East but they had perhaps an overriding interest in maintaining peace and a certain world balance.

53. As pointed out by the Turkish Representative, the situation of the Arab countries was highly diversified. They had, however, one fundamental characteristic, that of the humiliation undergone; this feeling could not soon be wiped out, and explained much of their attitude. The Arabs felt that Israel was continually exploiting her victory by incidents of which the latest was the claim that the cease-fire line passed through the middle of the Suez Canal. As the Arabs strongly desired revenge they were driven to seek aid, and from the Russians, in the military, economic and political fields.

54. What was essential was to avoid any identification in Arab eyes of the West with Israel. This was difficult, since the Israelis were Western-minded, but one must prevent a joining of causes between the Arabs and the Russians.

55. The GERMAN REPRESENTATIVE, commenting in a preliminary way, recalled the general policy of his Government regarding arms deliveries to the Middle East, which had often been stated publicly in the course of the last months and weeks. He could make available a list of these statements; in particular, he wished to emphasise that the allegation of weapons deliveries by the Federal Republic to Israel was completely unfounded.

56. His Authorities would welcome the discussion today because it had produced questions for further study such as, for example, the reference by the Belgian Representative to the need to study both the quality and potential of arms deliveries to the Arabs. The discussion had also provided a better understanding of the complexity of concepts such as "the Arab States" which, as pointed out by the Turkish Representative, was a misleading generalisation. There had been unanimous agreement today that it was desirable to stop the arms race in the Middle East, but also that this was a difficult task. The only practical suggestion put forward was that for arms registration, but serious doubts had been expressed as to its effectiveness and possible dangers. If arms registration could not be effective in stopping the arms race, and the only alternative possibility was an understanding among the major suppliers, then on what basis should such an understanding be drawn up? He thought it clear that it could not be based on any concept of balance, because it would never be possible to reach agreement with the Soviet Union on what such a "balance" should be; and it was not clear that the Soviet Union would agree to a balance based on the status quo.

57. He welcomed the idea of continuing this discussion in the Council.

58. The UNITED STATES REPRESENTATIVE repeated that he had expected only a preliminary discussion today and hoped that consultation would be continued. The discussion had, however, been valuable and his Authorities would study in full all the points raised. In particular he commented on the following points.

59. He thought that all speakers had shown an almost equal degree of realism and pessimism; and that no-one held the view that one should simply let the problem lie. All Allied countries had to study this question in the United Nations and in their contacts with individual Middle East countries and the Soviet Union. Their approach could be more constructive if they first studied in NATO what the possibilities of agreement were.

60. Possibilities did in fact exist. He agreed with the Danish Representative that one must continue to probe Soviet attitudes. It was worth recalling Soviet behaviour during the course of hostilities and also, as pointed out by the United Kingdom and French Representatives, at the present time. As to whether the Soviet Union would be willing to enter into formal agreements, he pointed out that the world had seen dramatic changes in the Soviet position in recent times, for example, on non-proliferation; the question of agreement on arms control in the Middle East was therefore obviously worth pursuing.

61. At the same time as discussions continued with the Soviet Union the Council should assess Soviet intentions. The Belgian Representative had suggested that the Russians might be trying to find a way of avoiding giving missiles to any Arab country. If this was true, then it was a useful element to bear in mind in Western dealing with Arab "blackmail". All Western countries were experiencing difficulties as a consequence of their failure to yield to Arab - or Israeli - demands. It was therefore essential to study the possible limitations to future Soviet conduct.

62. As regards the proposal for arms registration, he noted that the view had been expressed that it might possibly help the Soviets to exercise restraint on the Arabs; also that on the other hand it ran the risk of producing a political confrontation.

63. Replying to the German Representative, he said that he thought all the Western countries, at least among themselves, needed to have some idea of what would be an acceptable balance of arms.

64. The comments made in discussion illustrated the complexity of the problems involved, and he would reserve the right to comment further until his Authorities had studied the record of the present discussion.

65. Welcoming the United Kingdom statement on United Kingdom policy regarding arms shipments, he said that at present, United States military supply policy remained under strict review at the highest levels of government. No new munitions export licences had been approved and further shipments (grant aid and sales) had been suspended after the

outbreak of hostilities. All shipments of military equipment to the states which had broken diplomatic relations with the United States were suspended as from 8th June, 1967. Munitions export licences issued prior to 8th June for countries which had not broken relations remained in effect; however, no major item of offensive equipment was being shipped and only a very modest flow of material was involved.

66. He agreed with the Turkish Representative that arms supplies were only one of the many problems affecting the Middle East; he hoped that all these problems would be reviewed in the Council consultation which would continue to take place.

67. The TURKISH REPRESENTATIVE made two additional comments. Firstly, replying to the United Kingdom Representative Representative on the subject of Soviet intentions, he thought that one should not overlook the possibility that the Russians had provoked this crisis in order to bring about a discussion of the overall military situation in the Middle East, including such elements as the presence of United States naval forces in the Mediterranean. One should be very much on one's guard against hard Soviet bargaining in this connection.

68. Secondly, a difference should be made between any public statement with regard to arms control, and diplomatic and political activity on this subject. Public statements were aimed at creating an image and one should beware of the possibility that the Soviet Union might turn a public statement to its advantage.

69. The CHAIRMAN said that he would not now sum up since a number of the later speakers had already done so to a certain extent. The International Staff would study the statements made today and possibly prepare an analysis as a basis for future discussion. No conclusion was possible today; the Council must continue its consideration of the situation in the light of changing circumstances.

70. Finally, he said that in PO/67/453 it was stated, in relation to oil supplies, that the situation was at present being discussed in the OECD which had organized an oil advisory group of industry representatives. The Council had agreed to keep the oil situation under review but, before taking further action, to await the OECD findings and the Petroleum Planning Committee's semi-annual report. He had subsequently circulated the Petroleum Planning Committee's report on oil stocks as of 1st April in the NATO European area as PO/67/460.

71. Unless the Council decided otherwise the next report from the Petroleum Planning Committee would be as of 1st October, 1967. It was worth noting that these NATO reports did not cover stocks of crude oil, and the figures for stocks of finished products were those estimated as being available for military or civil use after a nuclear attack; they were based on damage assessment factors estimated by each nation.

72. Members of the Council could, of course, obtain the OECD oil stock figures which were available on a monthly basis and which covered all types of petroleum products including crude oil. In addition, the Council might like, instead of waiting until October, to invite the Petroleum Planning Committee to arrange for monthly reports of oil stocks in the NATO European area on the same basis as those relating to the 1st April and circulated in PO/67/460. If this was the Council's wish, he would so inform the Chairman of the Petroleum Planning Committee.

73. This suggestion was approved.

74. The UNITED STATES REPRESENTATIVE assumed, and the CHAIRMAN confirmed, that discussion on the Middle East would continue in the month of August.

75. The COUNCIL:

took note of the statements made.

NATO CONFIDENTIAL

II. ECONOMIC REVIEW OF INDIVIDUAL EASTERN EUROPEAN COUNTRIES - BULGARIA

Reference: C-M(65)80
Document: C-M(67)39

76. The CHAIRMAN said that in the framework of its examinations of economic developments in Eastern European countries, the Committee of Economic Advisers had submitted the report C-M(67)39 dealing with Bulgaria. The document described the progress being made in implementing economic reforms in Bulgaria. The Bulgarian leaders were switching the economy to a new system of management but at the same time they were anxious to keep the tools of control which, if the need should arise, could be used to prevent the situation from getting out of hand.

77. Over the last two years the Bulgarian economy had developed rapidly and the Committee of Economic Advisers had estimated that this trend would probably continue during the coming years. Foreign trade had also expanded substantially, owing partly to foreign credits from the West. Although Bulgaria was eager to develop her trade with the free world, there had so far been no signs of a loosening of her economic ties with the Soviet Union.

78. The report suggested that NATO countries should continue to foster trade with Bulgaria. At the same time it was indicated that in doing so they should be careful not to overplay their hands in matters of credits and also not to damage the legitimate interests of Western countries, especially of those which were still in the course of development.

79. He invited comments.

80. The GREEK REPRESENTATIVE welcomed this well-written and detailed report, which was very important for Greece in connection with her relations with Bulgaria. He wished to emphasise two points. Firstly, it should always be borne in mind that of all the Eastern countries Bulgaria had the closest relations with the Soviet Union. Secondly, as pointed out in paragraph 16 of the report and by the Chairman, in developing economic relations with Bulgaria care should also be taken not to damage the legitimate interests of Western countries, especially those which were still in the course of development.

81. The COUNCIL:

(1) took note of the report by the Acting Chairman of the Committee of Economic Advisers (C-M(67)39);

(2) noted the statement by the Greek Representative.

NATO CONFIDENTIAL

III. TRANSFER OF THE LOGISTIC SUPPORT OF HAWK TO NAMSO

Document: C-M(67)43

(a) Resolution by the Council

82. The CHAIRMAN said that the Council would find at Annex to document C-M(67)43 a draft resolution concerning the transfer of the HAWK Common Depot to NAMSO.

83. As indicated in the cover note to this document the attention of the Council was called in particular to paragraph (4), which was new, and had been drafted by the International Staff with a view to taking into account a French suggestion to set up a working group which would direct and monitor the execution of decisions (1) and (2) of the resolution. He was informed by the Liaison Officers to the HAWK and NAMSO Boards of Directors that both organizations were favourable to the creation of such a working group, and he believed that paragraph (4) would be acceptable to the Council.

84. He invited the Council to approve the resolution.

85. The NETHERLANDS REPRESENTATIVE said that paragraph (4) of the resolution allowed for considerable leeway in the composition of the working group and therefore made his instructions easier. He had been instructed to say that his Authorities would prefer the group to be as small as possible and to consist only of technical representatives of HAWK and NAMSA who would consult in appropriate cases with the other interested parties. He did not wish to amend the resolution but suggested that the Secretary General might take account of this comment in setting up the group.

86. The FRENCH REPRESENTATIVE said that he would have no objection to an arrangement which would enable the group to meet as soon and work as rapidly as possible. It was the responsibility of the Secretary General to convene the group. As suggested in paragraph (4) the group should include representatives of the interested parties, i.e. the two host countries and of the two organizations. Its membership might therefore be a maximum of five or six representatives, who could meet to work in August.

87. The CHAIRMAN noted that it was agreed to leave it to his responsibility to enable the group to proceed with its work as rapidly as possible, taking account of the comment by the Netherlands Representative.

88. The COUNCIL then adopted the following resolution:

"The NORTH ATLANTIC COUNCIL decides that:

(1) The HAWK Common Depot will be moved to the NATO Supply Centre Depots at the time of the relocation of the NATO Supply Centre, or as expeditiously thereafter as possible.

(2) NAMSO will be charged only with the functions at present performed at the HAWK Common Depot and with those other functions now carried out by the French services. The management function will for the time being stay with the HAWK Management Office.

(3) This measure, relating to an interim period, does not prejudge any future decision which might be taken by HAWK countries with regard to the global problem of logistic support for HAWK.

(4) A working group will be convened by the Secretary General consisting of the interested parties, and in particular of the representatives of the two organizations. This working group will direct and monitor the operations which will result from decisions (1) and (2) above, and will make periodical progress reports to the Council."

(b) Statement by the French Representative

89. The FRENCH REPRESENTATIVE said that he had been instructed to make the following statement, which was not intended as a modification to the resolution adopted above.

"The text adopted by the Council is of course a decision of a general nature which leaves to the appropriate executive bodies the responsibility of drawing up the measures for the application of the decisions referred to in the resolution.

"If an overall transfer of HAWK logistic support is to be considered it seems to us that the appropriate solution consists of creating a weapons system partnership within NAMSO. This eventuality is moreover envisaged in the NAMSO charter (Reference: C-M(64)77, page 13, Sub-section C, paragraphs 32 to 34).

"A partnership of this kind already exists for the F.104."

90. He added that there was no need for the Council to approve this statement.

91. The CHAIRMAN noted that this statement was entirely compatible with paragraph (3) of the resolution.

92. The COUNCIL:

noted the statement by the French Representative.

NATO UNCLASSIFIED

IV. SPECIAL TEMPORARY B GRADE APPOINTMENTS ON RELOCATION

References: PO/67/478
C-R(67)32, Item III

Document: C-M(67)44

93. The CHAIRMAN recalled that the problem of B grade staffing for the first few months after the move had been referred to a special working group, which had met on Monday, 17th July.

94. The national representatives of this group had carefully considered the problem with sympathy and had agreed, many on a personal basis, to the recommendation - as an exceptional measure - which was today before the Council in C-M(67)44. This proposal amounted to an authorisation for the International Staff to recruit temporarily a limited number of experienced persons, who would otherwise be unwilling to follow to Brussels, for a three to six months period. This, he believed, was the minimum which should ensure that the Ministerial meeting in December 1967 was adequately serviced. In fact he doubted whether even this would be enough.

95. He asked if the Council could accept the recommendation of the special working group.

96. The UNITED KINGDOM REPRESENTATIVE said that he could accept the recommendation on the understanding that the special allowance referred to in paragraph 3(c)(2) of C-M(67)44 would be paid instead of an installation allowance. He thought that this should be made clear, perhaps by an addition to sub-paragraph 3(d).

97. The CHAIRMAN confirmed that this understanding was correct.

98. The TURKISH REPRESENTATIVE said that he was fully aware of the difficulties facing the Secretary General and the efforts he had made; he therefore personally welcomed the recommendation, but was without instructions on it. He had been instructed to ask for the financial implications of the earlier proposal in PO/67/478, especially for Turkey, and must reserve his position until these were known. He did not think that this meant there would be any difficulties in the way of the present proposal.

99. Mr. DUNCAN (Chairman of the Budget Committees) said that he could not indicate the final figure, since this would depend on how many B Grade staff members accepted. The additional cost would be B.fr. 100 a day for each person who accepted.

100. The UNITED STATES REPRESENTATIVE said that he thought this recommendation was in line with the general instructions he had received and that he could accept it subject to confirmation.

101. The GERMAN REPRESENTATIVE said that he was without instructions but that he had requested his Authorities to consider this recommendation rapidly and favourably.

102. The CANADIAN REPRESENTATIVE said that he thought he could accept the recommendation, particularly in the light of the minor financial implications indicated by Mr. Duncan. Generally, for the long term, the Canadian Authorities supported the principle that most of the B Grade staff should be engaged in Belgium. The present recommendation, however, was not incompatible with this principle.

103. The CHAIRMAN pointed out that if he was unable to fill the forty proposed posts for the International Staff, he would then suggest other measures to the Council.

104. The NETHERLANDS REPRESENTATIVE said that he was without instructions on C-M(67)44 but could approve it subject to confirmation. He had been instructed to say with reference to PO/67/478 that the personal comments by Ambassador Boon at the last meeting were fully endorsed by The Hague. His Authorities considered that for new appointments the procedure outlined in PO/67/478 should be studied by the working group; and that a campaign should be instituted immediately to recruit new personnel in countries other than the two countries which had so far supplied the majority of staff.

105. The CHAIRMAN said that he had already taken up the latter recommendation. An advertisement in a leading Netherlands daily paper had produced only three applications, but further advertisements would be made.

106. The DANISH REPRESENTATIVE said that he hoped advertisements would also be placed in the press of other interested countries. Denmark would support the authorisation of the necessary credits by the Budget Committee.

107. The CHAIRMAN said that the Administration would very much welcome consultation with interested delegations.

108. The COUNCIL:

(1) subject to reservations by Germany and Turkey and to confirmation by the Netherlands and the United States(1), approved the recommendation contained in paragraph 3 of C-M(67)44;

(2) noted the statements made in discussion.

V. DATE OF NEXT MEETING

109. Wednesday, 26th July, 1967.

OTAN/NATO,
Paris, (16e).

(1) Confirmation subsequently received from the United States and the Netherlands.