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REPORT BY THE SECRETARY GENERAL OF PROGRESS
DURING THE PERIOD
1ST JULY TO 31ST DECEMBER, 1967

OTAN/NATO,
Brussels, 39.

NATO SECRET

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REPORT BY THE SECRETARY GENERAL

1. The present report covers the period from 1st July to 31st December, 1967.

I. THE COUNCIL

(a) Presidency of the Council

2. On 18th September, 1967, Mr. M. Couve de Murville, Minister for Foreign Affairs of France, succeeded Mr. J.O. Krag, Prime Minister and Minister for Foreign Affairs of Denmark, as President of the Council.

(b) Changes among Permanent Representatives

3. In September 1967 Mr. P.A. Cavalierato succeeded Mr. C.X. Palamas as Permanent Representative of Greece.

4. In October 1967 Mr. C. de Ferrariis Salzano succeeded Mr. A. Alessandrini as Permanent Representative of Italy, Mr. R. Seydoux succeeded Mr. P. de Leusse as Permanent Representative of France and Mr. N.P. Sigurdsson succeeded Mr. H. Sv. Bjornsson as Permanent Representative of Iceland.

5. In November 1967 Mr. L. Schaus succeeded Mr. P. Reuter as Permanent Representative of Luxembourg.

(c) December Ministerial Meeting

6. The first Ministerial Meeting of the North Atlantic Council to be held at the new Brussels Headquarters took place on 13th and 14th December, 1967.

7. Ministers approved the report on the Future Tasks of the Alliance, prepared in conformity with the decisions taken on 16th December, 1966 on the initiative of the Belgian Foreign Minister.

8. The Council examined developments in the international situation since their last meeting and Ministers reviewed the efforts made by their governments to improve East/West relations and noted the extensive bilateral contacts made in recent months.

9. Ministers emphasised the importance of promoting progress in disarmament and arms control and reaffirmed their view that, if conditions permit, a balanced reduction of forces on both sides could constitute a significant step towards security in Europe.

10. The Council recalled the views expressed in the declaration on Germany issued on 16th December, 1966 and were informed by their German colleague about his Government's increased efforts to improve relations with Eastern European countries and to promote East/West détente. With regard to Berlin, Ministers confirmed their declaration of 16th December, 1958.

11. With regard to Greek-Turkish relations, Ministers noted the Secretary General's report on his "Watching Brief" and expressed their satisfaction with the agreement between Turkey and Greece on the steps being taken to resolve the crisis.

12. Ministers considered the report on Technological Co-operation prepared in response to the Resolution adopted on 14th June, 1967 on the initiative of the Foreign Minister of Italy. A report on Civil Emergency Planning was also considered and approved.

13. Ministers met as the Defence Planning Committee on 12th December, 1967 to review the work accomplished since their previous meeting on 9th May, 1967 and to give directions for future work. They agreed that one of the foundations for achieving an improvement in East/West relations and a peaceful settlement in Europe must be NATO's continuing military strength and capability to deter aggression: in this connection they noted that the Soviet Union continues to expend increasing resources upon its military forces. They also observed that during the past year there has been a marked expansion in Soviet forces in the Mediterranean.

14. Ministers adopted an up-to-date strategic concept and an up-to-date five-year force plan covering the period up to the end of 1972, based on the political, strategic and economic guidance which they had given at their previous meeting to the NATO Military Authorities.

15. Ministers decided to transform the "MATCHMAKER" Naval Training Squadron into a Standing Naval Force Atlantic which would be continuously operational and enhance existing co-operation between the naval forces of member countries.

16. France did not take part in the discussions referred to in paragraphs 13 to 15 and did not associate herself with the corresponding decisions.

17. Ministers agreed that the Spring Ministerial Meeting in 1968 will be held in Reykjavik.

18. Ministers of those countries who are members of the Nuclear Defence Affairs Committee met on 12th December, 1967. They reviewed the year's work on a range of subjects, particularly Strategic Nuclear Forces, developments concerning Anti-Ballistic Missiles, tactical use of nuclear weapons and national participation in nuclear planning.

19. Ministers agreed that the Nuclear Defence Affairs Committee and the Nuclear Planning Group are providing a valuable means of associating the non-nuclear member countries of the Alliance more closely with its nuclear planning.

(d) Council Operations

General

20. Over the last few years the Council/Defence Planning Committee has been involved to a much greater degree than in the past with activities related to the operational aspects of the functioning of the Alliance. Political consultation, especially in times of crisis, requires fast, secure and flexible means of communication and also the presentation at short notice of factual information. In this regard it will be recalled that in December 1966, the NATO Defence Ministers, in Ministerial Session agreed, inter alia, that:

- (a) the Secretary General be invited to submit specific proposals to improve the capability of NATO Headquarters for the rapid receipt, organization and presentation of all relevant data;
- (b) the Ministers approve in principle the establishment of a NATO-wide communications system along the lines proposed in the report of the Working Group on communications, and invite the Secretary General in consultation with member governments to submit specific proposals for such a system;
- (c) each Allied Government be invited to examine and take the necessary steps to establish or improve operational arrangements, both political and military, for receiving information, intelligence and other data and producing timely assessments of situations in time of tension or crisis. Each government should keep such arrangements under constant review;
- (d) the Secretary General be invited to keep the consultative machinery as outlined above under constant review and, taking into account the work of the Nuclear Defence Affairs Committee, to propose further improvements should these appear necessary.

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21. The colocation of the Council and the Military Committee in Brussels and the move to new temporary headquarters has provided the opportunity for the construction of a Situation Centre with up-to-date facilities for NATO-wide communications and the display and processing of information, intelligence and other data to assist in the consultative processes of the Council/DPC. It is designed specifically to enable the Council/DPC in a period of rising tension to assemble, consider and disseminate all available intelligence and information, thus enabling consultation to take place throughout NATO against the background of an agreed data base.

22. In October 1967, the Council agreed to the need for the establishment of an Operations and Exercise Co-ordination Working Group concerned with this type of activity, under the Chairmanship of the Executive Secretary. Its principal responsibilities include:

- (a) the development and co-ordination for the Council and/or the Defence Planning Committee, and in conjunction with the NATO Military Authorities, of requirements, operational procedures, manning tables, equipment tables, etc., necessary to ensure the availability and operability of an effective Situation Centre functional both in peacetime and in a period of crisis;
- (b) the continuing review and co-ordination of operations, techniques and facilities in the Situation Centre at Evere after relocation to ensure maximum effectiveness, together with optimum economies in manpower and equipment and the development of plans for the eventual facilities at the Permanent NATO Headquarters.

Communications

23. In implementation of the decisions of Defence Ministers in December 1966, significant progress has been made in recent months to improve communication facilities for the Council/DPC along the following lines:

NATO-Wide Communications System

24. Some of the requirements arising out of the Council/DPC functions will be met by the installation of a NATO-Wide Communications System. The Secretary General, acting for the Council/DPC, will exercise overall control and direction of the system which will begin operating in May 1968. It will provide a secure telegraphic network between the Council Headquarters in Brussels, the capitals of member nations and the major NATO Commands. When finally completed in the

course of 1969, the system will be capable of providing alternate circuit routings through a subsidiary switching centre to be established in the United Kingdom. Thus, both in peacetime and in times of tension or crisis, the Council/DPC will have at its disposal a fully integrated communications network, with connections to the NATO military network at major NATO Command level.

NATO Satellite Communications Programme

25. In 1966, the Council also decided that NATO should participate in a satellite communications programme and established a Senior Communications and Electronics Group to handle all aspects of the problem.

26. The first Phase of the NATO Satellite Communications Programme was designed as an experimental evaluation and training phase. It consisted of the installation of two ground terminals, one at the SHAPE Headquarters at Casteau and the other at the AFSOUTH Headquarters at Naples. These two 15 ft. terminals were leased and installed by June of 1967 and were subsequently bought by NATO. They operate for several hours a day on time made available by the United States on their Interim Defence Communications Satellite Programme. Phase I will continue to operate until Phase II becomes operational.

27. Personnel from nine NATO nations are presently being trained at these two terminals and it is anticipated that three more nations will be participating in the near future. This personnel will form the nucleus for the operation and maintenance of the ground terminals required for the second Phase of the NATO Satellite Communications Programme.

28. Detailed plans for the second Phase of the NATO Satellite Communications Programme were prepared by the Senior Communications and Electronics Group during the latter half of 1967. This system will consist of a network of ground terminal stations throughout the NATO area, interconnected by two SKYNET-type satellites, and will provide facilities for the exchange of unique and vital communications between the Headquarters in Brussels, member governments and the NATO Integrated Commands. The system will provide for both secure telegraph and voice networks with a high order of reliability and dependability not previously available to the Alliance. Approval was granted to the order of the two SKYNET-type satellites in December 1967 and the preparation of the detailed specification for the ground terminals will be completed early in 1968. The procurement of the satellites and the ground terminals will be financed out of infrastructure funds. Production and launch of the space segment of the system will be undertaken in the United States and ground terminals will be procured from NATO European and Canadian manufacturers. It is envisaged that the first elements of the system will be operational by the end of 1969 and that it will be fully functional during the course of 1970.

Council Exercises

29. 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 participation 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.

30. 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. The first exercise of this series, to be designated HILEX Exercises was due to be held early in 1968.

31. The extent to which the Council/DPC will participate in Exercise FALLEX 68 has not as yet been defined. However, it has been agreed that it will be necessary to provide from, or on behalf of the Council/DPC, the timely responses required by the NATO Military Authorities and to ensure such co-ordination as will be required resulting from the participation of national capitals.

32. It will be recalled that a NATO-wide civil/military logistic Exercise CIVLOG 65 was conducted in May 1965. Preparations and planning for a second exercise of this type and scope is now underway and will be conducted in the spring of 1969.

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

(a) Visits to and meetings in member countries

33. On 20th and 21st July, the Secretary General went to Königswinter to participate in a meeting of the rapporteurs of the Harmel Exercise.

34. On 7th and 8th September, the Secretary General attended and addressed the annual meeting of AGARD (Advisory Group on Aeronautical Research and Development), which took place at Turin.

35. On 10th and 11th September, the Secretary General went to Luxembourg to be present at and to address the 17th General Assembly of the ATA (Atlantic Treaty Association).

36. On 28th and 29th September, the Secretary General went to Ankara to take part in the 2nd meeting of the NPG (Nuclear Planning Group).

37. On 3rd and 4th October, both the Secretary General and the Deputy Secretary General participated in the Atlantic Channel Symposium, held at the Royal Naval College at Greenwich.

38. From 10th to 12th October, the Secretary General went to Ditchley Park to participate in a meeting of the rapporteurs of the Harmel Exercise.

39. From 24th to 30th November, the Secretary General visited Athens and Ankara several times in the course of carrying out the mission of good offices that he undertook in connection with the Cyprus crisis. He held repeated meetings with the Greek and Turkish Authorities, the Ambassadors of members of the Alliance, and Mr. Cyrus Vance, Special Envoy of the President of the United States.

40. The Deputy Secretary General, Mr. James A. Roberts, travelled to London and Paris several times in connection with negotiations concerning the sale of the Headquarters at Porte Dauphine.

(b) Visits to NATO

41. The Secretary General received several journalists from the world press, among them Italian and Canadian journalists. He also welcomed a large number of visitors, including Norwegian parliamentarians, a group of students from the United States, and the Norwegian Defence College.

The Deputy Secretary General also welcomed a group of NATO parliamentarians.

(c) Speeches by the Secretary General

42. Speech at the luncheon of the Anglo-American Press Association in Paris on 19th September. Speech at dinner of AFCA (French Association for the Atlantic Community) in Paris on 10th October. Speech at the 500th meeting of the Military Budget Committee in Brussels on 24th October.

(d) Inauguration of new NATO Headquarters in Brussels

43. On Monday, 16th October the Belgian Prime Minister officially turned over to the Secretary General the buildings in which the Atlantic Council and the Military Committee were to be housed. With a speech, the Secretary General, in the presence of the highest civilian and military authorities of NATO, inaugurated the new Headquarters.

(e) Commemoration ceremonies

44. On 15th November, the Secretary General attended the Te Deum held at the Cathedral of St. Michel in Brussels on the occasion of the official birthday of H.M. the King of the Belgians.

III. THE INTERNATIONAL STAFF

(a) Establishment

45. The table at Annex I gives the breakdown of personnel by grade and by nationality at 31st December, 1967 when there were 814 members of the Staff. The temporary decrease in the numbers of staff were caused both by the fact that so many French personnel were unable to follow the Organization to Brussels and by difficulties in the recruitment of replacement staff of Belgian and other nationalities, due principally to the time required for security screening between initial recruitment and final appointment.

(b) Construction of Headquarters at Evere - Brussels

46. The construction of the new building, started on 25th March and destined to be completed in October, was controlled from Paris through the NATO Liaison Officer in Brussels - with the massive co-operation of the Belgian Government, without which little would have been achieved. In fact the building was sufficiently completed by early October to allow the transfer to follow its planned course.

(c) The Move

47. The Administrative and Personnel Services were at full stretch during the period immediately preceding and after October organizing and effecting the transfer of the furniture, the equipment, the SECRET documents and files of the International Secretariat, and dealing with the vast number of personnel problems which the move produced. The transfer was successfully carried out during October with comparatively minor inconvenience to the work of the staff except for the acute shortage of secretaries, which had been foreseen, and the continuing finishing touches to the building which necessitated the presence in the building of a great number of labourers.

(d) Organizational Changes

48. In October 1967 and coinciding with the move to Brussels, the Economics and Finance Divisions was disbanded and the new Division for Defence Policy and Planning was created within the NATO International Staff. This new division consists of a Force Planning Directorate, formerly

the Defence Finance and Planning Directorate of the Economics and Finance Division; a Nuclear Planning Directorate of new creation; and a Civil Emergency Planning Directorate, formerly the Civil Emergency Planning Bureau of the Executive Secretariat. Of the remaining parts of the Economics and Finance Division, the Economics Directorate became part of the Political Affairs Division and the Statistics Service was transferred to the Administration. The Production, Logistics and Infrastructure Division was re-named the Defence Support Division and took over responsibility for an Armaments and Defence Research Directorate, formerly the Science for Defence Section of the Scientific Affairs Division. At the same time, the rôle of the Executive Secretariat was expanded to include a new Communications and Electronics Directorate and an Operations Section which, together with the Committee Secretariat services, now forms the Council Operations Directorate.

(e) Personnel

49. Some 350 French and some 60 English staff were unable to follow the Organization and had in consequence to be replaced by a substantial recruiting effort which had been launched earlier in the year in the United Kingdom and, on a much wider basis, through the NATO Liaison Office in Brussels. As a result within a few weeks the normal tempo of work was soon resumed with the aid of newly recruited personnel. A very real spirit of co-operation and understanding allied to long hours of work reduced what might have been a prolonged interruption in the NATO effort to no more than a comparatively temporary upset.

50. Most staff remaining behind were entitled to compensation for loss of employment under terms prescribed and agreed by the NATO Council which were administered by a Liquidation Office from the NATO Headquarters in Paris, together with all problems of social insurance and sickness.

51. A total of some 250 new Belgian and 40 English staff together with small numbers of other nationalities were recruited and were in posts by the end of the year.

(f) Transport and Amenities

52. The isolation of the site of the new Headquarters has produced a number of problems amongst which the provision of transport to and from work proved one of the hardest to resolve: whilst a working arrangement was achieved almost at once, there still remains the need to find a permanent solution. Similarly there is a need to overcome the total lack of sporting and leisure amenities and to provide some shopping facilities - all of which problems will be taken up in 1968.

IV. THE MILITARY ORGANIZATION - CHANGES IN APPOINTMENT

(a) Military Committee in Chiefs of Staff Session

53. Marshall of the Royal Air Force, Sir Charles Elworthy succeeded Field Marshall Sir Richard Hull as the United Kingdom Representative to the Military Committee in Chiefs of Staff Session.

54. General Odysseus Angelis, Hellenic Army, succeeded Vice Admiral Spyros Avgheris, Royal Hellenic Navy, as the Hellenic Representative to the Military Committee in Chiefs of Staff Session.

(b) The Major NATO Commanders

55. On 6th October, 1967, Admiral Sir John Bush, Royal Navy, was appointed CINCHAN/CINCEASTLANT relieving Admiral Sir John Frewen.

V. POLITICAL CO-OPERATION

(a) Reports to the Council on international contacts

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

57. On 26th July, 1967, the Netherlands Delegation reported on the visit to the Netherlands of Mr. Maurer, the Prime Minister, and Mr. Manescu, the Foreign Minister of Rumania; on 6th September, the Council heard a report on the visit to Poland of Mr. Luns, the Netherlands Foreign Minister; on 26th September, the Danish Delegation reported to the Council on the visit to Bulgaria and Rumania of Mr. Krag, Danish Prime Minister and Foreign Minister.

58. On 10th October, the Turkish Representative stated that the Prime Minister, Mr. Demirel, had paid an official visit to Rumania from 13th to 17th September, 1967 and that he had been accompanied by the Foreign Minister as well as by the Minister for Industry and Power and the Minister for Natural Resources; on 25th October, the Turkish Delegation informed the Council that Mr. Demirel, the Prime Minister, had paid an official visit to the Soviet Union from 19th to 29th September at the invitation of the Soviet Government; on 6th December, the Norwegian Representative gave an account of the visit to Poland of Mr. Lyng, the Foreign Minister; also on 6th December, the Danish Delegation reported to the Council on the visit to Denmark of Mr. Rapacki, the Polish Foreign Minister, from 15th to 20th November, 1967.

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

59. Most of the subjects discussed in these international contacts concerned East/West relations.

60. Within the framework of this political consultation, the Representative of the Federal Republic of Germany informed the Council on 26th September that the German Government had approached the Soviet Union with a view to exploring the possibility of holding inter-governmental discussions on such matters as bilateral questions, the German problem, European security and disarmament.

61. On 25th October, the Delegation of the Federal Republic of Germany reported to the Council on the Soviet reaction to this approach. The Soviet Union had only agreed to discuss the possibility of making a declaration of renunciation of the use of force.

62. In the context of East/West contacts, the Belgian Representative reported on 25th October that the Belgian and Soviet Ministers of Defence had entered into correspondence on the question of reciprocal visits by military delegations from both countries. On this occasion, it was agreed that the International Staff should be invited to include the exchange of visits by military missions in the lists of contacts between members of the Alliance and the Eastern European countries, and that the question of exchanges of military missions should be studied from every angle. A document dealing with this specific question was subsequently submitted to the Council.

(c) Disarmament and related issues

63. The Council received periodic written reports on the meetings of the Geneva conference with special reference to the draft nuclear non-proliferation treaty. Indeed this question was a permanent item on the Council's Agenda and was the subject of wider consultations throughout the second half of 1967.

64. Mr. Adrian Fisher, the United States Representative to the Geneva conference, attended the Council meeting on 13th September.

65. Mention must also be made of the United States proposal for NATO field tests of arms control techniques (NAFTACT) which was submitted by the United States Representative to the Council at the meeting of 13th September. The next report will describe the follow-up action taken on this proposal.

66. On 26th September, the Chairman of the Political Committee (Assistant Secretary General for Political Affairs) reported orally to the Council on the discussions which had taken place in the Committee's meeting with Disarmament Experts held from 12th to 15th September. At this meeting, some 37 experts from member countries considered five important items concerning disarmament. They also dealt with the problem of European Security and levels of armaments, including the question of troop reductions.

(d) Near East

67. The deteriorating situation in the Near East, after the six days' war between Israel and certain Arab countries, was kept under review by the Council throughout the period covered by this report.

68. On 25th October, a broad exchange of views was held in the Council on the two major incidents which occurred in this area; the sinking by the Egyptians of an Israeli escort vessel and Israel's retaliation.

69. The Council received a document on the arms situation in the Near East, which had been prepared by the Political Committee in conjunction with the Military Authorities.

(e) Far East

70. Vietnam: On 6th September, the United States Permanent Representative reported to the Council on the elections held in Vietnam on 3rd September.

71. On 12th September, during the discussions on the work of the 22nd Session of the United Nations General Assembly, Mr. Sisco, the United States Representative, made a statement in the Council on his Government's point of view regarding the ways in which the United States might be involved in possible United Nations action on Vietnam. This provided an opportunity for the Council to obtain further information on the situation in Vietnam.

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

72. The studies and the report called for by the Council Resolution of 16th December, 1966 were completed during the second half of 1967.

73. The final report was submitted to the December 1967 Ministerial Meeting of the Council, and was adopted and issued.

74. On 18th and 19th September, 1967, Sub-Group I of the Special Group examined the report submitted by the two Rapporteurs.

75. On 2nd and 3rd October, Sub-Group II examined Mr. Spaak's report.

76. On 21st and 22nd September, Sub-Group III met in Washington in order to examine Under-Secretary Kohler's report.

77. On 14th September, Sub-Group IV studied Professor Patijn's report.

78. On 11th and 12th October, the five Rapporteurs met at Ditchley Park to examine the four reports and the views exchanged in the Sub-Groups. I was present at these meetings.

79. On 7th and 8th November, the Special Group met in order to draw up its report on the basis of the work done by the four Sub-Groups.

80. Before and after the meeting of the Special Group, the Council in Permanent Session held several private meetings for the purpose of examining the draft report to be submitted to Ministers on the future tasks of the Alliance.

(g) Other subjects of consultation

(i) North Atlantic Assembly

81. The Council held a private meeting on 25th September to discuss relations with the NATO Parliamentarians.

82. On 25th October, I informed the Council of a conversation I had with Sir Geoffrey de Freitas, one of the originators of the proposals to turn the NATO Parliamentarians' Conference into an Atlantic Assembly.

83. The annual meeting of the NATO Parliamentarians, whom I addressed, was held in Brussels from 20th to 24th November, 1967. The Assistant Secretary General for Political Affairs followed the proceedings of the Conference's Political Committee.

(ii) NATO relationship with Malta

84. In a document issued on 6th September under reference PO/67/626, I recalled that Permanent Representatives had been informed of a joint approach by the Governments of Malta and the United Kingdom "inviting the North Atlantic Council to undertake an appreciation of the strategic situation in the Mediterranean with particular reference to the security of Malta against external aggression and the forces required to counter the assessed threat and to ensure the security of Malta".

85. Studies and consultation on the different aspects of this question are in progress within the Alliance.

(h) Atlantic Policy Advisory Group

86. The Atlantic Policy Advisory Group met in Canada from 23rd to 25th October, 1967. A report (C-M(68)1) was submitted to the Council by the Chairman of the Group, (Assistant Secretary General for Political Affairs) on 17th January, 1968. The Group proposed that its next meeting be held in Norway in the spring of 1968 and suggested as a possible theme for discussion: "Long-run trends in Asia and their implications for the NATO countries" or "Basic elements of a common Western position in relation to the European security problem".

87. The Council noted the Chairman's report and asked that both subjects be adopted for discussion at the next meeting of the Group.

(i) The work of the Political Committee

88. The Political Committee continued to meet regularly.

89. As in previous periods, the Committee devoted much time and attention to many aspects of East/West relations and developments in the Communist world. Like the Council, the Committee heard several reports on certain international contacts.

90. On 6th July, the Danish Delegation reported on the visit to Copenhagen at the end of May of Mr. Nikizic, Yugoslav Minister of Foreign Affairs.

91. On 25th July, the Danish Delegation informed the Committee of the official visit, from 25th to 30th June, of Mr. Štěpánek, Deputy Foreign Minister of Czechoslovakia.

92. On 27th September, the Belgian Representative reported to the Committee on the visit made by Mr. Harmel, Minister of Foreign Affairs, to Belgrade on 7th and 8th September.

93. On 9th November, the French Delegation briefed the Committee on the visit to Paris of the Czech Prime Minister and Foreign Minister. The same Delegation also gave details of the visit to France of Marshal Zakharov, Soviet Chief of Staff.

94. On 28th November, the Netherlands Representative informed the Committee of the official visit of Mr. Luns, Foreign Minister, to Czechoslovakia from 13th to 17th November.

95. On 20th December, the Belgian Delegation reported to the Committee on the visit to Brussels of Mr. Rapacki, Polish Foreign Minister and of Mr. Szylagyl, Deputy Foreign Minister of Bulgaria.

96. The Committee studied the activities of the Nine-Power Group, which had become the Ten-Power Group since it had been joined by the Netherlands. (This Group sponsored the United Nations Resolution of 21st September, 1965 on Good Neighbourly Relations among European States having different social and political systems). In this context, the Danish Representative informed the Committee, on 2nd November, of the exchange of views which had taken place in New York on 2nd October between the members of the Group.

97. On various occasions, the Committee reviewed the status of Sino-Soviet relations. At the same time, it closely followed internal development in Communist China.

98. There were extensive exchanges of views within the Committee on the ceremonies in Russia marking the 50th Anniversary of the October Revolution.

99. The Committee was kept informed by the Representative of the Federal Republic of Germany of his Government's efforts to improve its relations with the Eastern European countries. Furthermore, the members of the Committee held consultations on the approaches made by the Soviet Zone to certain member countries with a view to establishing official relations.

100. The situation in the Near East was discussed on various occasions. Following directives of the Council, the Committee, in conjunction with the Military Authorities, examined and reported on the arms situation in the Middle East.

101. Soviet policy in the Middle East was discussed at several Committee meetings.

102. The Committee also kept a close watch on events in Nigeria and the Yemen and on the situation in Southern Arabia.

103. The Committee heard reports on the conferences in Latin America and on the meeting of the Organization of Latin American Solidarity held in Havana.

104. The Committee's meeting with Disarmament Experts took place on 12th to 15th September. This meeting was the fourth in the series of semi-annual meetings to study what have been called the "professional aspects" of disarmament problems. Thirty-seven experts from the different countries attended the meeting, the largest number ever to do so.

105. The subjects studied included:

- Level of armaments in Europe and European security;
- "Cloud Gap" field tests;
- Anti-ballistic missiles and the strategic arms race;
- Verification techniques for a comprehensive test ban;
- Limitation of arms supplies, particularly in the light of the Middle East crisis.

106. On 26th September, the Chairman of the Committee (Assistant Secretary General for Political Affairs) made an oral report on his own responsibility to the Council on these discussions.

107. The Committee continued its study of the question of transforming the NATO Parliamentarians' Conference into an Atlantic Assembly which it had undertaken in accordance with a Council directive. The conclusions reached by the Committee after extensive discussion, were submitted to the Council.

108. Other items discussed included:

- Developments in the Congo-Kinshasa;
- Leningrad conference on the technical training of meteorologists;
- United Nations request for overflight authorisation;
- Measures taken by the Spanish Government concerning Gibraltar;
- Soviet and East European reactions to the Ministerial Meeting of June 1967;
- Military aid to Africa.

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

VI. ECONOMIC CO-OPERATION

(a) Economic relations with the Communist countries

(i) Problems relating to the East/West Trade

110. Within the framework of the reports on trade between NATO member countries and Communist countries, the Committee of Economic Advisers submitted to the Council a document(1) in which it attempted briefly to analyse the evolution of trade during the period 1962 to 1966 and, in the light of the results achieved in 1966, to make some forecasts with regard to future developments. In addition, the International Secretariat compiled data on trade by products between member countries and Communist countries in 1966(2) as well as comprehensive statistics on trade, in value, between the same countries during the first half-years 1966 and 1967(3). The International Secretariat continues to prepare the usual statistical reports on imports by member countries of petroleum from Communist countries(4). It has also forwarded to the Committee of Economic Advisers the information given by member countries on their commercial agreements with the Communist countries. The Committee had an exchange of news on the attitude of Communist countries towards trade with the West(5).

(ii) Problems relating to credit guarantees

111. The Committee of Economic Advisers submitted to the Council its sixteenth report(6) on credits granted by NATO countries to Communist countries, showing the situation as of 30th June, 1967. During the first half of 1967, the increase in outstanding credits has been fairly moderate, but most additional credits are of over five years duration. Eastern European countries were the main recipients although the share of the Soviet Union in total credits showed a slight increase. On the other hand, the credits granted to Communist China have declined. According to the Council's instructions(7), the Committee has undertaken a factual analysis of the significance of the continuing increase in the credits granted to Communist countries(8).

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- (1) C-M(67)53
 - (2) AC/127-D/241
 - (3) AC/127-D/242 and D/242/1
 - (4) AC/127-D/236
 - (5) AC/127-D/232, D/232/1, D/232/2 and D/234
 - (6) C-M(67)79
 - (7) C-R(67)30
 - (8) Submitted to the Council in February 1968 (C-M(68)6)

(b) Economic developments in Communist countries

112. In the framework of the second series of reviews of economic development in individual European Communist countries, the Sub-Committee examined, on the basis of contributions from member countries and with the participation of experts from several capitals, the economic situation in the Soviet Union and in Communist China. It has submitted to the Committee of Economic Advisers a report(1) dealing with the implementation of economic reforms, the current developments in the Soviet economy and the external economic relations of the USSR and drawing a number of conclusions. Part I of this report, under the heading: Summary and Conclusions(2), was forwarded to the Council in a revised text taking into account the information published during and after the last session of the Supreme Soviet held in October 1967. In addition, the Committee submitted to the Council three reports evaluating respectively the economic situation and trade policy of Bulgaria(3), the Soviet-occupied Zone of Germany(4) and Hungary(5), prepared in the light of the special meetings devoted to these countries during the previous half-year. The International Secretariat intends to draw up later on a comparative table of the proposed economic reforms in Communist countries and their various stages of implementation as well as a consolidated report on the economic developments in Eastern Europe.

113. In the light of the information provided by various delegations(6) the Sub-Committee had exchanges of views on the possible opening to foreign shipping by the Soviet Union of the Northern Sea route connecting the Atlantic and Pacific oceans. It also examined the present position of the COMECON(7); it appears that, with the abandonment of the concept of economic integration based on a supra-national plan, the bilateral approach in intra-COMECON relations has been strengthened. The International Secretariat prepared for the Sub-Committee two notes on the tin supply situation in the Eastern European countries and in Communist China(8) and on the problem of prices in intra-COMECON trade(9). It also prepared a synthesised report of all available information on the energy problems in Communist countries, dealing successively with the situation of the USSR and the dependence of the Eastern European countries on the Soviet Union in this field(10).

(1) AC/127-D/240
(2) C-M(67)78
(3) C-M(67)39
(4) C-M(67)45
(5) C-M(67)67

(6) AC/89-WP/212, 212/1, 212/2,
212/3 and 212/4
(7) AC/89-WP/227, 227/1 and 227/2
(8) AC/89-WP/232
(9) AC/89-WP/234
(10) AC/89-WP/237

(c) Military expenditure of Communist countries

114. The Sub-Committee held a special meeting on 25th September, 1967 with a view to assessing the real amount of defence expenditure in Communist countries; the results of the meeting were summarized in a draft report(1) established by the International Secretariat. This study is being pursued presently on the basis of new information received from delegations and referring to the USSR as well as to Eastern European countries.

(d) Economic activities of Communist countries

115. The Committee of Economic Advisers submitted to the Council its eleventh report on the economic activities of the Communist countries in the developing areas of the Free World outside Europe(2). During this period there has been a levelling off in the volume of new aid deliveries by Communist countries and growing reimbursements of capital and interest by the recipient countries; as a result, the net amount of Communist aid has declined and now represents only some 6.5% of Western aid.

(e) Cuba

116. The Committee of Economic Advisers submitted to the Council its eleventh report(3) on credits granted by NATO member countries to Cuba, showing the situation as of 30th June, 1967; the comparison with the situation at the end of the preceding six-month period indicates that outstanding credits have increased by about 120%.

117. The Committee also submitted to the Council a report on the evolution of the Cuban economy under the Castro régime(4) based on the results of a special meeting held by the Sub-Committee on Soviet economic policy. In the light of the findings of this report, Cuba seems to have made no significant economic progress over the last nine years and this country is heavily dependent on Communist assistance in the form of sugar subsidies and trade credits.

VII. SCIENTIFIC AND TECHNICAL CO-OPERATIONA. ACTIVITIES OF THE SCIENCE COMMITTEE(a) Meetings

118. At the invitation of the Italian Government, the Committee held its autumn meeting in Rome on 3rd and 4th October(5), followed by visits to research centres in

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- (1) AC/89-WP/229
 (2) C-M(67)55
 (3) C-M(67)66
 (4) C-M(67)51
 (5) AC/137-R/29

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Rome and its surroundings and Torino. The visit gave rise to official invitations by the Italian Ministry of Foreign Affairs and the Minister for Science and Technology, Mr. Rubinacci, who also chaired a public meeting of Italian scientists during which the philosophy of NATO's scientific programmes and the impact so far produced in Italy were discussed. It was generally recognised that NATO's assistance in fostering international co-operation was quite effective, particularly in view of the relatively small funds available.

119. The Committee finalised its position with respect to proposals by its Chairman to amend the current programmes so that they better correspond to the present needs of developing NATO countries.

120. The Committee decided that aid to developing member countries is indeed an important objective of the Committee's actions and that these proposals should be taken into account as far as they are compatible with the programmes present terms of reference, but that co-operation between all Allies at the highest scientific level is its primary and prevailing aim. With respect to future activities, the Committee expressed the wish to embark to a greater extent on new and important projects rather than to delegate all of its power to sub-groups which were set up to administer existing programmes. A special budget item should therefore be established to fund the activities arising from the Committee's direct initiatives.

(b) Science Fellowship Programme

121. The NATO Science Fellowship Programme continues to develop under the responsibility of the National Administrators.

122. The report on this programme for the year 1966/1967 is at present being prepared by the Scientific Affairs Division together with the Statistics Service of NATO.

123. The next meeting of the National Administrators will be held at the end of April 1968.

(c) Advanced Study Institutes Programme

124. In 1967 a total of 54 Advanced Study Institutes took place, a record number as compared with previous years. 36 of these Advanced Study Institutes have been visited by Science Committee members, their representatives or members of the International Staff(1).

125. In the period under review the Advisory Panel has held two meetings to establish the 1968 programme of Advanced Study Institutes: one in Varenna, Italy, on 19th July(2),

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- (1) AC/137-R/29
(2) AC/137-D/316

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and one in Brussels on 4th December(1). 70 applications for support have been considered; 46 of these have been granted awards. As one Advanced Study Institute has been brought forward from last year and 4 or 5 outstanding applications may still be supported, the 1968 programme will consist of about 50 Advanced Study Institutes.

126. A change in membership of the Advisory Panel has taken place: Professor H. Maier-Leibnitz has succeeded Professor L. Néel(2).

(d) Support Evaluation Conferences

127. The "Support Evaluation Conference on High Temperature Materials" was held at Sandefjord, Norway, from 31st July to 5th August, 1967. 67 eminent scientists organized in six working groups discussed the following areas: external chemical reactions and stability, deformation and processing, atomic structure and correlation with behaviour, alloying principles and strengthening mechanisms.

128. A 110-page scientific report was published immediately after the Conference. Following a decision of the Science Committee additional copies are now being printed to allow a wider distribution(2).

129. The next Support Evaluation Conference, devoted to the subject of computer science, is scheduled for October 1968, and preparations are well underway (see (f) Computer Science)(2)(3). The final programme of the Conference awaits approval by the Science Committee on 1st February.

(e) Research Grants Programme

130. The Advisory Panel on the Research Grants Programme met in Portugal from 24th to 31st October, 1967(4). During the course of the meeting members of the Panel were able to visit universities and laboratories in Porto, Coimbra and Lisbon.

131. The Panel examined 39 applications totalling an amount of \$626,920. 15 grants were awarded amounting to a total of \$111,640. 12 requests were rejected and 12 others were deferred until the next meeting of the Panel because of lack of information.

132. The next meeting of the Panel is scheduled for 23rd February, 1968.

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- (1) AC/137-D/325
 - (2) AC/137-R/29
 - (3) AC/137-R/28
 - (4) AC/137-D/327 and Addendum

(f) Computer Science

133. At its meeting on 3rd and 4th October, the Science Committee decided to establish a study group under the chairmanship of Dr. H.J. Helms of the Northern Europe University Computing Centre, Copenhagen, to consider details of an eventual computer science institute, including its scientific programme, links with national efforts, organization, requirements for buildings, cost, location, etc.(1).

134. The study group met in Copenhagen on 16th and 17th November. It recommended that an eventual international computer science institute concentrate its efforts in the field of software engineering(2). The study group will hold further meetings in 1968.

135. The study group was requested by the Science Committee to consider the selection of a chairman for the Support Evaluation Conference on Computer Science(1) (see (d) Support Evaluation Conferences). Professor F.L. Bauer, of the Technical University of Munich, consented to chair a conference on Computer Software Engineering to be held in Munich on 7th to 12th October, 1968.

136. The study group will act as steering committee for the conference, and a sub-group of three members, including the chairman, will act as conference organizers. The conference organizers met in Munich on 15th December.

(g) Oceanography

137. The Sub-Committee on Oceanographic Research met in Paris on 22nd and 23rd September and considered 27 requests for support of research projects. It recommended 20 of these proposals for inclusion in the Research Grants Programme(3). The Science Committee approved these recommendations(4).

138. At the Sub-Committee meeting Cdr. Morgan, Secretary of the NATO Group on Military Oceanography, gave a briefing on the activities of that group(3). Recently the Chairman of the Sub-Committee has briefed the Military Group on the programme of the Sub-Committee.

139. The latest progress report issued by the Sub-Committee surveys the state of the projects receiving support as at 31st July, 1967(5).

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- (1) AC/137-R/29, paragraph 69
 - (2) AC/137-D/326
 - (3) AC/137-D/318
 - (4) AC/137-R/29
 - (5) AC/137-D/328

(h) Meteorology

140. The Advisory Group on Meteorology held its annual meeting on 13th November, 1967, at the Royal Meteorological Institute of Belgium, in Brussels(1).

141. 11 applications for research associateships were examined and six were granted, totalling an amount of \$21,905.

142. 5 visiting lecturers were appointed, three of whom have already visited institutes in Belgium, France, Germany, Italy and Turkey. The lecturers came from Canada and the United States. Expenses for this programme have amounted to \$5,100.

(i) Radiometeorology

143. An Advanced Study Institute on "Structure of the Lower Atmosphere and Electro-magnetic Wave Propagation" was held in the period 2nd to 16th September in Aberystwyth, Wales. Mr. J.A. Lane, of the Radio and Space Research Station at Slough, organized the meeting which was attended by approximately 75 scientists from 12 countries.

144. The Advisory Panel on Radiometeorology held a formal meeting in connection with the Advanced Study Institute. Progress on present projects was discussed and Mr. Misme presented plans for a joint English-French study of wave propagation. Preliminary plans for an Advanced Study Institute to be held in Canada in 1969 under the direction of Professor D.R. Hay were considered. The record of the Panel meeting will appear shortly.

(j) Human Factors

145. During the period of this report, the Advisory Group on Human Factors held a conference on "Manpower Research in the Defence Context" in London and a symposium on "The Simulation of Human Behaviour" in Paris. Both meetings were over-subscribed, and both were judged to have successfully accomplished their purpose.

146. As part of the Visiting Lectureship Programme, Dr. Charles Kelley (United States) visited a number of research centres in Italy, France and England to lecture on "Human Engineering". Professor J.P. van de Geer (Netherlands) held short courses on multivariate statistics for university audiences in Ankara and Naples. Three visits by individual research workers from the United Kingdom, United States and France to laboratories in other NATO countries took place as

(1) AC/137-D/319

part of the Study Visit programme. Advanced Study Institutes on psychological topics were held at Cambridge, United Kingdom, and Thessaloniki, Greece.

147. The Advisory Group held its sixteenth business meeting at NATO Headquarters in Paris in September(1). Preparations were made for its programme in 1968. In response to an invitation from the Long-Term Studies Panel of the Defence Research Group, the Advisory Group agreed to organize a full-scale study on "The Influence of the Environment on the Performance of Military Tasks".

(k) Operational Research

148. The seventeenth meeting of the Advisory Panel on Operational Research took place in Paris in September(2). The Advisory Panel heard reports on the conferences which had been held during the summer at Munich, Brussels and Athens.

149. The Panel reviewed the progress of its Graduate Apprenticeship programme. It was stated that of the five apprentices appointed in 1965 and who had now completed their apprenticeship, four were continuing to work in an Operational Research capacity, and one was pursuing academic studies in the same field.

150. The Study Visit programme was discussed, and the Advisory Panel examined proposals concerning the development of Operational Research in the less-developed countries of the Alliance.

151. The Advisory Panel heard reports on the preparations for its programme of conferences in 1968, and agreed to investigate suitable topics for conferences in 1969, and 1970. In a subsequent presentation to the meeting of the Defence Research Group, the Chairman of the Advisory Panel put forward a number of proposals for conferences in military operational research which the Defence Research Group might wish to sponsor.

(l) Visiting Professorship Programme

152. In the period under review the Advisory Group has awarded by correspondence two visiting professorships amounting in total to \$11,000. A report will appear shortly.

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- (1) AC/137-D/323
(2) AC/137-D/321

(m) Financing of Scientific Programmes

153. As mentioned in the preceding report, the 1967 budget for the scientific programmes is the same as 1966, e.g. \$4,200,000 allocated as follows(1):

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

154. The recommendation of the Science Committee for an increase of \$210,000(2) for the 1968 budget was not unanimously accepted by the Civil Budget Committee, however an increase of \$100,000 has been approved. The 1968 budget will be \$4,300,000 broken down as follows(3):

- NATO Science Fellowship Programme	\$2,600,000
- Research Grants Programme	\$ 795,000
- Advanced Study Institutes Programme	\$ 780,000
- Operational Research Programme	\$ 100,000
- Human Factors Programme	\$ 25,000

B. GENERAL ACTIVITIES OF SCIENTIFIC AFFAIRS DIVISION(a) Relations with the Defence Research Group

155. The Science Committee and the Defence Research Group have continued to keep themselves mutually informed about their activities. The Acting Assistant Secretary General for Scientific Affairs briefed the Defence Research Group at its meeting on 25th September, 1967(4), and the Defence Research Group's Vice-Chairman addressed the Science Committee(5) at its meeting on 3rd October, on matters of mutual interest. Both bodies co-operate closely in the fields of Operational Research and Human Factors sciences where they share the common use of the Science Committee's Advisory Panels which direct their work so as to be of equal interest for civil and military research. The Advisory Group on Human Factors has also taken over a leading part in a Long-Term Study under the aegis of the Defence Research Group.

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- (1) BC-D(67)92 and ISM(67)1
 (2) AC/137-R/28
 (3) AC/137-R/29
 (4) AC/243-R/7
 (5) AC/137-R/29

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

156. The Ad Hoc Working Group on the Financing of the Von Karman Institute met twice(1)(2) to discuss the Institute's budget for 1967/1968. A sum of B.fr. 22.3 million was accorded, reservations being made by the United States and Belgium. Although the United States reservation was lifted, the Belgian position is still under negotiation. The new funding system (cost-sharing formula instead of contributions per student place) has resulted in a remarkable increase in the number of students which has now reached 38.

157. The Scientific Affairs Division has assisted the Institute in finding means for new Visiting Professors.

158. The Acting Assistant Secretary General for Scientific Affairs addressed the Institute and its students on two occasions (Graduation Day and St. Eloi's Day) and participated in a meeting on 7th October of the Board of Directors of which he is a member in his personal capacity.

159. One scientific meeting held under the auspices of the Science Committee's Advisory Group on Human Factors took place at the Von Karman Institute.

(c) Relations with SAOLANT Anti-Submarine Warfare Centre and SHAPE Technical Centre

160. The Scientific Affairs Division continued to provide young research workers for both Centres within the framework of its Operational Research Graduate Apprenticeship Programme. In order to better co-ordinate in the future oceanographic research work on the military and civil sides, a certain exchange of reports (up to NATO Restricted) between SAOLANTCEN and the Science Committee's Sub-Committee on Oceanographic Research was agreed upon. The Acting Assistant Secretary General for Scientific Affairs attended the meeting of the Scientific Committee of National Representatives of the SHAPE Technical Centre on 7th and 8th November.

(d) Relations with AGARD

161. The Acting Assistant Secretary General for Scientific Affairs attended the meeting on 23rd November of the AGARD Steering Committee of which he is an ex officio member. Frequent contacts ensure that in fields of overlapping interest (human factors sciences, aeromedical questions, materials, etc.) no duplication of work arises.

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- (1) AC/168-R/15
(2) AC/168-R/16

162. It was at the instigation of AGARD that the Science Committee held its first Support Evaluation Conference in the field of High Temperature Metals.

(e) Technological Co-operation in NATO

163. In pursuance of the decision taken by Ministers at Luxembourg(1), the Council(2) set up a Working Group (AC/262) to define fields in which NATO should concentrate its co-operative efforts and to designate responsible bodies. The Group was chaired by the Deputy Secretary General who was assisted in this task by the Director of Economic Affairs and the Acting Assistant Secretary General for Scientific Affairs. Following a suggestion of the Group, the Council submitted a paper(3) to Ministers at their December meeting in Brussels which recommended the following fields and distribution:

New materials	AGARD
Oceanography	Science Committee
Defence electronics	Defence Research Group
Energy storage and conversion	AGARD
Computer science	Science Committee

164. Ministers approved these recommendations and entrusted the Council to pursue the respective studies and to co-ordinate NATO activities in the field of defence technology as appropriate.

VIII. ACTIVITIES IN THE FIELDS OF CULTURE AND INFORMATION

A. CULTURAL CO-OPERATION

(a) NATO Fellowship Programme

165. Among the manuscripts received from Research Fellows attention may be drawn to one, based on a series of published articles, by Mr. Jacques Hilaire, Political Correspondent of La Libre Belgique, on the relations between Belgium and the United States; to a book by Mr. E.R. Norman, Lecturer in Modern History at Cambridge University, on "The Conscience of the State in North America"; and to a study of the changes of pattern in rural settlement in a district of the Morea by Mr. J. Wagstaff, Lecturer in Geography at Southampton University.

(1) C-M(67)31(Revised)
 (2) C-R(67)42
 (3) C-M(67)76

(b) Visiting Professorships Programme

166. Lecturers under current Programmes who have completed their courses include Professor Howard Clough of Columbia University, who lectured at Bari; Professor Lingren of California State College at Oslo; Mr. Hvidt, Librarian of the Danish Parliament, at Minneapolis University; Professor Roger Pinto of the Sorbonne at the University of Washington at Seattle; Professor Ian Baxter of Toronto at Louvain; Professor Robert Strom of Ohio State University at Ankara; Professor E.G. Schweitzer of Berlin Free University at Duke University in the United States

B. INFORMATION ACTIVITIES

167. The move to Brussels resulted in an increased demand on the NATO Information Service. At the same time, it suffered several personnel losses, the most grievous of which was the sad death of Mr. G.V. Selsey, Head of TV/Films/Radio.

168. Raban Graf Adelman of Germany resigned as Director of Information; Mr. John L.W. Price of the United Kingdom was appointed to this post and assumed his duties on 30th November.

(a) Media OperationsMinisterial Meeting

169. The volume of television coverage was the highest ever due, in part, to the steady growth in television news audiences and in part to the special effort to obtain maximum NATO facilities for visiting networks.

170. Thirty-four live television reportages were originated in NATO studios or in the precincts by eight networks. Twenty filmed sequences were produced by ten television networks or agencies. The NATO official camera unit working in the secure area produced eight stories; eighty-five prints were ordered and paid for by fifteen networks and agencies. These NATO stories were also offered by RTB/BRT to the Eurovision news exchange system.

171. Three special 16 mm. colour reportages were produced by NATO and distributed to the three major US networks under a pool arrangement. NATO Radio studios were used by twenty-six European and North American networks; studio broadcasting time was sixty-four hours.

Films, Television and Radio

172. A short explanatory film was produced on NADGE with the approval of the NADGE Policy Board.

173. Assistance was given to commercial enterprises for NATO coverage which included an edition in the "Look at Life" series distributed in the United Kingdom by the Rank Group. PROSPECT OF TURKEY continued its United Kingdom commercial distribution; a French version is programmed in French-speaking countries with a popular feature film.

174. The fortnightly radio programme, "Report from NATO" covered the Inauguration Ceremony, the meeting of the North Atlantic Parliamentarians and the December Ministerial Meeting. This programme has more than 300 outlets.

Photo Section

175. The Photo Bureau increased its output during this period to approximately 7,000 photos compared to 5,000 in the first half of the year.

NATO Mobile Information Centres

176. NMIC No.1 began a tour of the Netherlands in September with principal emphasis on secondary educational establishments. NMIC No.2 was at Koksido (Belgium) from 1st to 15th August and left for Greece at the beginning of November.

Publications Sections

177. The new NATO Handbook has now been printed in English, French, German and Dutch. Other principal NATO publications will be revised in the coming year.

NATO Letter

178. Among featured articles during this period were the Secretary General's address on East/West Détente to the NATO Parliamentarians' Conference (December), "The Transformation of NATO" by Ambassador Harlan Cleveland (November), "The Future of Diplomacy" by Ambassador Christian Palamas (September), "The Technological Gaps - A Three Dimensional Problem" by André Vincent of the NATO Secretariat (October). As a result of an enquiry into relations between the United States and Europe published in July, two subsequent articles appeared on the same subject: one by the French Gaullist Senator Léo Hammon (November) and the other by the French Opposition Senator Jean Lecanuet (September).

(b) Public Affairs

Relations with Women's Organizations

179. The Women's Affairs Officer briefed a large number of women's groups at NATO Headquarters. She also participated in two radio programmes in Germany, and contributed an article for publication to the Norwegian Farmers' Wives Association.

Industrial Relations

180. A delegation from the Greek Confederation of Labour visited NATO Headquarters in September. A group of Catholic Trade Unionists from Belgium, the Netherlands and Germany scheduled for this period has been postponed until early 1968.

Reports and North American Relations

181. The North American Relations Officer has been collaborating with the Atlantic Council of the United States and the Atlantic Council of Canada as well as other North American voluntary organizations to assist them in carrying out their programmes.

Visits and Lectures, Youth and Education

(i) Youth and Education

182. Fourteen programmes, weekend courses, conferences, lectures, debates or seminars were held at the national level; four programmes were conducted at the international level; fourteen students' study tours or orientation courses were organized.

(ii) Visits and Lectures

183. In the second half of the year approximately 2,000 visitors were briefed at NATO Headquarters. Speakers were provided from the NATO Information Staff for twenty-four engagements outside NATO Headquarters.

(c) Regional Activities

184. In addition to the activities described under Media Operations and Public Affairs above, officers of the NATO Information Service have collaborated with the national authorities and voluntary organizations to strengthen the NATO Information Programme.

IX. DEFENCE

A. NATO DEFENCE POLICY AND PLANNING

(1) NEW STRATEGIC CONCEPT

185. In October 1967 and coinciding with the move to Brussels a new division for Defence Policy and Planning was created within the NATO International Secretariat. This new Division consists of a Force Planning Directorate, formerly the Defence Finance and Planning Directorate of the Economics and Finance Division; a Nuclear Planning Directorate of new creation; and a Civil Emergency Planning Directorate, formerly the Civil Emergency Planning Bureau of the Executive Secretariat.

186. At the meeting of the DPC in Ministerial Session on 9th May, 1967 Ministers gave guidance(1) for the preparation of a new overall strategic concept for the North Atlantic Treaty Area. At their meeting of 12th December, 1967 Ministers adopted a new strategic concept(2) noting(3) that, as pointed out by the Military Committee, the wording and emphasis of certain passages varied from those of the guidance and that in the event of questions regarding the interpretation of the strategic concept the Ministerial guidance must prevail.

(2) FORCE PLANNING

(a) Force Proposals 1968-1972

187. On 27th July, 1967(4), on the basis of reports by the Military Committee(5) and by the Defence Planning Working Group(6), the Defence Planning Committee discussed the 1968-1972 force proposals prepared by the NATO Military Authorities. These documents made the point that within the time available the force proposals could only respond to a limited extent to the guidance given by Ministers on the 9th May; nevertheless, they made some attempt to reflect the emphasis placed by Ministers on flexibility and mobility, and indicated that a fuller response to the Ministerial guidance might be expected when the force proposals for 1969-1973 were submitted later in the year. The Defence Planning Committee invited member countries in drawing up their 1968-1972 force and financial plans, for submission in early October 1967, to take full account of the 1968-1972 force proposals of the Major NATO Commanders(7) and of the report by the Military

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- (1) DPC-D(67)23
 - (2) MC-14/3
 - (3) DPC/D(67), paragraph 3(a)
 - (4) DPC/R(67)21
 - (5) MOM-22-67
 - (6) DPC/D(67)30
 - (7) SHAPE/16/67 SAOLANT 3068/end-72/C-753 CHEL.X.1087/2

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Committee and its appendices; indicating also that discussion in the subsequent trilateral and multilateral phases of the Defence Planning Review would be assisted if reasons were given as fully as possible for any differences between their country plans and the force proposals.

(b) NATO Force Plan 1968-1972

188. At its meeting of 12th December, 1967(1) the Defence Planning Committee in Ministerial Session considered the Secretary General's Overall Summary Report(2) on the 1967 Defence Planning Review, the Country Reports by the International Staff(3) setting out the current force and financial plans of countries for the period 1968-1972, and a report by the Military Committee on the overall military suitability of the 1968-1972 force plans and the associated degree of risk(4). Ministers noted that member governments had adopted as firm force commitments the country force plans for 1968 set out in the country statistical annexes(5). They approved as a NATO Force Plan for 1968-1972 the force structure set out in the country statistical annexes, noting that force structures for those years for which plans had not yet been submitted by certain countries would be examined in 1968.

(c) Force Proposals 1969-1973 and SHAPE Special Study 1972 Onwards

189. It had originally been the intention that the 1969-1973 force proposals would be submitted by the NATO Military Authorities in September and that Ministers would adopt force goals for the same period in December. On 24th August, 1967, the Military Committee informed the Chairman of the Defence Planning Committee that the mid-September deadline would not allow the Military Committee and Ministries of Defence sufficient time to evaluate the Major NATO Commanders force proposals for 1969-1973, particularly those of SACEUR which would have to be considered at the same time as the SHAPE Special Study 1972 onwards; the Military Committee therefore proposed a three month delay in the submission of these proposals.

190. On 20th September(6), the Defence Planning Committee noted the Military Committee's proposal and an accompanying report by the Defence Review Committee, and requested the Military Committee to forward the 1969-1973 force proposals duly processed, together with its comments on the SHAPE Special Study 1972 Onwards, as early as possible in November,

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- (1) DPC/R(67)28
 - (2) DPC/D(67)66(Revised)
 - (3) DPC/D(67)38
 - (4) MCM-44-67
 - (5) Annexes to DPC/D(67)38 Country Series
 - (6) DPC/D(67)33

at the latest before mid-November 1967 or, if that was absolutely impossible, to forward, by that date, a substantive interim report permitting Ministers in December to comment on the work in progress and to provide further guidance as might be necessary.

191. The Military Committee submitted an interim report(1) on the 1969-1973 force proposals which, together with a report by the Defence Review Committee(2), was reviewed by the Defence Planning Committee in Ministerial Session on 12th December(3). Ministers decided to supplement the guidance given on 9th May, 1967, which they agreed remained valid, with certain additional propositions to be taken into account by the Military Committee in its final report on the force proposals to be submitted in March 1968.

192. Ministers also took note of the Military Committee's interim report(4) on the SHAPE Special Study 1972 and noted that a final report incorporating formal national views was expected to be submitted by the end of March 1968. They noted that this study, as it might be modified by Defence Planning Committee and Military Committee comments, recommendations or directives, might form a useful reference document in the future development of conceptual papers or force proposals. They further noted the areas which the Military Committee had identified as requiring further study and, to the extent that these areas would not be covered in the Military Committee's final report, requested the Defence Planning Committee and the Military Committee to arrange for their further examination on the lines indicated in the Defence Planning Committee's comments(5) on the interim report.

(d) Appreciations of the Military Situation as it will affect NATO through 1976 and through 1977

193. On 6th October(6) the Defence Planning Committee considered the Military Committee's report(7) containing its appreciation of the military situation as it would affect NATO through 1976. In July(8) the Defence Planning Committee had asked for this appreciation to be submitted together with a reasoned assessment of event that had taken place since the submission of the Military Committee's previous appreciation through 1975 (MOM-9-67) and any further development of unagreed material in that document, or, if the Military Committee

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- (1) MOM-39-67
 - (2) DPC/D(67)64(Revised)
 - (3) DPC/R(67)28
 - (4) MCM-37-67
 - (5) DPC/D(67)63(Revised)
 - (6) DPC/R(67)22
 - (7) MCM-27-67
 - (8) DPC/D(67)30

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considered that no significant revision of the document was required, the reasons that had led it to that view. The view of the Military Committee, expressed in MCM-27-67, was that no significant revision of its previous report was required and that the latter remained essentially current. The Defence Planning Committee noted the Military Committee's report and requested it to pursue with all practicable speed questions highlighted in the report and within the competence of the NATO Military Authorities. On 1st December(1) the Defence Planning Committee requested the Military Committee to submit by 15th October, 1968 an appreciation of the military situation as it would affect NATO through 1977.

(e) Defence Planning Studies

194. In December Ministers took note of a report(2), submitted by the Defence Planning Committee in Permanent Session, on the status of numerous defence planning studies. They noted that the Committee would arrange for the continuance of studies still in progress and for further studies indicated in the light of Ministerial discussions. They also asked the Defence Planning Committee to draw up an order of priority for the studies to be undertaken.

(f) NATO Defence Planning Review Cycles

195. In December 1966, Ministers had decided to remit for later decision the question of what type of defence planning cycle should follow the 1969-1973 cycle currently in progress and when it should begin. On 1st December, 1967 the Defence Planning Committee considered whether a new two-year cycle covering the years 1970-1974 should begin in the new year of 1968(1). The Committee agreed that the main defence planning effort in 1968 should be devoted to the consolidation of a NATO Force Plan for the period 1969-1973 and that the next following force planning cycle should begin on 1st January, 1969. They also agreed to take a decision not later than October 1968 upon whether the defence planning review cycle commencing in January 1969 should be a one-year cycle in respect of the years 1970-1974, or a two-year cycle in respect of 1971-1975, and, if the latter, whether a series of annual or biennial two-year cycles should be initiated. The Defence Review Committee is to study this question and report to the Defence Planning Committee not later than 30th September, 1968.

(1) DPC/R(67)26
(2) DPC/D(67)61

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(g) Standing Naval Force Atlantic

196. At the meeting of the Defence Planning Committee in Ministerial Session on the 12th December, 1967(1), Ministers approved a concept(2) of activation and operation of the Standing Naval Force Atlantic for implementation on 11th January, 1968, or as early as practicable thereafter, utilising the staff and ships assigned to MATCHMAKER IV (the NATO exercise then current in Allied Command Atlantic). Under the concept the Standing Naval Force would be comprised of at least 5 or 6 destroyer type units. These would be assigned from various NATO navies for periods of about four months, or longer when practicable. Assignment would be on a rotational basis, with units of one nationality not necessarily being relieved by units of the same nation. SACLANT would negotiate directly with national authorities to obtain the ships to fill the quotas for the force, making every effort to maintain the widest possible degree of national representation in the force at all times. Overall planning responsibility and operational command of the Standing Naval Force would rest with SACLANT. As its most probable area of operations would be the Eastern Atlantic, he would delegate authority to CINCEASTLANT for the more detailed planning and would assign operational control of the force to the Area Commander in whose area it would be operating.

(h) Activation of COMSUBMED and Colocation with United States COMSUBFLOT 8 at Naples

197. Following the approval in principle given by the Defence Planning Committee in June for the setting up of the Mediterranean Submarine Command, and consideration of its judicial and financial aspects, the Defence Planning Committee on 27th July(3) agreed to the establishment of this command and its activation no later than 1st October, 1967 and to its colocation with the United States Navy Submarine Flotilla 8 at Naples. They further agreed to the application to the headquarters and its personnel of the protocol on the status of international military headquarters and to the granting of international financial support to the headquarters through the budget of Headquarters AFSOUTH no later than 1st October, 1967.

(3) NUCLEAR PLANNING

198. The Nuclear Planning Group (NPG) held its second Ministerial Meeting in Ankara on 18th and 19th September, 1967. The Ministers reviewed studies by the German, Turkish and NATO Military Authorities on the use of Atomic Demolition Munitions (ADMs) in selected areas of the South-Eastern and Central Regions of Allied Command Europe; while agreeing that conditions

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- (1) DPC/R(67)28
 - (2) MOM-45-67(Revised)
 - (3) DPC/R(67)21

may vary in different areas, they recognised that in certain circumstances the use of ADMs might have significant military advantages by creating obstacles as part of a comprehensive defensive system.

199. Ministers continued their consideration of the tactical use of nuclear weapons, of the implications of anti-ballistic missile (ABM) developments, and of national participation in NATO nuclear planning. They noted that the United States will make available directly to countries with nuclear weapons on their territory, or with nuclear weapons delivery forces in the NATO area, the stockpile information necessary to meet their requirements.

200. The NPG, at Ambassador level, in co-operation with the NATO Military Authorities, carried on the various studies under way. A report(1) on the NPG's first year's activities was submitted to the Nuclear Defence Affairs Committee (NDAC) which met in Ministerial Session on 12th December, 1967.

201. On 1st October, 1967, Greece took the place of Turkey in the NPG.

(4) CIVIL EMERGENCY PLANNING

(a) General organization of activities

202. The Senior Committee turned its attention in particular to improving the co-ordination of the activities of the various planning boards and committees and to enforcement of the deadlines for the completion of previously approved studies.

203. The Senior Committee adopted a number of practical measures reflecting the conclusions drawn from its survey of the areas in which co-operation between the civil emergency planning committees and the NATO Military Authorities could usefully be strengthened. The colocation at Evere of the Senior Committee and Military Committee will make such co-operation even easier and should in particular permit greater participation in the examination of problems of common interest.

(b) Review of Basic Assumptions for Civil
Emergency Planning

204. At its meeting in Plenary Session on 16th November, 1967, the Senior Civil Emergency Planning Committee reaffirmed its decision of 22nd June, 1967 that the International Staff should draw up, in conjunction with the Military Authorities and interested delegations, a draft revised version of the basic assumptions for civil emergency

(1) NDAC(67)D/1

planning(1) in the light of all the relevant new information that had become available since their most recent revision in 1961. It agreed that the aim should be to submit a report for consideration by the Council in the spring of 1968.

(c) Planning for Exercise CIVLOG 69

205. The Senior Civil Emergency Planning Committee put forward recommendations to the Council concerning broad guidelines for the conduct of Exercise CIVLOG 69(2). It also agreed upon the desirability of holding, as soon as practicable after submission to the Council of revised basic assumptions for civil emergency planning(3), a symposium to discuss various aspects of the practical application of those assumptions and specifically to consider the nature, scope, and timing of a case study, complementary to Exercise CIVLOG 69, of simulated emergency situations derived from them. At its meeting on 6th December, 1967(4) the Council endorsed these recommendations.

(d) Activities of the specialised boards and committees

Civil Defence Committee (CDC)

206. Within the context of its general report on current "deficiencies" in national planning, the Civil Defence Committee approved and forwarded to the Senior Committee for Civil Emergency Planning reports on the present status of NATO-wide civil defence organizations, on the state of preparedness of national fallout warning organizations and on shelter planning in the member countries.

207. The Committee furthermore decided to wind up the Working Group on Shelters and the Working Group on Detection and Warnings and to assign any residual activities of those two groups to an Ad Hoc study group which would report to it direct.

Planning Board for Ocean Shipping (PBOS)

208. Progress has been made with the task of implementing decisions reached at the 1967 plenary meeting of the Planning Board with regard to the multi-national staff structure of Defence Shipping Executive Board branches. Progress has also been made with the Petroleum Planning Committee on the question of providing a joint mail and messages service for the colocated Defence Shipping and NATO Oil Executive Board branches, and on the problems of oil bunkering of merchant ships in war. The task of preparing the Defence Shipping Authority manual has also reached an advanced stage.

(1) AC/98-D/14 (1961 Edition)

(2) C-M(67)47

(3) Vide (b), page 42

(4) C-R(67)53

209. Other activities have included co-operation with the NATO Military Authorities on revising the ocean clearance policy, particularly in relation to the Mediterranean area; on shipping operations in the interim phase of war; and on the 1967 world-wide shipping plot. Progress also continued on the subject of insurance of shipping war losses.

Planning Board for European Inland Surface Transport (PBEIST)

210. A number of work programmes of bodies subordinated to PBEIST were put into effect during the second half of 1967.

211. The three regional sub-committees reviewed their respective preparations for participation in Exercise CIVLOG 69. They prepared a list of deficiencies prejudicial to vital Allied interests. Further progress was made with the up-dating of the war manuals.

212. The Railroad Transport Sub-Committee began a study of the consequences of electrification and automation. It continued its study on the running of locomotives.

213. The Road Transport Sub-Committee prepared draft multilateral technical arrangements concerning international civil road transport in wartime. It completed a study on the wartime clearance (by road) of Greek ports and continued its examination of international rules on road transport, of fallout warning problems and of black-out measures.

214. The Ports and Beaches and Inland Water Transport Sub-Committee initiated a study on containers and on the problems created, on the one hand, by their wartime reception and handling in ports and emergency port facilities and, on the other hand, by their dispatch by all forms of surface transport, given their rapidly changing characteristics.

Civil Aviation Planning Committee (CAPC)

215. During the second half of 1967 the Committee concentrated upon the preparation of a War Manual for BOCCA. The first draft was circulated to the Committee before the end of the year together with a directory listing designated national representatives to BOCCA and those members of the International Staff thus far designated.

Petroleum Planning Committee (PPC)

216. In view of the dislocation of the normal pattern of oil supplies to the European member countries following the Middle East crisis, the Council requested the Petroleum Planning Committee to accelerate the reporting of oil stocks as provided in the SHAPELOG 7 reporting procedure in order

to keep it informed on a monthly basis of the oil stock position in the European NATO area; monthly reporting commenced 1st August and continued through the end of the year.

217. During the reporting period the Committee, inter alia, approved an interim guidance manual for personnel of the NATO Wartime Oil Organization (NWOO); circulated a directory of personnel designated to serve in the NWOO; arranged for participation in a joint PBOS/PPC Working Group to consider oil bunkering to merchant shipping in wartime; established an Ad Hoc Study Group for CIVLOG 69 planning; and forwarded to the Senior Civil Emergency Planning Committee a report on "gaps" in national planning which could have grave repercussions on the civil defence posture of the Alliance.

Industrial Planning Committee (IPC)

218. The work of the Committee was once again mainly concerned with the Supplies Agencies. It determined the rôle of sections, and even of certain liaison officers, finalized the reporting forms and proceeded with the drafting of the manuals. In accordance with planning, it also conducted a restricted exercise designed to study the problems connected with the activities of the Central Supplies Agency in the industrial sphere. A list of the lessons to be drawn from this exercise was prepared by a group of rapporteurs and will be studied later. A further effort was made to compile a list of approved industrial commodities, the production of which must be maintained in wartime.

219. The Committee undertook a preliminary examination of the industrial aspects of Exercise CIVLOG 69. The study on coal and the study on pharmaceutical products was pursued.

220. As in previous years at this time, the Industrial Planning Committee drew up a progress report for the Senior Committee and also embarked on an assessment of the yearly review in order to determine those of its areas of responsibility in which planning deficiencies could jeopardize the survival of the civilian population and NATO defence.

221. The Committee co-operated closely with the other civil emergency planning boards and committees.

Food and Agriculture Planning Committee (FAPC)

222. During the second half of 1967, the Committee mainly concentrated on the drafting of the war manuals for the Central Supplies Agency and the European Supplies Agency and, by means of frequent contacts with the Industrial

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Planning Committee, the Civil Communications Planning Committee and the Transport Planning Boards, sought to eliminate any duplication of effort and to ensure improved co-operation at the level of the wartime agencies.

223. At the request of the Senior Committee, the FAPC made an assessment of the replies to the yearly review questionnaire in order to determine whether deficiencies in the measures taken by member countries in certain of the Committee's areas of responsibility could be harmful to the Alliance. In this connection the FAPC laid stress on desirable improvements with regard to the establishment of household stocks of foodstuffs and the protection of foodstuffs, livestock, crops and water against the effects of fallout.

224. The Committee studied the list of agricultural commodities and foodstuffs to be played during Exercise CIVLOG 69 and drew up a paper on the world food supply situation to be used as basic documentation during the Exercise.

NATO civilian wartime agencies

225. The examination of the lessons drawn from Exercise CIVLOG 65 continued and it enabled further improvements to be made to the structure and procedures of the agencies. The Committee was especially concerned with improving co-ordination between the different agencies and even within certain of them.

226. The improvements referred to in the preceding paragraph were very often the outcome of the active work done by the different boards and committees in finalizing the war manuals. In this connection, the detailed comparison and examination of the original texts which established the agencies or modified certain of their features led to the discovery and correction of certain planning deficiencies. In particular, it was possible to delete a number of posts which represented a duplication of effort. The drafting of the war manuals proper progressed satisfactorily.

Exercise CIVLOG 69

227. Since the document setting out the aims and objectives of this NATO-wide civil logistics exercise was not approved by the Council until November, it was not possible to make any real progress in the preparation of planning for this Exercise.

228. The member countries and the NATO committees concerned were, however, able to undertake a number of preliminary tasks connected with the list of commodities to be played during the Exercise and the preparation of the national opening narratives.

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B. DEFENCE SUPPORT(1) INFRASTRUCTURE(a) Programming

229. Slice XVIII, the 1967 programme, the planning for which had been started during the second semester of 1966, was examined during the course of 1967. The Infrastructure Committee completed its analytical review of this Slice during the second half of 1967.

230. The amount retained in the programme comes to IAU 47,034,000 (Infrastructure accounting unit, see paragraph 10(f))(1). The Slice was approved by the Defence Planning Committee at its meeting on 23rd February, 1968(2).

231. During this semester, the Military Authorities started the preparation of Slice XIX. The Military Authorities proposed for inclusion projects estimated to cost IAU 33,773,000 for SHAPE and IAU 2,037,000 for SAACLANT. The critical review of this Slice will be carried out during 1968.

232. During the second half of 1967 the Defence Planning Committee approved the Special Review for Slices II to XVIII(3) by means of which IAU 19.2 million were made available to cover the relocation costs of infrastructure facilities.

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

233. Among the major items dealt with and solved by the Policy Board and NADGEMO were the establishment of a procedure for changes to the Host Nations contracts and also one for reimbursing the Contractor for drawing up proposals on supplementary work; a decision for reimbursing production inspection costs was reached. They will be reimbursed up to a maximum of 0.6% of the price of the equipment to be inspected in each country.

234. The Logistics Support has been actively studied and a support plan has been prepared. A Logistics Support Agreement has been signed between NADGEMO and NAMSA. A NADGE Project Initial Inventory Requirements and Investment Plan has been produced. A draft training implementation plan is under preparation.

235. The main current activities deal with the examination of the System Design Report submitted by NADGECO Ltd. It contains a detailed technical description and explanation of the NADGE System. The examination will be completed at the end of June 1968.

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- (1) DPC/D(68)3
(2) DPC/R(68)3, Point II
(3) DPC/D(67)36; DPC/R(67)23

236. Major difficulties have arisen in the Board in trying to solve the problems of how to finance maintenance and operation costs, local utilities in Greece and Turkey and communications in both these countries and Italy.

(c) Other questions

237. During the second half of 1967 the Infrastructure Committee met 20 times, 8 times at "15" and 12 times at "14", whilst the Infrastructure Payments and Progress Committee met 20 times.

238. During the semester, the Infrastructure Committee, apart from the examination of Slice XVIII, studied the following matters:

At "15":

- (a) Adjustment for taxes;
- (b) Review of Slice VII(b) - Works on airfields in Germany;
- (c) Transfer of airfields in France from the user to the host nation;
- (d) Residual value of the facilities for the GEE chain;
- (e) Proceeds from the sale of the Quentin-Bauchart building;
- (f) Creation of an Infrastructure accounting unit (IAU) following the devaluation of the pound sterling;
- (g) Revision of the procedures for international competitive bidding.

At "14":

- (a) Phase II of the satellite communications system;
- (b) Restoration projects for NATO airfields;
- (c) Programming of projects for War Headquarters in Slice XVIII.

(d) Progress of Infrastructure

239. The total value of works authorised by the Infrastructure Payments and Progress Committee during the second half of 1967 amounts to IAU 1.0 million to be financed by the "15" and IAU 11.5 million to be financed by the "14". This amount brings the total of funds authorised at 31st December, 1967, to IAU 1161.1 million, 1125.3 at "15" and 35.8 at "14", i.e. about 92.6% of the estimated cost of Slices II to XVII inclusive.

240. The contributions which have been approved for the second half of 1967 in order to pay for the works carried out in the host countries amount to IAU 26.8 million.

241. During the first half of 1967, the gross expenditure rose to IAU 20.5 million. However, about 2 million should be deducted from this total to arrive at the net expenditure figure. The first million concerned works not yet covered by authorisation from the Infrastructure Payments and Progress Committee; the second million concerned the reimbursement for equipment which had been initially ordered for the NAMFI (NATO Missile Firing Installation), but which was subsequently cancelled.

242. This rate of expenditure is rather low. An explanation can, however, be found for it in the difficulties which started during 1966 and which continued into 1967, arising from the Review of Slices II to XVIII.

243. During the period reported on, the Infrastructure Payments and Progress Committee approved Final Inspection reports representing works costing approximately IAU 46.6 million.

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

245. 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).

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

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

(a) General

247. The period under review has been one of consolidation in implementing the new procedures for co-operation in research, development and production as set out in document C-M(66)33(Revised) rather than of any spectacular progress. However, this does not cause me any surprise or concern since the rhythm of activity and, more particularly, the holdings of meetings of the many bodies concerned was naturally slowed down by the move of the Headquarters and staff from Paris to Brussels and in any event, the full effect of the new procedures is only just beginning to be felt. Indeed, indications are that countries are being encouraged to come forward with proposals for co-operation as will be seen later in this report.

248. One NATO Project Steering Committee has already been set up on the Franco/British JAGUAR aircraft, and proposals for three other steering committees will shortly be submitted to the Conference of National Armaments Directors for approval. These concern a naval point defence missile SEA SPARROW, a cannon and free flight rocket launcher locating radar ZENDA and a Tactical Satellite Communications programme (TACSATCOM). The Underwater Acoustic Communication Project has now passed into the second stage of the new procedures for project groups, and five new project groups were set up during the reporting period. These concern a naval variant of the WG.13 helicopter; the EPERVIER unmanned aircraft for combat surveillance; the FM-200 radio relay equipment for the combat zone; mines for use in inland waterways; and a defence research project on a fixed acoustic range. There are also several promising proposals which may give rise to further project groups in the near future, such as an armoured infantry fighting vehicle, the development of an improved decontaminant for use by field forces, and an automatic data processing system for combat intelligence.

249. The Conference of National Armaments Directors held its second meeting in November 1967 when, inter alia, it examined reports submitted to it on the work of two study groups which it had instructed the National Armaments Directors Representatives (NADREPS) to set up. The first of these on co-operation between the different defence industries of NATO countries contained a proposal for the holding of an experimental conference of industrial and government representatives in the spring of 1968. The Conference generally supported this proposal and agreed that while the experimental conference would primarily be directed to the electronics field, this did not preclude nations from sending broadly qualified representatives from industrial associations in other fields. This conference will take place from 15th to 17th May, 1968.

250. The second report concerned a study on economic, financial and industrial factors which affect co-operation, which was originally based on two proposals, the first, by the United Kingdom which was directed towards the assembly of information on nations' plans for the next five to ten years, and the second, by Canada which suggested an examination of past history to determine those factors which had affected nations decisions to participate or not to participate in NATO projects. The Conference decided that it would be better for these two approaches to the problem to be undertaken separately and consequently instructed the NADREPS to continue the existing study based on the Canadian proposal and undertake a new study on the best forms of co-operation based on the United Kingdom proposal.

251. Further points discussed at the Conference concerned the proposal originally made by the United States in 1966 for a NATO Defence Logistics Group to be created under the aegis of the Conference as a complement to the Defence Research and three Service Armaments Groups. The National Armaments Directors, while not ready to establish such a group, were generally prepared to have a study made of the proposal itself in detail by the NADREPS in collaboration with the NATO Military Authorities. However, a reservation by one country has so far stopped any action from being taken in this direction.

252. At the same meeting, the National Armaments Directors expressed their concern on the overall problem of air defence and requested the NATO Naval, Army and Air Force Armaments Groups and the NATO Defence Research Group to give their earliest attention to the best method of resolving this problem.

253. The device of holding meetings of the Chairman of the four main groups under the Conference (the Defence Research and three Service Armaments Groups) has continued to prove its usefulness in settling difficulties and discussing overlapping problems. Indeed, on one occasion a meeting of two Chairmen was held to handle a particular point which resulted in the creation of an inter-service Group on Land Forces Tactical Air Mobility. Agreement has now been reached that decisions on common problems taken by the four Chairmen at their meetings should be the basis for action pending confirmation by the main groups concerned at the latter's next meeting.

254. 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

255. The NATO Naval Armaments Group (AC/141) did not meet during the period under review, but its meeting held in January 1968 can be considered as covering the work of all its activities in the second half of 1967. A short report on this meeting is contained in AC/259-D/33, and a summary of the status of activity of the Information Exchange Groups is set out in AC/141-D/45(7th revise). In brief, the NNAG recognised the value of the exchange of information which took place within its six information exchange groups characterised by a large participation of nations, military commands and highly qualified experts; it also took steps to advance the work of existing project groups and set up new ones.

256. The NNAG agreed the Project Group 1 on an Under-water Acoustic Communication System in the short term (including submarine identification) could initiate the second stage of its activities. A sea demonstration of this system successfully took place in the United Kingdom. The main plea was that all nations should undertake for the mutual benefit of NATO to fit this equipment in their fleets as soon as possible.

257. Project Group 2 on a Point Defence Surface Missile System has successfully completed the second stage of its activities and will seek approval from the Conference of National Armaments Directors by correspondence in the near future for the establishment of the NATO SEA SPARROW Steering Committee.

258. Following a proposal made by the United Kingdom and France, the NNAG approved the establishment of a new Project Group on the naval variant of the WG.13 Helicopter and invited other nations to express their interest in this project.

259. Further consideration has been given to the problem presented by SHAPE on the use of helicopters armed with air/surface guided weapons against OSA/KOMAR fast patrol boats, which had assumed a degree of urgency after the sinking of the destroyer Eilat. An exploratory group set up by the NNAG is examining a future solution to the current and developing threat in order that consideration can be given to the early formation of Project Groups within the framework of C-M(66)33(Revised).

260. As a result of the examination of the requirements of all NATO Maritime Commands in connection with the problem of command and control of maritime forces, it has been decided that an MHQ model should be prepared with a view to providing an optimised pattern for meeting those requirements in particular geographical areas and to examining the special problems of particular MHQ's.

261. Finally, the evaluation of a Common Method of Guided Weapon Assessment, which is being conducted by the SHAPE Technical Centre, is nearing completion. Three sub-groups have been set up by the NNAG to examine specific problems, namely, naval gunfire effectiveness, sonar effectiveness and standardisation of torpedoes.

(c) NATO Air Force Armaments Group

262. The NATO Air Force Armaments Group (AG/224) met once during the period under review, in September 1967. At this meeting, apart from its normal activities in respect of its sub-groups, it approved the submission of the Franco/British JAGUAR Aircraft Project to the Conference of National

Armaments Directors for endorsement as a NATO Project Steering Committee, and noted the additional reconnaissance rôles of the aircraft. The French and the British Authorities have stated that this aircraft met almost completely the specification for ground attack aircraft in the post-1970 period which had been drawn up by NAFAG Sub-Group 3. The Italian Authorities stated that their FIAT G91Y, which is under development, also met this specification.

263. The Sub-Group on Identification of Subjects for Co-operation has studied some 60 subjects submitted by different nations as prospective co-operative projects. These were divided into 2 categories, namely, those interesting 4 or more countries, and those of interest to only 2 or 3 countries. The Sub-Group recommended to NAFAG that projects in the first category should be handled by Sub-Groups of NAFAG, whereas those in the second should be dealt with initially by the nations concerned contacting each other outside the NATO forum. Projects in the first category were grouped into 4 main areas; helicopters, aircraft identification, airborne reconnaissance systems and improved landing systems for conventional and V/STOL aircraft. The NAFAG considered that Panel X of the NATO Army Armaments Group (NAAG) should examine the helicopter projects and consequently agreed, subject to concurrence by the NAAG, that Panel X should become an inter-service Group. The NAFAG agreed that its existing Sub-Group 5 should deal with the aircraft identification projects, Sub-Group 6 with tactical air reconnaissance projects and that a new Group (Sub-Group 7) should be set up to deal with landing systems.

264. During the period under review the United States Delegation presented to Sub-Group 4 on cost effectiveness of the V/STOL formula the final design analysis and cost figures for the selected CTOL aircraft chosen from the NAFAG Sub-Group 3 report (reference: AC/224-D/98), as well as the design and cost figures for aircraft having equivalent performance (range, pay load, speed, etc.) but with a VTOL capability. These data will be used in the operational analysis to be carried out by Germany with a view to evaluating and comparing the survivability of CTOL and V/STOL aircraft following the first enemy attack. The various methods of operation of NATO forces from main bases and of the deployment of V/STOL aircraft at dispersed sites will be taken into consideration during this analysis.

265. Sub-Group 5 on Identification of Aircraft met in December 1967 when it considered a draft operational concept for the employment of the Mark XII system. Only two countries, the United States and Canada, were able to state that they would implement the Mark XII IFF system, whilst a third, the United Kingdom, stated that she would not. Other countries have yet to reach a final decision. Other subjects considered at that meeting were air-to-air identification, identification of low-flying aircraft and long-term requirements for IFF.

266. The NAFAG has approved a Tactical Air Reconnaissance Intelligence Concept which was elaborated by its Sub-Group 6. The latter is now devoting its attention to the exchange of information on equipment submitted by nations to meet this approved operational concept.

267. As I have already mentioned above, a new Sub-Group 7 on Approach and Landing systems was set up by NAFAG at its last meeting. This Sub-Group has already met and completed Item 1 of its Terms of Reference by up-dating the SHAPE specification for ground-controlled approach systems. At subsequent meetings it will exchange information on future landing systems which are now under research and development in several countries.

(d) NATO Army Armaments Group

268. During the period under review the NATO Army Armaments Group and its technical panels have continued to exchange information with a view to selecting projects suitable for co-operation under the new procedures set out in C-M(66)33(Revised). The main aspects of these activities are summarised below under the different Panel headings.

(i) Transport Vehicles

269. The remaining STANAGs drafted by the former Group of Experts on Interchangeability of Vehicle Components have now been completed and circulated to countries for ratification. Presentations were made with a view to defining possible areas for co-operation on a heavy equipment transporter, which is part of the joint German/United States programme on the post-1970 Main Battle Tank, a $1\frac{1}{4}$ ton high mobility utility truck developed by Canada and a $\frac{1}{2}$ ton command and liaison vehicle developed under a tripartite agreement between France, Germany and Italy.

(ii) Combat Vehicles

270. As a result of extensive discussions which have shown that sufficient similarity exists between national requirements, in terms of time scale and characteristics, for an armoured infantry fighting vehicle to be brought into service around 1970, the NAAG has agreed to set up a Project Group on this equipment. The actual work of this Group will start in mid-1968 following the presentation of national concepts by the United Kingdom, the United States, the Netherlands and Germany.

(iii) Infantry Weapons

271. Co-operation on infantry weapons is especially aimed at post-1975 equipment. Accordingly, the NAAG has agreed that criteria for the development of the next generation of anti-armour weapons should be jointly studied. The question of a

new small arms calibre, which I mentioned in my last report, has been kept under close scrutiny. After having noted that trials were taking place in various countries on calibres below 7.62 mm., particularly on 5.56 mm. ammunition, the Infantry Weapons Panel decided to explore the possibility of a NATO standardisation of this ammunition among producing countries. On the basis of an Anglo-German agreement, the possibility of standardising the family of 30 mm. ammunition is also under consideration. In addition, STANAG 4116 on the 84 mm. Karl Gustav anti-tank weapon has been finalised and circulated for ratification, and a special Sub-Panel has been set up to carry on the task of the former Panel on Small Arms Ammunition which was to ensure the implementation of STANAGs on 7.62 and 9 mm. ammunition produced by NATO countries. In the field of common evaluation of weapons, evaluation procedures have been finalised for Future NATO Rifle and Light Machine-Gun Weapons Systems. The common method of assessment and test method of anti-tank weapons is still in progress and should be completed early in 1968.

(iv) Surface-to-Surface Artillery

272. The remaining activities of the former NATO bodies dealing with internal and external ballistics and propellants are now nearing completion and a restricted Working Party has been set up to discuss definite ballistic problems selected by the Surface-to-Surface Artillery Panel. A joint Anglo-German presentation on the 155 mm. gun (towed version) and the 105 mm. light gun under development in the United Kingdom, as well as two versions of a 110 mm. rocket launcher took place in Germany in November 1967. Other countries also presented their equipment, such as the 35 kg. warhead rocket and 155 mm. anti-hard target ammunition, and invited nations to express their interest in participating in the development of such equipment.

(v) Land-Based Air Defence Weapons

273. The assessment of the RAPIER and ROLAND Weapons Systems has now been completed and good progress is being made in the evaluation of other systems such as REDEYE, CHAPARRAL, INDIGO and L 4/5. A successful firing demonstration of REDEYE, CHAPARRAL and VULCAN took place in the United States during the period under review.

(vi) Combat Intelligence

274. In the field of combat intelligence, three proposals for co-operative projects have been made by nations. First, a proposal by Belgium for the joint development and production of an unmanned aircraft for combat surveillance (EPERVIER). In December 1967 the NAAG approved the setting up of a Project Group on this equipment to undertake the first

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phase of the co-operative procedures set out in O-M(66)33(Revised). Belgium, France, Italy and the Netherlands have agreed to participate in the work of this Group, with Canada, Germany and the United States as observers. Secondly, a proposal by the United Kingdom for the joint development of ZENDA - a cannon and free-flight rocket launcher locating radar. This project has reached the stage where it is to be expected that the seven participating nations will shortly sign an agreed memorandum of understanding and then seek the approval of the Conference of National Armaments Directors for the establishment of a NATO Project Steering Committee. Finally a proposal submitted by France for the joint development of SERPEL - an automatic data-processing system for combat intelligence, on which nations have been invited to express their interest.

(vii) Telecommunications

275. Good progress has been made by the Telecommunications Panel in the definition of a NATO Telecommunications System for the Combat Zone for the post-1975 period. A first draft of common operational requirements has been prepared and a list of technical parameters has been agreed for further study with the object of reaching agreement on a complete technological basis. If such an agreement can be achieved, this would mean that any national system to be designed for the post-1975 period would then be compatible and interoperable, and thereby pave the way for the creation of a true NATO Telecommunications System for the Combat Zone. In December 1967, following a proposal made by Germany and the Netherlands, the NAAG approved the establishment of a Project Group on the FM-200 radio relay equipment for the Combat Zone.

(viii) Engineer Equipment

276. The Engineer Equipment Panel has been able to dispose of most of the activities previously undertaken by the former Ad Hoc Mixed Working Group on Landmine Warfare in so far as these are covered in the Panel's Terms of Reference. It is expected that the current work will be finalised by mid-1968. Germany and the Netherlands agreed to propose their joint development of a river mine as a NATO co-operative project and a Project Group on Mines for use in inland waterways was accordingly set up by the NAAG in December 1967. With a view to initiating other co-operative projects and to identifying gaps in requirements for mine warfare equipment, countries have been requested to submit their current doctrines and lists of items in service or under development. This procedure also applies to bridging and gap crossing, an area which until now has not been dealt with in NATO.

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(ix) Land Forces Tactical Air Mobility

277. The Panel met once during the period under review and considered its new Terms of Reference, as proposed by the NATO Air Force Armaments Group, which recommended that the Panel should in future become an inter-service Panel on "Air Vehicles for Tactical Air Mobility". The NAAG approved the new title and Terms of Reference for the Panel in December 1967. The Panel has already produced a first draft of a NATO concept pertaining to the use of air vehicles with a view to increasing the tactical and logistic mobility of land forces.

(x) Doctrine, Tactical Concepts and Logistics

278. In December 1967 the NAAG agreed to activate Panel XI on Doctrine, Tactical Concepts and Logistics with a view to comparing ABC and FINABEL Tactical/Logistical concepts; to indicate to what extent these studies could form a basis for the work of the different Panels of NAAG and, in particular, to point out differences in so far as these might influence equipment characteristics.

(xi) Meteorology

279. In December 1967, the NAAG approved the establishment of the Panel on Meteorology on a permanent basis.

280. The countries participating in the United States sponsored tactical satellite communications programme have now signed a memorandum of understanding on this TACSATCOM project and will invite the Conference of National Armaments Directors to endorse it as a NATO project and set up a NATO TACSATCOM Steering Committee.

(e) NATO Defence Research Group

281. The NATO Defence Research Group held a meeting in September 1967, when it reviewed the activities of its subordinate bodies and heard presentations by France on Man Machine Relationships, the Netherlands on Radar Reflection Suppression and the SHAPE Technical Centre on Problems of Automated Systems for Command and Control. In addition, it established a Project Group on a Fixed Acoustic Range which held its first meeting in December 1967.

282. The first Defence Research Seminar on Concept and Management of Research Programmes, which I mentioned in my last report, took place in Paris in November 1967. About 100 delegates from 10 nations attended the Seminar which included visits to automatized documentation centres.

283. The work of the subsidiary bodies of the Defence Research Group has been directed towards the identification of subjects suitable for joint research, particularly in the fields of far-infra red and land-based air defence. Countries have been requested to indicate for the subjects so identified to what extent they are prepared to commit resources, at what level and in what time scale.

(f) NATO Maritime Patrol Aircraft Steering Committee

284. The production programme of the ATLANTIC is proceeding according to schedule. At the end of the reporting period 53 aircraft out of a total order of 60 had completed their first flight, and the formal acceptance of the first 45 production series aircraft has been notified. It has not yet been possible to secure further orders for the ATLANTIC and it is feared that its production line will therefore come to a halt in 1968. However, negotiations are under way with the Netherlands.

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

285. The production programme, which covers a total of 225,700 units for Canada, the Netherlands and Norway, should be completed in March/April 1968.

(h) NATO BULLPUP Production Organization

286. The liquidation of this organization is in progress and the Programme Office in Oslo was disbanded on 31st December, 1967, having completed a production programme of more than 5,000 missiles. The BULLPUP Organization and NAMS0 have agreed on the transfer to the latter of the logistic support functions and post production services relating to this missile.

(i) NATO HAWK Production and Logistics Organization

287. The initial production programme which resulted in over 4,000 missiles and associated equipment, was completed in 1967 at a total cost of about 600 million US dollars. Additional orders, to the value of about 50 million US dollars, are in hand and deliveries will be concluded in 1968. In November 1967, the countries participating in the NHPL0 launched Phase A1 of a new programme, known as the HELIP (HAWK EUROPEAN LIMITED IMPROVEMENT PROGRAMME) which, taking as its basis the American programme HIP (HAWK IMPROVEMENT PROGRAMME), would make it possible to adapt the HAWK weapon system to the air threat of the next decade and to prolong its use accordingly. The HELIP would reduce logistic support costs and improve the VERY LOW ALTITUDE capabilities of the weapon system and its resistance to electronic countermeasures.

Phase A1, the ceiling for which is fixed at 4.7 million US dollars, should be completed towards the middle of 1969. This Phase will allow the European industry to collect the necessary data in the technical, operational, industrial and financial fields and enable the participating countries to decide whether or not the HELIP should be continued. If so, the countries would have to decide upon the methods of implementing a programme which would last until 1975 and would involve an expenditure of about 300 million US dollars. The logistics activities increased in 1967 and were extended to the HAWK weapon systems at NAMFI (NATO Missile Firing Installation). In addition NAMS0 has been entrusted with certain tasks such as the management of the common depot and certain contractual and financial activities.

(j) Industrial Property

288. In the second half of 1967 the draft "NATO Agreement on the Communication of Technical Information for Defence Purposes" was approved by the Conference of National Armaments Directors. This Agreement, which aims to encourage the exchange of technical information within NATO and to help intensify technological co-operation among members of the Alliance, will be presented to the Council at an early date for approval and signature by the Permanent Representatives.

289. At its meeting in November 1967 the Working Group on Industrial Property, (AC/94), adopted the final text of the Implementing Procedures for the above-mentioned NATO Agreement as well as a draft Council Resolution for the application of this Agreement to the various NATO Organizations. Both these texts will be submitted to the Conference of National Armaments Directors for consideration at their next meeting.

290. The AC/94 Group also decided that the "Comparative Study of the Regulations in NATO Countries concerning Employees' Inventions" would now be published in its final form and be given a wide distribution among NATO countries and Organizations. The International Staff has started the compilation of the first set of the countries' replies to the questionnaire for the preparation of the "Comparative Study of National Law, Policy and Regulations concerning Procurement of Defence Material in which Industrial Property matters are involved."

C. LOGISTICS

(a) Codification of Equipment

291. During the second half of 1967, the Panel on Codification of Equipment, and its five active Sub-Panels continued to work on a modernisation of the system and the co-ordination of specific codification projects. In particular procedures for improvements in mechanisation and exchange of data were discussed and approved for international application.

(b) Transport and Storage of Military Ammunition and Explosives

292. During the period under review the Group of Experts on the Safety Aspects of Transportation and Storage of Military Ammunition and Explosives (AC/258) prepared and submitted to national authorities for approval an agreement on the transport by rail across NATO frontiers of military ammunition and explosives. The Group is now in the process of preparing a similar agreement for transport by road. The Sub-Group on Storage has continued with the revision and updating of document AC/106-D/5(Revised)

(c) NATO Pipeline System

(i) NATO Pipeline Committee

293. The Turkish Authorities are continuing their study of the detailed report submitted to the Committee by the Study Group on the Operation and Maintenance of the NATO Pipeline System in Turkey. Meanwhile, some of the recommendations of the Study Group have already been implemented by the Turkish Regional Authority.

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

294. The Central Europe Pipeline Policy Committee was informed in December that an official request was being prepared by the French Authorities for the transport of large quantities of crude oil through the Le Havre-Cambrai-Glons Lines to a new refinery at Valenciennes. This request raised the question of the military guarantees as in the case of any non-NATO use of the System, but also caused additional problems as the line would be put to a different use than the one originally foreseen at the time of construction, namely, the transportation of refined products only.

295. Several discussions took place on the subject of the financial implications of the French Government's decision to terminate exemption from turnover tax (TVA) and tax on services (TPS) as it was felt necessary to give guidance to the Central Europe Operating Agency in this respect. No final answer could be given pending the outcome of discussions between the NATO Administration and the French Authorities. Some members of the Committee felt that the question was of general importance to NATO as agreement to the new French interpretation of liability of international organizations to taxation might have repercussions elsewhere.

296. The necessary arrangements were made for the administration of HAWK and AGARD Agencies by CEOA after the departure from Paris of the International Staff.

297. Investigations into the causes of the explosion of a storage tank in the area of Cambrai have continued, as well as the difficult negotiations concerning the settlement of the serious damage caused to the sealine at Octeville by a tanker in the accident already mentioned in my last two reports.

298. The existing contracts for non-military movements of products through the Lavera-Strasbourg line were renewed, thereby ensuring a continued high level of activity in this section.

(d) NATO Maintenance and Supply Organization

299. In my last report I mentioned that pending a decision by the Council on the transfer of the NAMSA to another NATO country, studies would be undertaken with a view to selecting new sites for the north and south depots of the Agency.

300. On 12th July, 1967 the Council decided to transfer the North depot of NAMSA to Luxembourg. On the basis of studies undertaken by NAMSA, the NAMSA Board of Directors decided that the dispatching of stocks to Luxembourg (Camp Capellen) would begin towards 1st December, 1967 and would be completed about 15th April, 1968. This transfer is already under way. The transfer of the staff of the NATO Supply Centre (NSC), the Headquarters Agency and NAMSO will take place between 1st February and 1st March, 1968. The date for handing over the NSC installations at Chateauroux to the French Authorities has been fixed for 30th June, 1968. The employment of French LWR personnel will be terminated between 22nd January and 30th June, 1968, approximately, and they will gradually be replaced by Luxembourg LWR personnel. As yet, no decision has been taken as to the location of the South depot.

301. The Council also decided on 19th July, 1967 to transfer to NAMSA the HAWK Common Depot and the functions at present incumbent on the French Authorities. A Working Group, convened by the Secretary General at the Council's request, was charged with the direction and supervision of the transfer operations. The Group has decided that the transfer of the HAWK stocks would have to take place after those belonging to the NSC itself and after the additional construction work foreseen for Camp Capellen has been completed by the Luxembourg Authorities. It also decided that the North depot at Camp Capellen will have to receive, temporarily, all the stocks of the HAWK Common Depot, pending a decision on the location of the South depot. The completion of the extra construction work for Camp Capellen which was originally foreseen for the 31st August, 1968, is now delayed until the end

of 1968 or beginning of 1969. The transfer of the HAWK Common Depot will begin as soon as the extra construction work is terminated and it is expected that this transfer will take about 12 weeks. With regard to the transfer of the functions at present carried out by the French Authorities, this should begin on 1st July, 1968 and be completed by 31st December, 1968.

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

302. The Committee for European Airspace Co-ordination (CEAC) has extended its study on standardisation of civil and military air traffic control in NATO Europe by agreeing a common civil/military system of aircraft call-signs in an automated air traffic control environment and common civil/military radio distress and radio communications procedures. The Committee has furthermore completed a study on civil and military aeronautical information publications and agreed measures to ensure adequate interchange of information and optimum uniformity of these two sets of publications.

303. Co-ordination of civil and military use of air space during three major NATO exercises affecting international air navigation has been effected.

XI. NATO SECURITY PROBLEMS

304. The greatest security problems to confront the Security Directorate during the period under review, were those created by the relocation of NATO Headquarters from Paris to Brussels. The greater part of the Directorate's time during this period was spent in giving advice, guidance and practical help to the Security Service to enable a viable security system and a Secure Area within the building to be established before the Ministerial Meeting in December. Both objectives were achieved in time.

305. During October and November the Technical Security Team made available to NATO by the Belgian National Security Authorities underwent extensive training under the supervision of a team of experts placed at the disposal of NATO by the United States. The team now has a full operational capability in the field of technical security.

306. The practical implementation of the ATOMAL system in accordance with the security requirements of the agreement for co-operation regarding Atomic information has continued to engage the staff of the Directorate. During the year 1967, the Directorate inspected the arrangements made by all member countries for the protection of NATO classified information (ATOMAL, CABAL and COSMIC), and those made by two of the major NATO commands - SACLANT and CINCHAN. In addition, a complete technical survey of the new NATO Defence College in Rome was

made, and Sampling Inspections of NATO subordinate commands were carried out. During 1967, 509 Inspection Reports and 82 Corrective Action Reports were received from the whole of the NATO military establishment.

307. The revised draft of the arrangements for ATOMAL Control was considered by the Working Group on the agreement for co-operation regarding Atomic information but has not yet been submitted to the Council.

308. Reference was made in the previous Progress Report to the Security Committee's agreement at its meeting in March 1967, that the Security Directorate should undertake a general revision of the NATO Security Regulations for the purposes of enhancing the clarity of the document and of making procedural changes in the light of practical experience. Draft revisions will be considered by the Security Committee early in 1968.

309. The major preoccupation of the Security Directorate in the field of Industrial Security was the organization for security within the NADGE Programme. A second meeting of the NADGE Security Panel, which is composed of representatives in the security field of governments, industry and NATO and is chaired by a member of the Directorate's Staff, was held at the end of June 1967. The Security Directorate considers that the Security Committee's decision to establish the Panel has been justified and will promote further meetings of it when more complex problems arise as the programme develops.

310. The Special Committee met in September 1967. It exchanged views on the security aspects of the evolution of the Communist threat and the growth of protest movements in NATO countries, as well as the security implications of the developments of East/West relations and of Communist subversive propaganda directed against NATO institutions. One paper was submitted to Council and syntheses were circulated. The Committee will continue to consider these subjects during 1968.

(Signed) Manlio BROSIO

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Date: 31st December 1967
31 décembre 1967

INTERNATIONAL STAFF
SECRETARIAT INTERNATIONAL

BREAKDOWN BY GRADE AND NATIONALITY
TABLEAU DU PERSONNEL PAR GRADE ET PAR NATIONALITE

	UNCL	A.7	A.6	A.5	A.4	A.3	A.2	A.1	To- tal	B.6	B.5	B.4	B.3	B.2	B.1	To- tal	C.6	C.5	C.4	C.3	C.2	C.1	Total
BELGIUM									23		2	7	19	54	1	83	1	11	20	128	27		187
BELGIQUE				4	11		3																
CANADA	1				1				2														
CANADA		1							5					1		1							
DENMARK				2	3																		
DANEMARK																							
FRANCE		1		5	9	8	1		25	3	8	22	36	35		104		8	27				35
FRANCE																							
GERMANY				4	11				18					2		7							
GERMANY																							
R.F.	1	2																					
d'ALLEMAGNE																							
GREECE					6		1		7		1		1			2							
GREECE																							
ICELAND						1			1														
ISLANDE																							
ITALY	1	1		5	8	1	1		17	1		1	1		3			2	4	1		7	
ITALIE																							
LUXEMBOURG					1				1			1	1			2							
LUXEMBOURG																							
NETHERLANDS				5	3				9	1	1	3	2	5		12							
PAYS-BAS		1							5														
NORWAY					3																		
NORVEGE																							
PORTUGAL							1		2														
PORTUGAL																							
PORTUGAL					1																		1

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	UNCL	A.7	A.6	A.5	A.4	A.3	A.2	A.1	To- tal	B.6	B.5	B.4	B.3	B.2	B.1	To- tal	C.6	C.5	C.4	C.3	C.2	C.1	Total
TURKEY		1		1	5	1		8	8				1	2	3								
U. KINGDOM	2	1	1	10	15	9	9	45	45	1	3	8	33	63	108				8				8
ROYAUME-UNI								16	16														
U. STATES	1	3		5	6	2																	
ETATS-UNIS								184	184	6	15	45	96	162	325		1	11	30	168	28		238
TOTAL	6	11	5	41	83	28	16																

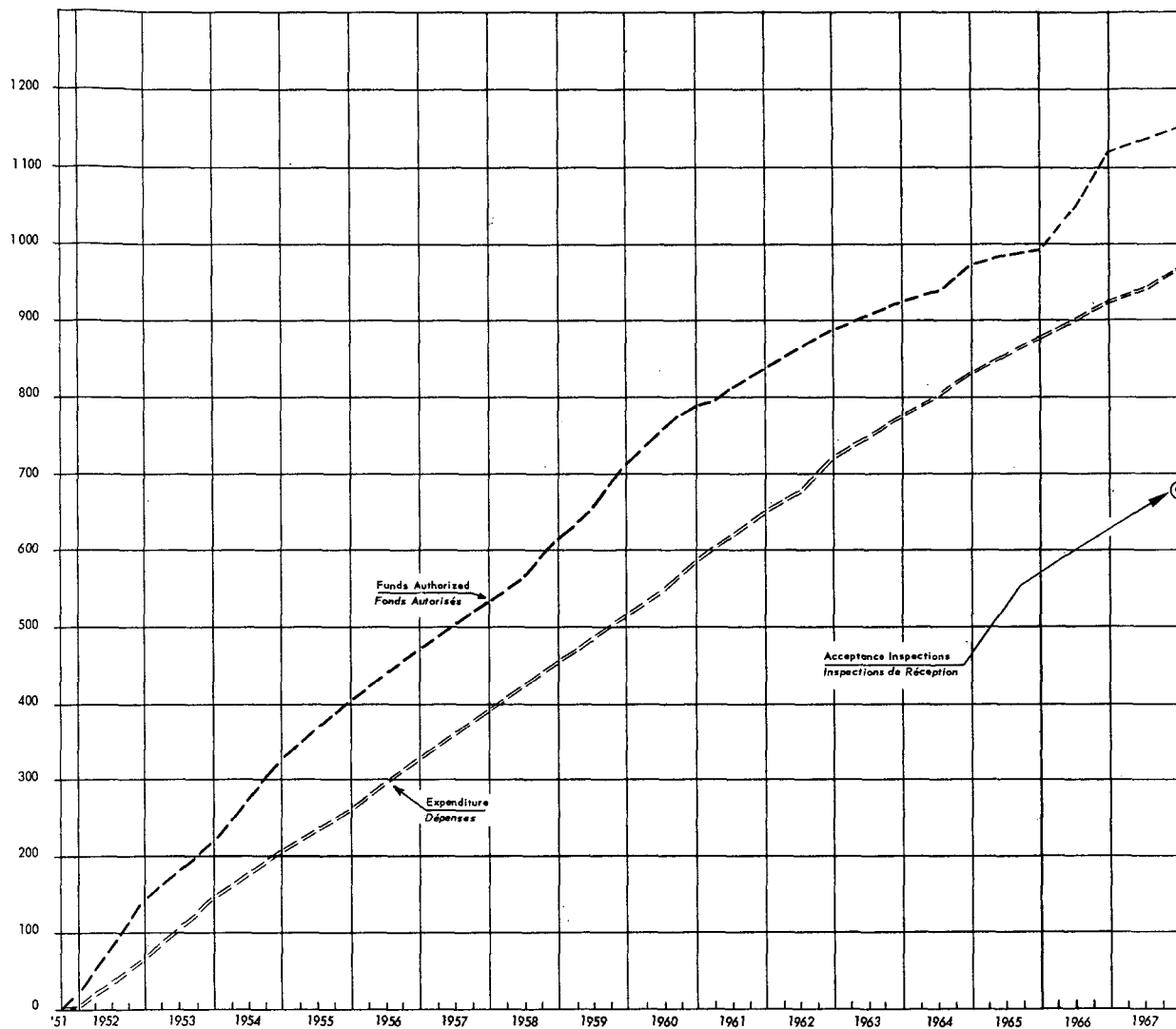
N.B. This table does not include linguistic posts filled at this date
 Ce tableau ne comporte pas les postes linguistiques occupés à cette date
 (FRANCE : 37 + U.K.: 22 + BELGIQUE : 2 = 61)

TOTAL : 753
 61
814
 ===

CHART I - GRAPHIQUE I

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

IAU Million
Millions UCI



Slices II - XVII
Latest Cost Estimate
30 June 1967
Tranches II - XVII
Dernière Estimation
des Coûts
30 Juin 1967

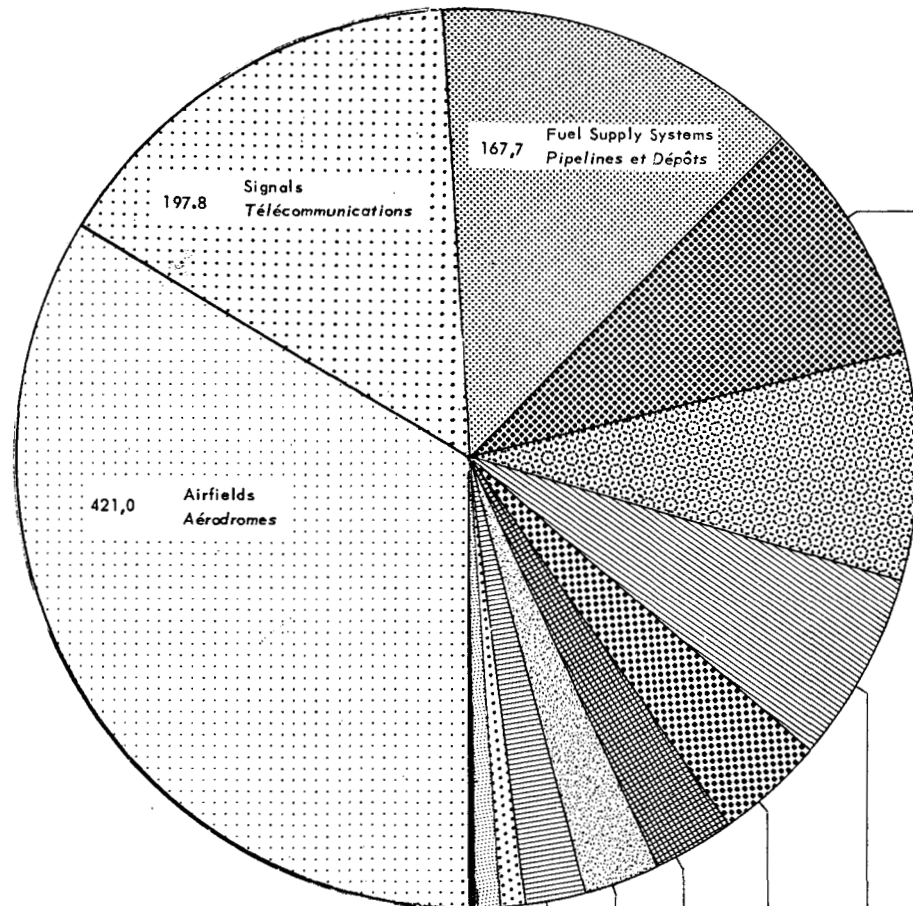
CHART II - GRAPHIQUE II

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

IAU 1,254.1 MILLION - 1,254.1 MILLIONS UCI

SLICES II - XVII - TRANCHES II - XVII

(30 JUNE 1967 - 30 JUIN 1967)



- 0.7 Anti-Submarine Installations - Installations de détection pour sous-marins
- 7.7 Surface-Surface Missile Installations - Installations Engins Sol-Sol
- 11.3 Radio Navigational Aids - Aides à la navigation
- 25.5 Training Installations - Installations d'Entrainement
- 33.2 Radar Warning Installations - Installations Radar
- 37.5 Special Ammunition Storage - Dépôt de Munitions spéciales
- 54.6 War Headquarters - Quartiers Généraux de Guerre
- 88.7 Surface-Air Missile Installations - Installations Engins Sol-Air
- 98.4 Naval Installations - Installations navales
- 110.0 NATO Air Defence Ground Environment - Infrastructure Electronique de la Défense Aérienne de l'OTAN

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