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1) - Discussion on the international situation.
2) - European joint arms production.

INSTITUTE FOR STRATEGIC STUDIES

EUROPEAN STUDY COMMISSION

Minutes of the Fifteenth Meeting, held at the Centre d'Etudes de Politique Etrangère, 54 rue de Varenne Paris VII, on 16th-17th February, 1968.

Present: Mr. Alastair Buchan (in the Chair)

Signor A. Albonetti
Général d'Armée Beaufre
Général Baron A. del Marmol
Mr. Niels Haagerup
Brigadier Kenneth Hunt
Herr Uwe Nerlich
Mr. Peter Ramsbotham
Herr Walther Schuetz
Signor A. Spinelli
Professor Jacques Vernant
Dr. Wolfgang Wagner

Mr. Ramsbotham and Herr Schuetz attended as observers from ISS and the Centre d'Etudes respectively.

1. Composition of the Study Commission

Mr. Buchan said that Dr. Curt Gasteyger would leave ISS in mid-May to become Director of Studies at the Atlantic Institute. He would like to propose that he be invited to continue as a member of the Study Commission. It was unanimously agreed that the Study Commission would benefit from Dr. Gasteyger's continued association.

2. Pattern of Future Meetings

It was unanimously agreed to continue during 1968 on the basis of three meetings - i.e. the present meeting among members of the Commission itself, the European-American conference in May, and a meeting in October with East European representatives.

Mr. Buchan estimated that the financial implications would be the same as for 1967. The exact sum would have to be worked out afresh because of devaluation, but it would be between £60 and £70 per head (except for the Centre d'Etudes which contributed on a different basis through paying the costs of the February meeting).

3. European-American Conference

Mr. Buchan confirmed that the Deutsche Gesellschaft would be hosts to the 1968 Conference, which would be held at Haus Lerbach, near Cologne, from Thursday to Saturday, 2nd-4th May. Mr. Buchan listed the American and European personalities (outside of members of the Commission) who had provisionally agreed to attend; various additional names were suggested.

With regard to the subject-matter, Mr. Buchan suggested that this year it might be helpful to base discussion on a working paper. An Anglo-German team of Research Associates at ISS was working with a study group on the different forms that West European association may take in the 1970's, ranging from the beginnings of a Federal Europe at one end to a return to classic relations between states following the collapse of the EEC at the other. Six possible models had been drawn up. The second stage of the study project would be consideration of the likely effect of such forms of association on relations with the United States; the third stage would be concerned with the effect on relations with the Soviet Union and East Europe. He would like to present the first two stages of this study as a working document for the European-American Conference. Members agreed to this suggestion.

Friday Morning, 16th February

DISCUSSION ON THE INTERNATIONAL SITUATION

(1) Vietnam

Opening the discussion, General Beaufre found nothing unexpected in the present situation: Giap was following precisely the same strategy as he employed against the French. He launched a general offensive at the end of 1950, but he did not win until 1954; the French crushed his offensive early in 1951 and Giap had to change his method. General Beaufre outlined the course of events culminating in the capture of Dien Bien Phu. We were now seeing phase one of a new general offensive, and we must expect it to continue, although it would not necessarily continue for long in its present form. Giap had two aims: a military aim in the North and a more political one in the towns of the South. Obviously the offensive in the towns would ease his military situation in the North by pinning down a lot of American and South Vietnamese troops. On the other hand the offensive may well have been done to enhance the political stature of the Vietcong in readiness for the negotiations which must take place sooner or later - the general offensive was one of the weapons of the negotiating phase.

During his forthcoming visit to Vietnam General Beaufre hoped to find the answer to two questions: (1) What was the state of the South Vietnamese army? If the army continued to hold on, its representatives would necessarily have a considerable say in the negotiating phase; if it went over to the Vietcong the American position would be untenable. (2) What was the real aim of the present offensive: was it intended to go on long enough to put the Vietcong in a really dominant position and present the Americans with a fait accompli in the South, or was it still part of the guerrilla warfare phase, intended to worsen the situation but without a decisive aim? The United States claimed that the offensive had failed because the population in the South have not risen in support of the Vietcong and the South Vietnamese forces have not defected en masse, and this was true. But did this really signify antipathy towards the Vietcong, or did it mean that the Vietcong had not yet given the signal to its supporters to declare themselves? The next weeks would be very important; it would be unwise to jump to the conclusion either that the Americans have lost and will rush to negotiate or that the Vietcong have thrown in all their forces and are now defeated.

Professor Vernant said nevertheless two conclusions could be drawn from the present situation: (1) the United States has suffered a severe setback; the pacification policy has been proved a failure; (2) during the period of French control there were no outbreaks of terrorism on anything approaching the scale of the present offensive; this proved that contrary to what the Americans claimed, the military strength of the Front was being maintained and had even been increased with the buildup in American forces.

He saw no grounds for optimism. During the last two or three months there had clearly been an effort on the part of Hanoi to make at least formal concessions in the formulation of their position regarding negotiations and perhaps even some substantive concessions, while the Americans refused to go beyond the San Antonio formula and even defined that formula more rigidly, on the assumption, at least in certain circles, that the military situation was swinging in their favour and that this was not the moment to lose in the diplomatic arena the advantages gained in the military field. With the change in the military situation, the United states reaffirmed its posture even more strongly since it could not negotiate from a position of weakness. He did not see the US Administration entering into negotiations in the short term, especially in an election year, because it was not prepared to accept the inevitable consequences of negotiations.

On the point about negotiations, General Beaufre considered the major problem to be the date of the American elections. The general offensive had come too soon for the factors working in the presidential year to be of assistance. The explanation for the awkward timing was the weather; at present the rains hampered air activity; in October, the ideal month for launching the offensive politically, the Americans would be able to use their air power to the full.

Mr. Buchan agreed about the timing of the offensive. He thought both sides had lost somewhat: it had been proved that the Americans did not control the cities completely and that the pacification was in very bad shape; but it had also been proved that the Vietcong could not control the cities either, except for a few days. He wondered how much of their basic infrastructure the Vietcong had consumed in the city offensive: could they mount such another offensive within the next few months or a year?

The great dilemma for the Americans was that events seem to have proved that they cannot control the cities and conduct a war strategy in the highlands, even with 520,000 men. The prospect of having to call up the reserve would impose a tremendous political strain, especially in an election year.

General Beaufre commented that except in Hue, the city fighting still followed the guerrilla style. The Vietcong did not have the means to control the towns - and he doubted whether this was in fact their aim. They wanted to make the Americans lose face, and this they had achieved up to a point. The offensive most probably represented an intensification of their aim (known from a directive captured previously) of maintaining turmoil and insecurity in the towns. But we still did not know what cards they held.

Brigadier Hunt said the possibility of the reserve being called up had been very much under discussion when he was in the United States the previous week; it was felt however that politically such a move might help the Democrat Administration. The general mood was becoming more hawkish. Khe Sanh was in the forefront of people's minds, with a strong tendency to identify it with Dien Bien Phu. It was being assumed that if the United States were defeated at Khe Sanh there would be escalation: immediately in the bombing of the North, and then in calling up the reserve and sending in more troops, but to reinforce the bases rather than the towns. There was some argument in favour of a limited offensive in North Vietnam, to induce the Northerners to filter back from the South to defend their own territory. He had heard talk of tactical nuclear weapons, but this was (a) strictly among members of the Republican Party and (b) purely in terms of creating a climate of opinion that the use of tactical nuclear weapons could not be discounted as a possibility.

General Beaufre did not think Giap would try to repeat his Dien Bien Phu success at Khe Sanh. There were two significant differences: Khe Sanh was far more accessible, being only 100km from the coast; and the Americans had far more men and supplies than were available to the French and could withstand an attack. The Americans had not shown that they could not hold the towns - they did not. They had made the basic assumption that this was the responsibility of their South Vietnamese allies. In the light of French experience, this was a mistake. Small-scale infiltration could not be prevented, and the two sides were always completely entangled, but a close network of small French strongpoints had prevented the Vietminh from operating as they do now.

Taking up Brigadier Hunt's reference to tactical nuclear weapons, General Beaufre said that the Americans would be taking a great risk, apart from the implications involved in the first use of such weapons. No-one could be sure of the Chinese or the Russian reaction; and the American forces were very vulnerable to a nuclear counter-attack since they were concentrated in strongpoints.

Professor Vernant stressed the serious implication for the Non-proliferation Treaty.

Brigadier Hunt said that a serious study of all the implications had been made by the Administration, and there was no intention of using nuclear weapons. In an election year they were under pressure to do something. But all the talk about changing the climate of opinion was a Republican ploy.

Dr. Wagner referred to the remark by a right-wing CDU member of the Bundestag that Khe Sanh was a test-case: if the Americans were not ready to use nuclear weapons rather than sacrifice their own forces, what implications might there be for a situation in Europe?

General Beaufre said he had recently detected signs of a growing American desire to place more emphasis on a conventional defence of Europe.

Asked about the prospect of the present offensive leading to an extension of the conflict to Laos and Cambodia, General Beaufre said that a year ago there was great anxiety about Laos and Cambodia becoming involved. But the offensive made this less likely; the US had no interest in extending the conflict into Laos, and the North Vietnamese had done nothing to pin down the American forces and thus put pressure on them to intervene in Cambodia. But later on, if a stalemate were reached, things could be different.

Mr. Ramsbotham wondered how far the offensive in the South shed light on the correctness or otherwise of the distinction drawn, notably by French opinion, between North Vietnamese and the Vietcong operating in the South, whereas official American policy has denied the existence of an autonomous movement in the South. Personally he felt that recent events reinforced the American view; it would be difficult for the North Vietnamese to continue to maintain that there was a civil war in the South over which they had no control and that the South Vietnamese should be ready to talk with the Vietcong and bring them into the Government.

Mr. Buchan, recalling General Beaufre's view that part of the aim was to improve the stature of the Vietcong in negotiations, opined that recent events had diminished the stature of the Vietcong by making it clear that they were Northern operated.

General Beaufre said that there were three possibilities: that the offensive was a Hanoi decision, a Giap decision, or a combination of something done by the North and an initiative by the Front in the South. With the prospect of negotiations drawing nearer, the Front would want to enhance its stature, in terms of international political recognition and of South Vietnamese public opinion. The point was that the present pre-negotiations were limited to a cessation of the bombing of the North in return for a diminution in the flow of aid from the North; continuation of the war in the South was not at all precluded. Therefore he felt that if negotiations took place, they would be in two stages, and the second stage would bring the Vietcong into the game. The extent to which the South had taken the initiative was difficult to judge. But the interests of the North and of the South were identifiable.

Brigadier Hunt supported General Beaufre.

Mr. Ramsbotham argued that if this were the case, the North would also want to be sure that in any negotiations it would not be let down by the South. Therefore any distinction would tend to become blurred, because when the chips were down the North must take control.

Professor Vernant said this was not the conclusion drawn in Paris. The offensive was a joint operation, because it made no sense to do otherwise, but if the objective was primarily a political one, as seemed likely, then the Front has gained politically and in consequence will have more self-confidence and eventually more independence. But it would not depart from the strategy of the North, because that would be counter-productive in the military field. The official American assertion that there was not autonomous movement in the South was being steadily disproved: a solution would never be reached in the South by putting pressure on the North.

General Beaufre stressed the existence of various centres of decision in the Communist movement. The Soviet, Chinese, North Korean and South Vietnamese communist movements were all linked, but they were not identical.

Mr. Ramsbotham found it difficult to accept that there was a significant degree of independence as between the North and South Vietnamese movements. But if the French view were right, it would be tragic if the official American view continued not to accept it.

Mr. Buchan said that Americans like Ellsworth Bunker had acknowledged privately that the Front must participate as a separate element in the negotiations, and this was what the argument with the South Vietnamese Government had been about.

(2) Mediterranean and Middle East

Signor Spinelli said there was great preoccupation in Rome with the Soviet presence in the Mediterranean and a tendency to see Italy in the front line, after being for so many years on the periphery. He considered all this speculation rather exaggerated: the USSR has long had power in the area, even if the ships were on the other side of the Dardanelles, because she had the right of passage. Possibly the presence of both the US and USSR in the Mediterranean indicated an attempt by both sides to freeze the situation. However, the difference in the position in the Mediterranean compared with Central Europe was that while a balance of power and the will not to fight may be established, so many countries in the area were unstable that any security system would be built on very shaky foundations. Therefore a very complex structure would be needed, taking into account the economic and social conditions of the countries concerned. The first step ought to be a thorough appraisal of all aspects of the situation in the Mediterranean zone.

Mr. Buchan said we had to live with the thought that the Mediterranean area comprised both the southern flank of NATO and the Arab states, although he wondered whether this was in reality one single problem. He wondered how much concern there was in France about the growing link between the USSR and Algeria leading to Mers becoming a Soviet base after France has relinquished it. Was there a grand design in the pattern of Soviet arms supplies to countries in the area?

General Beaufre doubted whether the Russians had any idea of using Mers, or establishing a base anywhere in the area for the time being; they have not forgotten their experience with their submarine base in Albania. Any Soviet base would be very vulnerable to local pressure. He thought the Russians have had a design since they first started supplying weapons to Egypt, Syria and Iraq in 1955; now they have accepted the Algerians as clients. But did they have a grand design, or were they forced into supplying arms so as to prevent the Chinese from gaining too much influence? Or, as some people have claimed, was it merely a carry-over, due to sheer bureaucratic inertia, of a grand policy built up in 1954 when the cold war was at its height?

He believed that for the present the situation in the Mediterranean was of political rather than military significance. The Soviet fleet could not fight in case of war. It was showing the flag. If the Soviet activity did have a military significance this would be in relation to a change in the right of passage through the Straits in wartime. This made Turkey the key, and Turkey was manipulated through the Cyprus problem. But so long as Turkey remained with the West, the problem would remain essentially political. Personally he believed the recent crisis in the Middle East was due to a lack of skill on the part of the USSR: all they really intended was to exert a limited pressure on the United States in conjunction with their problems with the US in South East Asia. On the other hand the present Soviet activity might be aimed at giving them control of the oil.

Mr. Buchan considered any idea of a Russian hegemonial position to secure oil most improbable. He thought that increasing requirements for energy would make the USSR very interested in commercial deals. But because alternative sources of supply were becoming available all over the world political domination was not necessary in order to trade in Middle Eastern oil. The trend in the major Western companies was the other way round. The British had had this argument with the US over the withdrawal from the Persian Gulf.

Professor Vernant suggested that Soviet diplomacy in the Mediterranean represented a return to traditional diplomacy. Countries which used to be powerful in the area have had to withdraw, and it was normal for the USSR to try to establish her presence; the sale of armaments and political support were traditional means to this end. This was being done for traditional diplomatic aims, including participation in the control of a region which is important in itself and which may be at the root of international difficulties. Sometimes the Russians have manoeuvred unskilfully, as in the recent crisis.

Signor Spinelli argued that the presence of the two big powers, both of which did have a sense of restraint, was only part of the problem. There also existed autonomous explosive forces. No mention had yet been made of Israel; yet her existence as an isolated but substantial military power, with all her problems with the Arab states, was a major source of tension. So long as the US and USSR continued to supply arms to Israel and to Egypt respectively without extracting any concessions in terms of more realistic behaviour, a further outbreak of hostilities was inevitable and could well draw in the great powers. The situation was inherently unstable.

General Beaufre suggested that the time had come to try to get not a Mediterranean front but at least some agreement among the nations interested in the area: the Italians, Spanish, the Greeks perhaps, the Americans and British. Because of the Arab states, this could not be dealt with in NATO; but the southern flank members were needed to organise a policy.

Mr. Buchan saw the need for some agreement about the Atlantic entrance rather than the Dardanelles: it would not be too long before the Russians started to support the Spanish case on Gibraltar. The long-term aim however must be an agreement among the littoral states and those external forces likely to deploy forces in the area covering some basic ground rules and access to the Mediterranean. It would be very difficult to achieve.

Professor Vernant said there were two ways towards this: the first, already explored, was the Tripartite Declaration between France, Britain and the US, and it failed to preserve stability. /Mr. Ramsbotham commented that it kept the peace for five years./ But the Tripartite Declaration was only a substitute for a more elaborate Middle East and Mediterranean defence organisation. It could be argued that the failure of those earlier attempts was partly responsible for Arab antipathy towards any Western attempt to include them in any kind of common enterprise. He did not think it would be possible now to re-invent some kind of formal grouping of Western Mediterranean countries because the Arab littoral states would immediately denounce it as neo-colonialism. A better prospect would be an organisation of all the Mediterranean states - but this meant Israel and the Arab states and would imply that some solution had been found to the current problem.

Signor Spinelli maintained that the central question for the next twenty years would be the security of Israel, alone or in alliance with a major power. So long as Israel stood alone, the risks inherent in the present situation would continue.

Professor Vernant saw the Arab threat as only one aspect of the problem. Israel's dependence on Jewish support was an abnormal situation which created difficulties for Israel and for American policy. The long-term viability of Israel was already under study (in an institution founded by the Rothschild Bank) and he would like to see more research into the political and economic prospects for Israel over the next two decades.

Mr. Buchan supported Professor Vernant, and referred to a study in process at RAND on the economics of the whole region.

(3) French 'Tous Azimuts' defence policy

General Beaufre said there was a negative and a positive side to the policy. Taking the negative aspect first: the change of strategy amounted to no more than recognition that the military system defending France could not be geared only to one present solution and that it must be adaptable to any other threat which could emerge in the next twenty years. The military system must be able to face in any direction, therefore; but that did not mean facing in all directions at the same time. Also it did not mean France standing alone in solitary splendour able to cope with all threats on her own. General Ailleret's famous article contained a paragraph about alliances. The idea that, for example, if facing such a threat from the south she could be helped by the north was a new concept for the French military, since for a century France has been arming specifically against Germany. It would be a mistake to interpret the new policy in the sense of France leaving the alliance, and he did not believe a French withdrawal was in view.

The positive side related to France's nuclear equipment. French military planning at present encompassed three generations of weapons systems - aircraft, missiles in silos, and submarines - all medium-range means of defence. But now under consideration, as de Gaulle has hinted, was a possible long-term fourth generation system with a range of 10,000 km and which could be aimed in any direction. This may have been in Ailleret's mind when he wrote his article. But no decision had yet been reached; it would be a very big decision, involving very heavy expenditure.

General Beaufre considered the clamour raised by the article overdone. The change of policy was of strictly military, not political, relevance. In one of his own books he had warned against allowing a military system to become too tightly tuned to present problems because of the need to adapt to a changing situation.

General del Marmol failed to see anything new in the military sense; the chiefs of staff of a great nation could normally be expected to take all future possibilities into account. He believed the objective was essentially political.

Signor Albonetti saw a major political shift. During the past seven years or so since de Gaulle began to press hard for the force de frappe, the force was always considered as in some way a first step towards a European system. This had never been made specific, but during the early discussions in the National Assembly Couve de Murville and Messmer both took the line that France was obliged to go alone in the field of nuclear weapons because her European partners were not interested and the situation was not mature. When the Pierrelatte project was under construction, in 1957-59, the French did try to persuade their partners to come in; but one after another the Europeans turned down the offer of a European Pierrelatte because of American pressure. The French did not try again in 1959-61; but the whole question was left open, that the force de frappe was a necessary evil and at some future stage when a European entity would come into being it would become a more co-operative effort. From the political point of view, Ailleret's article changed this perspective.

But was it changed from a technical point of view? If it were possible to have a credible force de frappe in the long term then Gallois would be right and all our dreams of an Atlantic unity reinforced by a strong European entity would have to be scrapped. Fortunately, however, this was not the case: a country with a population of 50 million could not ensure its own survival. A European community was a necessity. General Beaufre had in the past advocated a twin-pillar solution. Would the new interpretation fit into that concept? And did France's experience over the recent years lead her to think that financially and technologically a credible system could be sustained for a country of her size into the fourth generation of weapons?

Herr Schuetz said the French nuclear effort was never envisaged as a common enterprise in the military field. The original Pierrelatte project under the Fourth Republic was for a separation plant, purely for civil production. The Fifth Republic constructed a military plant.

Signor Albonetti said the difference in production for civil or military purposes lay in the grade of enrichment, not in the technology required. It was due to French insistence that the security control in Euratom differed from that in the IAEA and left the door open for a French military programme. To Herr Schuetz's insistence that this was intended purely as a national option Signor Albonetti maintained his view that from the outset certain personalities in France and other European countries wanted to keep open the possibility of a force de frappe developing as a European option. De Gaulle's policy did not differ markedly in intention from that of the Fourth Republic: the decision to start a military programme was taken after the Suez affair, it had nothing to do with de Gaulle.

General Beaufre said the French approach towards military nuclear power had gone through various phases. During the 1956 period the French wanted a nuclear weapon largely because it was something to have; they also wanted to copy the British. When de Gaulle came to power in 1958 his first reaction was to try to institute his famous three-power committee to deal with the problems of the use of nuclear weapons and nuclear strategy. This intention was still there in 1960, when General Beaufre was sent to Washington, but very soon afterwards de Gaulle saw that nothing would come of it, because the Americans were not ready to share anything. The third phase involved a wavering around the idea of a Franco-British grouping; this died at Nassau. The fourth phase was to go it alone. Everyone said this would prove impossible. But de Gaulle has shown that he is able to do something. Now French policy has entered a fifth phase: why, he did not know. He doubted whether de Gaulle's aim could be 'la France seule' - he was too realistic. Moreover the technology grew increasingly expensive; until now the French nuclear capability had been built up at the expense of conventional forces, but the time might be reached when this would become difficult. Therefore he felt uncertain about decision to go ahead with a fourth generation system. Apart from the very high cost involved, this would be for the 1980's and de Gaulle might have left the scene. So other solutions were not precluded; French policy had been flexible in its successive phases, and he did not believe the present position would be rigid.

Signor Albonetti agreed that French nuclear policy had been flexible in the past; there was some coherence in his interest both in the three-power committee and in Franco-British co-operation. But the 'tous azimuts' policy represented a complete departure. At a time when the threshhold of nuclear credibility was being pushed still higher, France was reverting to isolationism, or basing her political and strategic credo on realities which were not those of the 1970's.

Herr Schuetz commented that one interpretation of Ailleret's article was as a simple declaration of armed neutrality: her strategy will be purely defensive and she warns other powers not to attempt to make war on her.

Mr. Buchan thought the new policy might be damaging to the French interest on three scores: (1) Development of a fourth generation system would mean continuing to lock up in military R and D a higher percentage of scientific manpower than any other European country, at the expense of general R and D and France's ability to counter 'le défi americain'. (2) If spending on the nuclear element at the expense of conventional forces continued, France would have very little flexibility in the defence of her interests. A threat from the South would most likely be some sort of disorganised trouble in Francophone Africa, and by the mid-1970's France would have very little by way of naval or general intervention forces to deal with this. (3) No country with interests to defend could pursue a purely defensive strategy; therefore if Herr Schuetz's interpretation was correct France could find herself a very impotent country.

Asked about the possibility of Britain abandoning her nuclear capability, Mr. Buchan said this was not a serious possibility so long as France retained hers. Britain had a four-submarine programme, the same as France, of which the first would be operational in a few months. The order for 50 F-111 aircraft had been cancelled because it was relevant to a South-East Asian deployment which would now be phased out over the next four years. Britain had a very considerable warhead production potential which was more or less shut down because of excess capability; she was about five years ahead of France in thermonuclear development. She had about 200 aircraft of various kinds with a nuclear capability. A big decision would have to be taken about 1970-71 however as to whether to develop multiple re-entry warheads, for example, to enlarge the Polaris fleet, or possibly under certains conditions of a European security development to reduce the British nuclear effort to a R and D programme.

Mr. Ramsbotham was disturbed about the attitude towards alliances expressed in Ailleret's article. The concept of switching alliances according to the needs of the moment belonged to the nineteenth century; it might be realistic, but it was different from what we had got used to. He believed the right thing for Britain would be membership of a European defence organisation of some sort, within some Atlantic framework.

Looking ahead and assuming Britain were part of a European system, whether this came about through the EEC or some other way, what would be the context in the light of French policy? Would Britain be able to look to France as one of her main partners, with a certain distinction between their respective roles? Would it make for a better pattern of partnership, taking the lesson of the Vietnam war that large conventional forces are needed for intervention anywhere, if France, having lost the balance between her nuclear and conventional forces, were unable to produce (say) a surface fleet of any significance but were over-endowed with long-range ICBMs? He viewed this prospect with apprehension.

General Beaufre said that he had always had the aim of a European defence community. But the community must come as the second stage. The essential thing was to begin by studying the general problem of security, otherwise we should run into unnecessary difficulties. We have been too much the prisoners of a concept of defence towards the East which was really a political case.

Supporting General Beaufre's last point, Mr. Buchan drew the discussion to a close.

Friday Afternoon, 16th February

DISCUSSION ON 'MODÈLES DE SÉCURITÉ EUROPÉENNE'

Professor Vernant introduced the paper as an initiative on the part of the Centre. It was a collective study, as the editorial note indicated, and this was a revised draft amended in the light of comments from various people. It had not however been submitted to official French opinion.

It was agreed to take general observations first, and then proceed to detailed discussion of the three models.

Signor Spinelli identified three preliminary problems which he did not consider the paper had tackled in the right way. First, the basic assumption was that détente in Europe must centre round the German problem and that for Germany there was only one natural condition, that of unity, so that all possibilities were judged according to how far they favoured unity. But German unity was an artificial construction of history: the present situation of two Germanys was not in itself an unnatural situation if one had another range of political values. If we had the perspective of a Europe in which all the emphasis were on the principle of the nation state, then the Germans would inevitably want this for themselves; but if we had the perspective of other forms of political unity which devalue purely national unity, then the Germans could belong to several communities. A certain participation in common efforts, in West and East Europe, could devalue the problem. It was a mistake to interpret the policy of the present Federal German Government as trying to find the best means towards reunification. Bonn was following an ambivalent policy which could lead either to the best way to reach reunification or to the best way to bury it. We should begin, therefore, by determining the right order of values in an international system for Europe. Secondly, while the US and USSR were genuinely interested in pursuing détente, it was open to discussion whether détente in Europe could assume any particular form in the expectation of their endorsement of it. The super powers had a common interest in avoiding nuclear conflict, and where there was danger of this they preferred a compromise - détente, or a freezing of the situation. But they did not yet share a general concept of world order. When their rivalry was frozen at one point, it flared up at another, and this state of affairs, which to some extent was convenient for them both, was likely to persist for some time. Thirdly, he was surprised to find no mention of France in this document. The French attitude towards the three models was important, because if we had a nuclear-free zone with limitation of armaments as was proposed, behind this zone there would be only France and the ocean.

Dr. Wagner praised the paper as a basis for discussion, and made four points on the paper's general premises. First, the danger arising from the division of Germany was over-estimated (specifically in model two) except perhaps for Berlin, although the situation of Berlin would not be changed basically even according to model three. On the other hand the danger would not be very much lessened if either model two or model three were put into effect. It might even be increased, for under model three all foreign troops would be withdrawn from Central Europe, meaning Germany, and this might create the fear in some Central European states that the existing balance would be disturbed.

Secondly, he felt that the Soviet intention to keep her hegemonial power in Eastern Europe and part of Central Europe was under-estimated. He doubted whether it would be possible to prevent the USSR from preserving her position in East and Central Europe by implementing the measures contained in the paper.

Thirdly, great stress was laid on the withdrawal of American troops from Europe, the argument being that a basic change in the European situation would be possible if only the American troops were withdrawn from Central Europe. Germany would not welcome an American withdrawal, and most probably neither would some East European states: they prefer an American presence in Western Europe and perhaps in Central Europe too as a counterbalance to the Russians who would remain in Europe even after an American withdrawal. Fourthly, consideration of military security played too great a role. The instruments proposed in the paper were almost entirely from the field of arms control and the military side, and this had certain drawbacks. But apart from the drawbacks, he felt that different approaches to the problem might be more fruitful - in particular economic co-operation between the West and East European countries.

He saw two serious disadvantages in models two and three. First, the community structure created in Western Europe since 1950 would be weakened, if not destroyed. Instead of communities of equals there would be sharp differences between some European states with France and Britain reverting to the position of the victorious powers of the second world war and all the other European states having a lesser status. To the Germans, this would be a return to Potsdam, and they would not like it. The view among his own Institute (which had studied this paper) was that precisely this kind of pressure would be most apt to provoke a resurgence of German nationalism. Secondly, this type of confederation would not be a genuine solution of the German question. A true confederation between two states of so different social and political systems was very difficult to conceive of; taking the type envisaged in model three, it would be difficult to find fields in which the two states could co-operate better than they do already.

Mr. Ramsbotham expressed his admiration for this exercise. However, he had two general reservations. First, while the scenario gave some description of tendencies in the West, it offered no indication of what the pressures on the USSR might be, for example in terms of her relations with China or Eastern Europe. This made it difficult to estimate Soviet willingness to make some move.

Secondly, there was no reason why the future should follow the past, but when he had to do with the Eden Plan and other initiatives which tried to tackle all these questions an important consideration had been the need to keep a link between arms control measures and steps towards unification, both in time and space. The paper did contain an element of political discussion (the reference to diplomatic contacts on page 531) but not linked with the security measures which had been spelt out.

Signor Albonetti agreed with Signor Spinelli and Dr. Wagner that the paper over-estimated the importance of the German problem. Its philosophy was that Germany still represented a potentially grave threat to peace in Europe and détente in general. Of course this was founded on historical fact. But today, given the overwhelming nuclear capability which the US and USSR would always possess, he could not see Germany as a catalyst for world war. This preoccupation with the German problem as the great problem gave rise to false conclusions: the paper was trying to solve the problems of the past rather than of the future.

Signor Spinelli was wrong: France was mentioned - but only as one of the four big powers to watch over the future of Germany. Would Germany accept that? He did not think she would renounce the logic of her economic and political and moral resources as in the Treaty of Versailles. He would like consideration given to an alternative solution in a European framework, more strongly integrated. He agreed that more account should be taken of

Soviet policy. It was wrong to assume that the positions of Western and Eastern Europe were the same. NATO and the Warsaw Pact were not comparable. And from the point of view of a denuclearised zone, the US with her missiles across the ocean did not balance the USSR on Europe's doorstep. He personally believed the real problem for Europe was the danger from a power vacuum. There was no value in discussing the models unless we agreed first on more realistic premises.

General del Marmol found the conclusions interesting and perhaps valid, and certainly deserving of further study. He agreed however that the paper was based on some doubtful premises. First, it seemed to underestimate the Soviet danger. He agreed with the authors that the USSR had no political aim justifying aggression against the West; but it would be dangerous to assume that she would not try to get results by various means. Secondly, he was concerned about the vagueness in regard to the Soviet position. Model three seemed to exclude the USSR from the future European security system. But did we see a Europe in which the Eastern countries would not be in the Soviet hegemonial area? Thirdly, he disagreed with the assumption that the trend in Western Europe was away from integration. Fourthly, the paper made too much of the German problem; he agreed with Signor Albonetti that the danger to Europe from a powerful Germany had been overtaken by events and we should not centre our thoughts on this.

Herr Schuetz said that the authors were only concerned with the lack of motivation for military agression. Of course the USSR wanted to keep Western Europe divided and separated from the US - just as the West wanted to keep Eastern Europe divided and separated from the USSR. The paper was not concerned with either the Soviet or the American interest in real détente, it was merely argued that opposition from the big powers should not prevent the Europeans from making a start on settling their own problems.

Mr. Haagerup said that some of his points had already been made. He found a serious contradiction between the great emphasis laid on the danger of a divided Germany and the only quasi solution suggested in model three - the German problem was not solved in the sense of the German people being given self-determination. He agreed with Dr. Wagner that the danger of a divided Germany was somewhat over-rated. On the other hand, we could not disregard the position of the East Germans. Judging by Ulbricht's latest draft condition presented to the Volkskammer, the East Germans were stiffening their terms for an eventual reunification. According to Ulbricht, merely hinting about unification would mean West Germany leaving NATO and the Paris Agreements, the Franco-German Treaty and the Common Market. This was of course stated in the paper as an open problem. But he did not see how we could go much further without considering the further evolution of present European economic and political trends.

Professor Vernant felt that the reactions so far proved the paper was serving its purpose as a basis for discussion. First, on the criticism that it over-estimated the importance of the German problem. The starting-point of the whole paper was the hypothesis that a real and fundamental desire for unity existed in Western Germany. If this aspiration did not exist independently of the commitments undertaken by the Western powers we should not have to worry so much about it, since commitments can remain unfulfilled through changes in the situation. But the authors of this paper, and French opinion in general, believed that unification was something the Germans themselves would never renounce. The desire for unity was seen as being particularly strong among the younger generation. Of course, it was for the Germans themselves to say whether they did in fact want this. If the German representatives here believed that without a perspective of unification, even if not in the short term, the consequences would be bad for Germany and for the world, then something

must be envisaged along the lines set out in the paper. If they were to say that national unity was an outgrown concept and no longer of interest to them, then he personally would be among their most attentive listeners. Professor Vernant added that in such a paper one had to make arbitrary assumptions and adopt a hypothesis which may seem too sweeping.

Secondly, any plan looking ahead from the situation in Europe since the end of the second world war, characterised from the security point of view by the presence of American and Soviet troops, must raise problems. But unless we expected the present not very stable situation to last indefinitely, we must face up to change and try to follow a policy which would end in a solution. Obviously, irrespective of any internal evolution, the USSR would maintain her superiority in armaments. But need that lead us to the conclusion that so long as the USSR remains as she is we cannot imagine a better alternative than the presence of American troops in Europe? Would not a withdrawal of Soviet forces from Central Europe deserve to be matched by an equivalent American withdrawal? This would imply certain political consequences for Europe. On the other hand would the US be prepared to maintain a military presence in Europe indefinitely, taking into account her commitments in other parts of the world? If we decide that US forces will not remain indefinitely in Central Europe, the only part of Europe which concerns us in this study, we must envisage a security system something like the one in model three.

Coming back to the German problem, on the one hand there was this aspiration for national unity. On the other, any closer relationship between the two halves of Europe, on the economic or commercial or cultural level, and whatever the institutional framework, could not avoid the problem of relations between the two halves of Germany. If relations between East and West Europe improved, as we all wished, this must have an effect upon inter-German relations: a Europe which became more united could not leave two isolated islands untouched. From very close economic links between the two parts of Germany a greater community of interest would develop; the existence of these links would be considered a risk - however irrationally - by West as well as East European countries, and certain guarantees would have to be envisaged. The Federal Government had admitted that German reunification would only be possible under certain guarantees in the security field so as not to alarm the governments of other countries. If all these considerations were put together, we would get to something like the present paper: a rapprochement in Europe, including East and West Germany, in an institutional framework which would legitimise the desire for guarantees on the part of Germany's neighbours while avoiding discrimination against Germany since other European countries would be subject to the same restrictions in the security field. The only alternative was a reformulation of the situation we have been trying for so many years, with a Western grouping and an Eastern grouping both more or less integrated, and while there may be an improvement of relations between these groupings some at least of the fundamental problems of Europe would not be solved. But again, all this turned on whether German unification was the fundamental problem. Could our German friends give an answer?

Herr Schuetz observed that for the first time in history the French seemed much more interested in German unity than the Germans themselves. In former times the prospect of a reunited centralised German state was presented as the major danger: we had to make up our minds. We should be very satisfied that the danger of Germany as a divided country had diminished if the Federal Republic declared its willingness to renounce reunification on its own terms at the same time as the DDR would do likewise. However, this would put the seal on the division and he did not consider it politically possible for any German Government, West or East, to ask its people to accept this. The Federal Government has been in an equivocal position till now, wanting both unification and integration.

But they could not have their cake and eat it too. Underlying the European integration has been the idea that we keep the good Germans on our side while the bad Germans are in the East. If the Germans did not want this, at least the division of Europe could be overcome. From the security aspect, the West Germans had the largest land forces in Europe: they had nuclear weapons under US control; the Federal Government had territorial claims and claimed to speak for the whole of Germany. What did we expect the people in the East to think? As long as the Federal Government maintained its present position we would not get a stable situation or even mutual trust. The argument was not, as Dr. Wagner had suggested, that an American withdrawal would be necessary to change the situation in Europe; the guarantee from those forces was essential in the beginning because of the importance of the security aspect. There would be a nuclear freeze, but the American and Soviet forces would stay. Asked by Dr. Wagner whether the troops would stay without nuclear weapons, Herr Schuetz replied that this remained to be seen.

He agreed with Mr. Ramsbotham that the synchronisation of political and military steps was very important. It was very difficult to see how this could be brought about. But he had tried to combine elements of former Rapacki and Gomulka plans (which had been rejected because they contained no solution to the German problem) together with a political solution. He felt that if we could make progress on arms control measures we could make progress politically; it was a matter of mutual trust.

Mr. Ramsbotham wondered how trust would be established.

Herr Schuetz said by a treaty or agreement on the mutual renunciation of force, proposed in model two. This would be primarily a psychological move: he had discussed the paper with representatives from Eastern Europe and they insisted that a no-force declaration was essential for mutual understanding.

On Dr. Wagner's point about discrimination, it was a mistake to imagine that Germany was not discriminated against now among the Six. France was a nuclear power, Germany was not and had renounced nuclear weapons production. But this discrimination would disappear in a European security organisation.

Signor Albonetti considered discrimination less objectionable within the framework of a community. To put Germany on the same level as Poland and Czechoslovakia in a security organisation lacked political realism.

Mr. Haagerup came back to the question of German unity or division. Perhaps Professor Vernant was demanding too absolute an answer: there had to be an answer in time, but the situation was influenced by so many factors that we could not just talk of German unity or German division. For a start, it was obvious that, even if they did want unity, the Germans did not want unity at any price. And a number of Germany's neighbours were anxious not to have unity at any price. The Germany visualised in model three might (to Denmark at least) be considered a more destabilising factor than the present situation.

Professor Vernant said this was precisely the kind of idea which the paper was designed to elicit.

Dr. Wagner said the paper did make a case: one could say that the division of Germany was unnatural and should be ended in one way or another, and here was a way by a confederation which might not be very satisfactory but was more than the Germans had now. But if the Germans were given an impetus towards some kind of unification, they would not be satisfied with what was offered here. He fully agreed with Mr. Haagerup.

The other way would be to offer the West German people a place within a European community - not just the EEC, but a community of European peoples, a community of equals. He believed the West Germans would be more or less satisfied with that situation: they did not like the continuing division of Germany, but at least they had a place within Europe. Of course they would like to have closer ties between Bonn and East Berlin, and between West and East Germany; but it might be possible to have closer ties in terms of more official contacts between the two sides and more agreements on trade etc., without a political structure like this confederation. The West Europeans had a choice, therefore, between making the German question the main focus of German policy, or of offering the German people a place in Europe as an equal.

Asked by Mr. Ramsbotham what equality meant in terms of power and defence and economics, Dr. Wagner siad he meant the situation as now exists in the Common Market and Euratom - i.e. no overt discrimination against Germany.

Professor Vernant said this would mean a reversal of the Federal Government's policy on reunification, of claiming to speak for the whole German people.

Dr. Wagner said it was a matter of degree. Obviously the Federal Government could not publicly renounce responsibility for the East Germans.

Coming back to his previous point, he felt it might be more rather than less difficult to establish closer inter-German ties if the situation were changed in accordance with models two and three. So long as the DDR remained in the Soviet hegemonial area the USSR could permit closer ties with West Germany; but if the USSR withdrew her troops from East Germany she would be less sure of what would happen in East Berlin and could hardly afford closer inter-German links.

Professor Vernant said this was why a Soviet troop withdrawal would be in counterpart with other measures.

Signor Spinelli disagreed with Professor Vernant about the strength of the German desire for unification, especially among the younger generation. He maintained that among the opinion which counted, in the universities for example, the prevailing sentiment was of indifference towards unification. True there was the little neo-nazi party, but the majority of its members were old men. Until recent years the only men in Germany who dared to say that the problem of German unity belonged to the past were isolated figures; now this was a matter for general discussion. The present Federal Government was taking the line that the issue of German reunification would come at the end of a process. A unification formula was still a political necessity, but with the idea that as contacts improve and the economic wellbeing of the people in the East rises unification would be one of the possible solutions. Wehner has said that if the Eastern régime developed in a certain direction Bonn could accept two Germanys. But as Dr. Wagner indicated, if European evolution were seen only in terms of a system of national states, the Germans would never be satisfied with less. It was a mistake to transfer the present French conception to Germany.

Professor Vernant said he would be only too pleased if significant voices in Germany were considering possibilities other than national unity.

Signor Spinelli insisted that the voices could be heard.

Herr Schuetz warned against the fallacy of believing that people who urged recognition of the reality of East Germany were giving up the policy of reunification. They were merely looking for new ways towards it, since there was obviously no hope for the old policy of unification as expounded in NATO. One could not construct out of this an argument against reunification.

Mr. Haagerup agreed with Herr Schuetz. But this did not mean that the very long stage between the present situation and eventual unification was to be considered only as an important means towards unification: it could be an important goal in itself.

Herr Schuetz said the model of confederation was a very artificial middle way. In the East people were convinced that the Germans would not stop there. The question of who was going to stop the Germans once they had a common institution was a very important one. We did not know how far this would go. On the other hand we also had to face the fact that once the existence of two German negotiating parties were accepted, one side may refuse to go any further. It was worth trying, however.

Mr. Ramsbotham suggested that there was a third way: to follow a carefully orchestrated, hopeful pursuit of a solution which we must never reach. We would never be content with what we achieved, but provided we were always working towards a goal this could be a stabilising process, provided it were controlled. So we should not make proposals or initiatives, which risked repulsion or deception, but keep alive a goal by discussion on different levels, producing ideas and creating a better climate. He favoured seminar-type discussions rather than a formal European conference, with a certain publicity, on the basis of all proposals from Rapacki to these models, spread over several years.

Professor Vernant said this implied a judgement that the present system was the best we could hope for.

Herr Schuetz said this process would erode the credibility of present systems, in proportion to the degree of reaction aroused.

Mr. Ramsbotham agreed that this was a risk.

General Beaufre regretted that, although the consequences of each model were set out, the premises were not stated. It would have helped to have a political analysis justifying each solution.

Secondly, the paper seemed to identify European security with the German problem. Germany was only one of the factors involved in the general post-war situation. If European security had been considered as such, we would have a broader perspective on the internal and external aspects (which went beyond relations with our big neighbours). We must take into account the security of all the peoples concerned.

Mr. Buchan supported General Beaufre. These were essentially models for the reunification of Germany, not European security as such.

Discussion then turned to the models themselves.

Signor Albonetti saw three models. The first was the actual situation, the model of the blocs, in which West Germany is an American satellite and East Germany a soviet satellite. The second model was model three in the paper, with the two blocs and in the middle a neutral zone with a Germany which was united but neutralised and discriminated against. This model would not solve the security problem either of Germany or of the European countries outside the neutral zone, because no account was taken of the respective military capacities. If the American forces withdrew from the zone, where could they go? The logic of this model was only a nuclear guarantee from the US. The British and French nuclear forces were no match for the Soviet capability only 100 kilometres away from the zone.

A more realistic model, he suggested, would consist of three blocs: the US, whose forces would leave Europe, the USSR, and a united Europe into which Germany would be progressively integrated; Germany would remain divided, although without renouncing unification as a long-term aim, but would orient her policy more towards integration in a West European community than towards reunification at the price of discrimination and demilitarisation. This model would offer something to the USSR, because the American forces would be withdrawn and Germany could not present an independent threat to other powers; the German aspirations could be satisfied to some extent and also controlled by their being given a place in a European community; and being more united in the political and defence as well as economic aspects, Europe itself would be stronger. Such a model could open the way towards a more balanced reduction of armaments consistent with real security.

Mr. Buchan said one difficulty about discussing alternative models was that we might decide that we prefer what we have now. With regard to model one, the present situation, if the Federal Government really had come to a fundamental determination that it preferred human and economic relations with a liberalised DDR to the prospect of a permanent estrangement (although with reunification as a formal goal), if the two Germanys did learn how to live with each other, a lot could be done within the present alliance structure to make the situation more tolerable and safe to all concerned, at least in the West - for instance, ideas about Europeanising the command structure, which the Americans were very ready to consider, technological co-operation in armaments, actual steps forward like the nuclear planning group. This showed there was some growth in the present system. The difficulty about trying to build on the present system lay with the East Europeans: they had no hope of creating a counterpart of Western Europe. Brzezinski in his latest article said there were four parties to European security: the US, USSR, Western Europe and Eastern Europe. But Eastern Europe was not an entity.

Herr Schuetz said it was precisely because the element of development in the East was missing that model three in the paper had been drawn up. Brzezinski recommended a special status for East Germany; but this they will not accept. The other East Europeans want East Germany as an equal partner, not a Russian colony. He saw no possibility in the Brzezinski approach. He did not think Ulbricht would accept humanisation without a political link.

Signor Albonetti did not see why some movement could not be injected into the Eastern part. If there were a progressive reduction of American and Soviet troops in both parts of Germany and of Europe respectively, if Western Europe became steadily stronger and more integrated it could stimulate a corresponding move on the part of the East Europeans. Slowly and gradually, with the Russian withdrawal, the Eastern states would achieve more autonomy and power. It would not be desirable to fix this, but the two pillars would exist within the two blocs.

Mr. Ramsbotham stressed the lack of symmetry. The Western pillar would be strengthened if Britain came into Europe and the US left, but the Eastern pillar would crumble if the Russians left. All the old rivalries among the Eastern states would be revived.

Signor Spinelli felt we should not be too bound by considerations of symmetry. Given the premise of détente (which he accepted subject to the reservation in his opening remarks), it was worth examining the scope for détente within the Eastern camp. Obviously East Europe could not hope for the same degree of independence vis-à-vis the USSR as West Europe enjoyed vis-à-vis the US, but this did not mean that the only prospect was disintegration. One perspective in Eastern Europe was the development of at least economic revisionism; in due course the East European countries would achieve convertability, and at that point they would either have to set up some form of common market including the USSR or face domination by West Europe.

With regard to model one, on the military level, he thought the force reductions, redeployment and review of strategic plans referred to would take place and would be an important factor within the Western alliance, either for cohesion or disruption. He would attach more importance to this aspect than the paper seemed to. On the economic level, it was said that Europe would not be a true partner of the US because it would be divided. But this was not the only perspective. Personally he did not accept that any enlargement of the Community would necessarily weaken the Community. The argument had been put within the Community that even though British membership presented a difficult problem the pressure towards common policies as the result of the Kennedy Round was very strong. Therefore we should keep in mind the perspective of Europe in process of unification, as well as the Gaullist conception spelt out in the paper. This tendency could develop in Eastern Europe as well as in the West. Moreover he did not accept the idea of an American-Soviet condominium: supposing the US did maintain a hegemonial leadership in Western Europe and the USSR in the East, they would have a dominion with a common frontier in a Europe which would be no more than a territorial entity grouped around two different poles; condominium pre-supposed some degree of common policy on the part of the two powers concerned. With regard to the division of Europe, we were approaching in fact the situation of 1914, with the two systems becoming more open and increasing contacts and exchanges. While the demarcation line established as the result of the second world war may be 'unnatural', what frontier was not established as the result of a war? Bearing in mind the pressures for maintaining this demarcation line, we ought to study it as a natural situation.

General del Marmol took up the reference to force reductions in Western Europe. He imagined that corresponding measures were envisaged for the other side, but how would this be organised - by agreement between NATO and the Warsaw Pact, or between the US and USSR over the heads of the Europeans? At the moment we seemed to be heading towards unilateral disarmament.

Herr Schuetz said the paper made a distinction between what the Americans call a mutual example, in model one, and mutual agreement, contractualisation, in model two. Because of Vietnam the Russians were not prepared to make any agreement at present.

Dr. Wagner questioned the statement that a real rapprochement would not be possible between Eastern and Western Europe (page 524). Five or ten years ago, it was generally held that a significant degree of rapprochement would not be possible without various measures of arms control, something like those in model two; yet we have made very considerable progress in fact without such measures. It was fair to assume, therefore,

that still more progress could be made irrespective of agreement on arms control. And far from the East European countries remaining under Soviet domination in the absence of rapprochement, recognition of the Soviet hegemony in Eastern Europe might prove to be a condition for it. If the West refrained from trying to undermine the Soviet position, the East Europeans might be allowed more freedom to strengthen their ties with the West. Thirdly, it was stated that an increased exchange of goods alone would not suffice to create a closer community of interest. He maintained that economic and industrial co-operation were the strongest instruments available to the West; if anything could be accomplished in Europe, he did not think it could be done by any other means.

Mr. Buchan said there was no logical reason to assume that because we have achieved a certain measure of co-operation without arms control we could expect equivalent progress in the next ten years without confronting the security aspects. He was very sceptical of the argument that it was purely a matter of economic arrangements.

Professor Vernant came back to the question of whether the paper had concentrated rather too heavily on the German problem. There were other aspects of European security. Nevertheless Germany still remained at the heart of the problem, because if Europe were divided into two blocs without Germany also being divided, the difficulties would be of quite a different order from those we faced today.

With regard to Dr. Wagner's point about rapprochement, Professor Vernant underlined 'real'. Undeniably there has been an improvement in relations, but the question was whether the present process would amount to anything decisive. One could argue in favour of letting the present situation continue, being content with an improvement that does not go beyond a certain level. But would an improvement of relations between the two Germanys be limited to that extent? This was a politically important consideration, because the DDR did not want to go beyond a certain degree of liberalisation without a counterpart in the political field. The East Germans were opposed to any spectacular improvement in relations between Bonn and Prague or Warsaw. They wanted to block a certain number of developments, just as the hesitation of Bonn, to the extent that Bonn was hesitating, could hamper initiatives or policy trends from the Western side. Therefore we have only been able to make limited progress so far. It was up to us: the blockage in relations between Moscow and Washington because of events in Asia did not necessarily mean that the possibility of evolution in Europe was also blocked; on the contrary, if the Europeans were ready to act they could perhaps take advantage of the present situation.

Signor Albonetti said assuming the question was for decision by the Germans alone, was it considered, on the basis of what was known about the state of German public opinion today, that the Germans would choose the present situation, model one, or model three, which laid maximum stress on reunification on condition that Germany became more neutral or more discriminated against, or another model which would place less emphasis on reunification but would offer a place in a closer European framework with less discrimination? (He confirmed to Mr. Ramsbotham that this model was partnership Europe.)

Herr Schuetz maintained it was impossible to answer that question without a referendum in both parts of Germany.

Professor Vernant said that responsible people in West Germany to whom he had shown this paper certainly considered the various models worthy of serious study, from the point of view of reflecting on a certain number of possibilities rather than choosing a particular model. But it was significant that the idea of a confederation did not make people's hair stand on end in Bonn.

Dr. Wagner said if the alternative were as Signor Albonetti put it, he thought the more enlightened circles in government (including the Foreign Minister) and officialdom and the press would prefer the present situation. (He made it clear that he considered Signor Albonetti's European model the present situation.) The objections to model three would be (a) that it would not meet the security risk, and (b) that this kind of confederation between two states completely independent from each other with different social systems, which would mean confederation as a continuing state of affairs, would not be attractive enough to pay the price in terms of discrimination. Dr. Wagner added that the European alternative was the subject of discussion in Germany, but it was not yet widely accepted. He personally felt this alternative should be developed in a German paper.

Herr Schuetz maintained that there could be no choice between the status quo and a German confederation, because no German Government could make such a choice. Model three was a way to explore, and the first steps of model two would have to be taken into account. We should not try to jump from model one to model three.

Signor Spinelli insisted that the Germans had made their choice in fact.

Mr. Ramsbotham commented on the distinction drawn between the German situation as a 'guerre civile larvée' and the Berlin situation as a 'cause de graves tensions'. Did we in fact feel in both cases the same degree of intolerance or impulsion towards exerting pressure on the Germans to change the situation? The Berlin situation was unstable, and could lead to grave tensions, but surely without that we could live with the problem of a divided Germany as we have learned to live with the problem of two Chinas.

Mr. Buchan agreed; that was why he would like to put some aspects of model two into model one.

Professor Vernant accepted Mr. Ramsbotham's argument. On the other hand the status quo did not exist since every situation changes, however slowly. The infrastructure changes. This paper set out to examine the changes which the Centre believed were tending in a certain direction; if the Germans themselves would prepare a paper, this would fill in one of the gaps.

Herr Schuetz added that if we waited until the situation became intolerable, it would be a bit late.

Saturday Morning, 17th February

(DISCUSSION CONTINUED)

Professor Vernant opened the discussion on models two and three, (which it was agreed to take together) by submitting an idea for consideration. Suppose we all agreed, including the Germans, as yesterday's discussion implied, that the present division of Germany would continue into the very long term and was practically a permanent state; suppose that in consequence the interested powers and first of all the Federal Republic decided to take the most important step of recognising the legal existence of two Germanys. Then the situation would be much easier, because this was precisely the condition which the other side was putting for a new step in better relations in Europe. Assuming all this, could we envisage the consequent improvement in relations between East and West Europe and East and West Germany without rather rapidly reaching the point where the Germanys decide to have some kind of links with each other? If not, then by natural evolution we would be at least in the case of Germany in the situation described in model three; and we should also have to think about some kind of framework and guarantees which would make that evolution tolerable, and avoid creating the tensions which would otherwise be brought about.

Mr. Buchan asked Professor Vernant what kind of links he considered most likely. He assumed we were dealing in a twenty-year time span.

Professor Vernant confirmed the time span. He thought that in various technical fields, telecommunications for example, it would be very difficult not to have links. Such an evolution would also stimulate the existing trends towards very active economic relations, including probably common enterprises in connection with the other European states. And thinking of the Berlin problem, which could not be solved without some kind of political agreement between East and West Germany, he felt there would have to be some common bodies for co-ordinating all-German affairs, for example. He did not want to go into further detail; a very elaborate structure was set out in the paper.

Mr. Buchan considered it highly unlikely, after twenty years of division, that however much the relationship between the two Germanys were liberalised, it would amount to anything more than good relations between independent states.

Dr. Wagner expected bad relations between two independent states, at least for some time. Apart from the twenty-year split, the two states were fixed in different social systems.

Mr. Buchan said that if Dr. Wagner was right there was not much to be said for trying to build a confederal structure or any sort of arch over the top of the two Germanys. The fact of their both being German did not mean as much as the fact that one was socialist and the other free.

Dr. Wagner added that both being German made it worse - it was always more difficult to establish good relations within a family.

Professor Vernant did not follow Mr. Buchan's argument. It was theoretically possible that relations would not go beyond a certain point, but this implied some kind of policy, which in turn implied some decision and pattern of behaviour on the part of the Federal Republic. Was this likely? Otherwise we came back to the hypothesis that was our starting-point.

Mr. Buchan said if it was a fact that two different systems, however much incentive they may have for close economic and human relations, would remain in existence, then from the point of view of European security there was a good deal to be said for altering the present security system which was one of confrontation so long as we retained the essential security element, the link between the West European countries and the US on the one hand and between the East European countries and the USSR on the other. What he liked about model two was the dismantling of a great deal of the military structure of both pacts, and the idea of a European Council with its seat in Berlin. But from the security aspect, model three was a smaller scale version of the Locarno system, of which the guarantees proved absolutely useless. We should rather look toward the maintenance of the two alliance systems with a link between them, exercised perhaps by common membership of some European security council with its headquarters in Berlin, but unlike Locarno the US and USSR should have the right of continuous consultation with the countries in their respective orbit.

He suggested that a great deal more thinking needed to be devoted than was apparent in this paper to the kind of threats to European security that could develop. Mass aggression was not a likely hazard. But how could we deal with the rise of a new Hitler, perhaps in a country other than Germany, or with threats to the peace from irredenta that still exist - for example Transylvania, South Tyrol, or Gibraltar? Personally he would like to see the present defensive military forces on both sides of Europe become crisis control forces. Such a force could be maintained in the West by the West Europeans with some small American participation. But the difficulty was touched on yesterday, how to see a crisis control force in the East maintained by the Eastern countries alone.

His preference, therefore, would be to go as far as the second phase of model two, or perhaps look at the whole of model two with certain modifications, but he felt very doubtful whether model three would get us anywhere. There would be nasty implications for France - it would mean a large American implication for European security - also an implication about French and British nuclear weapons.

Herr Schuetz said that the weakness of the Locarno system was that it applied only to Western Europe and there were no guarantees from any country, and this the present model tried to avoid.

Mr. Buchan replied that the weakness of Locarno was that it was unable to affect Hitler's occupation of the Rhineland. It must be an essential assumption that such a thing could happen. He felt that because of the division in Europe, residual power must remain within each system; any crisis that arose between members of the Western system would have to be settled within that system, and the same applied to the Eastern side, or it would lead to major trouble.

Professor Vernant believed that so long as both sides kept its own structure and organisation there would be no difficulty in maintaining a distinction between internal problems and inter-system problems. He saw a different problem, however: in our concern to prevent the appeasement of a new Hitler we must beware of some kind of revival of the Holy Alliance. A means of intervening in a crisis could prove a very dangerous weapon if manipulated in the wrong way: we might find ourselves with a pattern for crisis provocation rather than crisis management.

Herr Schuetz said that in the discussion with East European representatives on model three, the Russian had declared that if the intention was to create a new Holy Alliance he was quite opposed to it. He did not want the USSR bound up in a system to guarantee everybody, he wanted to guarantee the Eastern allies.

Professor Vernant said he was referring to maintenance of order in and by the West. Order was an ambiguous concept.

Mr. Buchan agreed about the danger. Obviously we could not interfere with domestic regimes. On the other hand we must be able to agree against anyone who tried a Sudentenland-type coup, for example. Professor Vernant said this was a matter of political will, not structure.

Mr. Buchan maintained that it was partly a question of structure.

Herr Schuetz did not quite see how, because of the two different social systems, the respective security systems could fit together. An overall management structure would be artificial. Mr. Ramsbotham said the same problem would arise with a tripartite commission for Berlin.

Signor Spinelli agreed with Mr. Buchan that the implication of model two was a strengthening of the political ties among the West and East European states and between them and the two great powers as the military structure became less important. Did the proposal for a demilitarised zone mean that there would be little or no armaments and forces in Germany, or that the Germans would make no military contribution in terms of men, money or industry? In the former case German forces would have to be stationed outside the zone, i.e. in France, and this would involve a different relationship between France and the alliance than now exists, otherwise the demilitarisation would be meaningless; if we had a demilitarised Germany and a France outside the alliance, there would be no effective Western organisation, even for crisis management. /Herr Schuetz said the proposal was for a withdrawal of troops from Germany. It was not a question of stationing German units in France./

He considered the main shortcoming of model two, and even more of model three, to be its lack of provision for German security. We could say to the Germans that military and diplomatic exigencies were such that we must have a demilitarised zone on their territory; but in compensation we must ensure that the Germans are absolutely sure of being in a fold which is committed to their defence, because the threat has not disappeared entirely. The days were gone when an agreement on Germany could be imposed without the agreement of the Germans themselves.

For General Beaufre the concept of using military forces for the maintenance of peace and not confrontation was basic. Of course this was the end of the road, not the starting-point. It also involved a progressive understanding of the whole problem of security. This was why in his own article on crisis management he advocated study by regional groupings first and then consideration in the general body. He envisaged more phases than the three set out in the paper: first a regional Western and perhaps only Central European discussion about security, to reach a common understanding in that group of nations; then we should try to get the agreement of the Americans, because they were already involved in this; we should also try to get a discussion among the East European states; only after these various studies have been completed would we reach the second phase of model two, especially the second part of it. Thus we should build by stages. Confrontation defence would vanish little by little as the other concept took hold, after political understanding had been reached.

Signor Albonetti was very concerned about the military implications of the models. It was stated that models two and three were intended to avoid criticisms levelled at the various Rapacki and Gomulka plans. He failed to see how the problem of the disparity in the amount of strategic space available East and West of the demilitarised zone could be overcome by a thinning out of forces on both sides and concentration in the territory outside the zone. What did the authors have in mind? What about the

imbalance in conventional hardware between the USSR and the other European states? The question of a balance between the West and East European states alone was not the issue. In the nuclear field, after denuclearisation of this zone there would be the 700 Soviet MRBMs on one side, and on the other side nothing, since the US forces would be disengaged and the deterrent would be their third generation Polaris missiles. The Soviet MRBMs did already present a threat to which we had no counter, just as we had had a conventional imbalance in Europe for twenty years. But why crystalise this de facto situation by institutionalising it?

Herr Schuetz said the military consequences were explicitly stated. The over-all deterrent balance would not be affected. Nobody had under consideration the construction of a force in Europe to counter the MRBM threat. In the conventional field, the thinning out applied only to the Central European zone, and so did the withdrawal of forces in model three (in model two there would be a balanced presence). The USSR would maintain her forces within her own frontier: arms control could not be imposed on either the US or the USSR at the moment. But taking account of the American strategic airlift capacity, the authors felt that withdrawing these forces from the centre of Europe would not effect the over-all balance which did not depend on the military build-up in central Europe.

Professor Vernant added that in the conventional field the USSR would always be stronger than the Europeans, even with a federal European state. We just had to live with this imbalance.

Signor Albonetti came back to his argument. In Europe today we had twenty-four divisions, which were considered barely enough, and the twelve German divisions were an essential part of our present security organisation. He agreed that the Russians would not accept arms control. He agreed that we could probably afford some reduction in our own forces, and the trend was in this direction. But the paper went too far. In the absence of a European federation, which in terms of population and gross national product would at least have the capacity to match the Soviet hardware if it chose to do so, and in the absence of any agreement to reduce their forces on the part of the USSR, he maintained that the West would dangerously weaken its already weak position in the conventional field (leaving aside the question of the nuclear balance). The mutual withdrawal of forces envisaged in the paper did not compensate from the hardware point of view for the loss of strategic space to the West.

General Beaufre thought it a mistake to get involved too early in detailed consideration of military solutions when the framework of the general problem of security was much bigger. Signor Albonetti's argument related to the political and strategic situation in which we placed ourselves. Were the Russians dangerous or not? After all, for us the Russians were the problem. The proposal for a demilitarised zone might be an interesting diplomatic weapon to try on the other side, but it might also be a bad move from the German point of view at the present time. The timing of any force reduction was very important. If the Bundeswehr were substantially reduced now, what would take its place? Belgian, or French forces? If military measures were taken in an atmosphere which was not clearly defined, the political consequences might be undesirable.

Signor Albonetti fully agreed. He thought we were in an atmosphere of status quo. The point he wished to underline was that in 1968 an arms race was in progress on both sides, and being Europeans we were particularly concerned with the build-up in the Eastern side. We may accept this, and do nothing to strengthen our own forces, but let us at least not talk about a security arrangement in which the Russians would pull back their forces a distance of three or four hundred miles but would be free to increase those forces and their firepower. He would be prepared to accept a demilitarised zone if Europe could be geographically isolated from both super powers.

Professor Vernant said these models obviously started from a number of general promises which were not explicitly stated: this was not considered necessary in a working paper. One of the basic premises was that major conventional conflict would inevitably become a nuclear conflict. Therefore the overwhelming Soviet conventional superiority did not present the same risk to the authors of the paper as it did to Signor Albonetti. On page 531 the 700 Soviet MRBMs were mentioned as constituting a more serious threat to Europe. The hypothesis was that the real risk of conflict in Europe would arise from a misunderstanding, the faulty management of a crisis, and that we needed something to manage that. In the present political and strategic situation possibilities did exist for achieving some limited result in Central Europe and easing the tension which was at the root of the military situation, and these possibilities should at least be explored.

Herr Schuetz considered Signor Albonetti's criticism unfair: his assumption was that confrontation would continue, whereas the models were based on the assumption that détente would continue and confrontation would not.

Brigadier Hunt accepted Herr Schuetz's point. He also agreed with General Beaufre. But while it may be necessary to live with the imbalance between the Soviet and European forces, it did mean that we needed an alliance relationship with the US to ensure our security. Secondly, given the political construction laid down in the paper, from the security point of view he found no comfort in having forces, including such tactical nuclear weapons as we had, in Benelux with a vacuum in Central Europe. We should be in a most unfavourable military position.

General Beaufre agreed that nuclear deterrence was the key to the balance in Europe. On the other hand it was not inconceivable that this situation might change. Therefore as a matter of security he had always advocated keeping some kind of military organisation, very light in normal times but capable of rapid expansion should Soviet policy turn 180 degrees. It would have to be a very flexible system, something like a militia. In the perspective of continuing détente envisaged in the study we should not need a large military establishment. But we must keep something so as to ensure the security which could allow us to adapt to a changed situation. This consideration also related to the German problem: should the German army be limited to a given number of men including mobilisation, or should the peace-time establishment only be limited?

General del Marmol supported General Beaufre's argument. From this point of view some sort of common organisation among the West Europeans would be advantageous to ensure the best value from what we were prepared to spend on defence.

Herr Schuetz said the big problem in relation to all arms control measures was that the inspection measures needed to make the control work could not be reconciled with the flexibility needed for easy mobilisation of reserves.

General Beaufre saw a way round the difficulty. Looking at the conventional side, plain infantry, for example, was not an offensive weapon; tanks were more dangerous. Control of mobilisation might be maintained through inspection of the number of tanks etc.

Mr. Buchan wondered to what extent the central ideas in the paper would be damaged if the arms control measures were abstracted except possibly for the denuclearised zone.

Mr. Ramsbotham expressed great interest in General Beaufre's suggestion of a regional approach and building in stages. He agreed that there were various security considerations and that discussion ought to range beyond the German problem. And it was essential to try to get the other side to enter into this game of studying.

His main point concerned the linking of political and military measures. On page 530 the paper stated that the third phase of model two, elaboration of a system of surveillance, would have to be preceded by diplomatic contacts at every level from Ambassadors to a summit meeting. This would be a rather ambitious programme; yet no further reference to it appeared. What did the authors have in mind? We really needed pari passu progress between these study groups and political get-togethers and whatever vestigial elements may be left of arms control proposals. The timing was the essential aspect.

Herr Schuetz replied that the authors had this consideration in mind; however, they did not want to map out the diplomats' work for them.

Professor Vernant said one main consideration was that since members of NATO were reducing their forces anyway, for financial reasons and also because no real threat was seen, why not try to make some capital out of it? This argument ran counter to Signor Albonetti's view that it was better to have a de facto situation than to institutionalise it, because we could probably get some kind of agreement.

Signor Albonetti replied that it was a question of the limit, institutionally and in terms of the level. A limited mutual reduction could help détente. But too great an imbalance would have a serious psychological effect. In the long term there would be a terrible inducement to the USSR to exert a stronger influence in European affairs and to the Europeans either to rely too much on the US or to show even greater reluctance to do anything themselves.

Mr. Ramsbotham said attempts had been made at agreement with the USSR on a mutual reduction, but without success.

Dr. Wagner brought discussion back to the German problem. He felt that we should not under-rate the antagonism still prevailing in Europe. We did not just have two social systems; we had a Soviet hegemony, and perhaps Soviet expansionism too, to contend with. The DDR had two raisons d'être: it had a socialist system, and it was the stabilising factor in the Soviet hegemony in Eastern Europe, and this set it apart from the other East European nation-states which would still exist under a different social system and even without Soviet support. Even if we put into operation the arms control measures set out in models two and three, the DDR would remain in this special situation. The establishment of some kind of international organisation in Berlin meeting alternately in the Western and Eastern sector of the city would not resolve the problem of a city divided into two antagonistic parts. Similarly if there were a confederation, the demarcation line with its armed posts etc. would still remain.

Pressed by Herr Schuetz about possible alternatives, Dr. Wagner stressed the advantage of waiting. The situation in the DDR could change in two ways: it could evolve internally along the lines of the Yugoslav system, with more personal freedom and perhaps the permitted emergence of different political forces (not parties); this would not remove the antagonism, but it would diminish it; alternatively, or in addition, the East German régime might become Titoist, and this would also improve the situation in Central Europe. We had witnessed a rapid and rather surprising evolution in Eastern Europe and in the relationship between the East Europeans and the USSR; no-one could forecast Soviet policy towards Europe over the next five or ten years; rather than try to fix the situation now, therefore, why not wait and see what happens?

Professor Vernant suggested wait and think, although he doubted whether the problem would look significantly different in five years' time.

Mr. Buchan agreed with Dr. Wagner: an immense period of study lay ahead and there was much to gain from waiting. We were in the dilemma, however that the impetus to change the situation came from the Western side. Looking at the budgetary problems facing our governments, we faced the risk that in five years' time the Western military divisions in Europe could be reduced to fifteen and our bargaining hand would be very weak. We needed to do a great deal of thinking, therefore, to compensate for our weakness in the material plane by our constructiveness on the intellectual plane.

Signor Albonetti felt that Mr. Buchan's point about the pressure for change reinforced his own argument against institutionalising the de facto situation. He would prefer unilateral action, because if our collective appreciation of the threat changed we could, if we chose, reconsider our policy and the other side would be aware of this. By analogy with the Non-Prolification Treaty, an institutional framework forecloses an option.

Mr. Haagerup wondered what was meant on page 533 of the paper by the reference to harmonising national aspirations in both East and West. He feared that if we drew the analogy too far we would find ourselves bound to consider the role of the US politically as the East Europeans consider the role of the USSR. Secondly, the French and German texts differed slightly: the French version seemed more opposed to maintenance of the two alliance systems.

Herr Schuetz replied that the change of wording was to take account of German concern that we might want to revive the allied control commission. On Mr. Haagerup's first point: the authors had in mind a multilateral framework, from the point of view of crisis management.

Asked about the reaction of the East European representatives with whom the paper had been discussed, Herr Schuetz said the Soviet delegate was the most reticent: he wanted to go back to the old proposals, the formula restated in the Warsaw Declaration. The East European representatives showed much greater interest in the approach of this paper: this was not to say that they would accept these models, but they were willing to hold discussions.

Signor Spinelli said the East Europeans already had an alternative model - model three of this paper with the sole difference that only one country, Germany, had to be controlled.

Herr Schuetz said they had a policy declaration. The Centre had produced a model for private study, which was on a different level. He believed the Eastern countries might draw up models now.

Mr. Ramsbotham commented that if there were a serious possibility of the Eastern countries in some form collectively producing a model this would be a great step forward.

Herr Schuetz said this would not be done collectively. The Poles, the Czechs, the Hungarians might produce something individually, for private consideration although personally he thought they would pool their ideas.

Signor Spinelli maintained that the Poles for one would not discuss anything without insisting on the presence of a DDR representative.

Herr Schuetz replied that this would be study, not negotiation. And the reaction from the DDR representative at the meeting was certainly not negative: he said they would study the models, and that they might consider the idea of confederation in a framework like this. Of course we did not know how far this went. Herr Schuetz added that the Eastern countries were much more concerned about first steps: the emphasis at the meeting was on a non-aggression treaty.

Mr. Ramsbotham said the first step would have to be political; a non-aggression treaty would be a convenient one and he considered it the most likely introduction to a real improvement in East-West relations.

Signor Spinelli said the East Europeans wanted a treaty because that would be a definition of the status quo. He considered the proposal for a European security conference pure propoganda.

Mr. Buchan disagreed - it was the best they could think of; it was not good enough, however. His own difficulty with a European security conference was the problem of defining Europe. Would Malta and Portugal be included, for example?

Herr Schuetz said this had proved a difficult question at the meeting. There was a strong reaction against Spain and Greece as fascist countries. In fact a European conference to the Eastern side meant the European members of NATO and the Warsaw Pact; the question of Soviet participation was left open, because to them the Russians are Europeans, but not American participation.

Dr. Wagner said the Federal Government had offered the USSR a non-use of force declaration nearly two years previously, and it was currently a matter of diplomatic discussion. The Russians had asked Bonn what price they would pay in return for such a declaration. They posed five questions: would Bonn recognise the DDR, recognise the Oder-Neisse line, renounce nuclear weapons absolutely, what steps would she take against the National Democratic Party, would she accept Berlin as an independent entity?

Professor Vernant saw at least some legalistic justification for one argument he had heard from the Poles. Dr. Wagner had indicated that Bonn contemplated without special apprehension the normalisation of relations between the two German states. The Polish argument was that any declaration by the Federal Government would be meaningless until it abandoned its claim to speak for all Germany, because otherwise intervention by the Federal Republic in East Germany could be considered as a purely internal affair. Since the real danger was of action between Bonn and the DDR rather than between Bonn and Poland or Czechoslovakia their argument was not unfounded.

Dr. Wagner believed the Federal Government was now prepared to exchange a non-use of force declaration even with the DDR. The point was that such declarations had two sides: on the one side the renunciation of force, and on the other side formal recognition by the powers accepting the declaration that there were problems which had to be solved. The Soviet demand for prior recognition of the DDR would render a non-use of force declaration useless, because the problems would already be resolved. Asked by Professor Vernant whether the problem was the de jure existence of the DDR, or human relations and better relations between the two states, Dr. Wagner replied that it was the latter; the USSR had a legalistic approach however.

Signor Spinelli said legalistically there was no solution - it was a highly political and historical problem. The question was whether national unity was considered a primary or secondary problem; if it was secondary, what was the primary problem? For the past twenty years the Germans themselves have clearly considered national unity a secondary problem.

Herr Schuetz maintained that if the Federal Government were prepared to accept a declaration, this would be a major breakthrough. Dr. Wagner agreed, provided the other side were prepared to accept it too.

Asked about German press reports to the effect that the US was exerting strong pressure on Bonn not to take such a step, Herr Nerlich confirmed this. For some months past Washington had shown great concern about Bonn's bilateral approaches to East Europe. The point was that these approaches had to be strictly private to stand any chance of success; the Brzezinski formula for multilateral approaches would destroy everything. To the extent that these approaches were bearing fruit, and they were not confined to Yugoslavia and Rumania, the Americans were showing increasing nervousness and they now did not want Bonn to go too far in recognising the DDR.

Dr. Wagner added that the American concern related to Berlin: they were anxious to safeguard their position as one of the four powers responsible for Berlin and all-German questions in case of any Soviet attempt to deal directly with Bonn, as one of the questions about a non-use of force declaration indicated.

Dr. Wagner added that Berlin figured as a major problem in the study which his own Institute was doing on the consequences of formal recognition of the DDR. What would happen to the right of access of the Western powers and of Germans from West Germany to West Berlin? Although this right would not be an issue in Bonn's agreement to recognise the DDR, the Western powers would confer recognition in their turn and how could the present position be maintained? His Institute's conclusion was that some new agreements would be necessary - at least a reaffirmation of the 1945 agreement between the four powers and a separate agreement between the Federal Republic and the DDR about trade and West German access to Berlin; this in turn ran into the difficulty that the DDR does not recognise the right of the Federal Republic to represent West Berlin.

General Beaufre said that he would not like to see Berlin as the headquarters of a European security council just because it would give too much importance to the local problem of Berlin and would focus attention on the German problem itself. Personally he would prefer Vienna.

Professor Vernant argued that given the situation, if we agreed that the trend was towards the normalisation of relations between the two German states and that normalisation must involve at least a minimum of formal recognition, then we had to think what the consequences would be for Berlin. It was very difficult to envisage a status or a future for Berlin acceptable to everyone without at least making Berlin the point where East and West Germany had something in common.

Signor Spinelli mentioned the problem of East Berlin as part of the DDR. He believed the utmost we could agree on would be to accept Berlin as a free city under the military guarantee of the US and NATO.

Dr. Wagner thought that in the event of a Western recognition of the DDR the Western powers could not recognise East Berlin as a part of the DDR because this would automatically disrupt the four-power agreement of 1945. They would have to place their embassies outside of East Berlin, as they did in the case of Jerusalem.

Mr. Buchan said that in that event the East Germans would follow the Israeli example and bring heavy pressure to bear on the West. He agreed with General Beaufre, but he also appreciated Professor Vernant's point.

Taking up the reference on page 536 to a system whose members would accept the same obligations and enjoy the same rights, Mr. Buchan wondered what would happen to the French and British nuclear weapons.

Professor Vernant said the countries participating in this system were not specified; if Britain and France agreed to participate they would have to renounce their nuclear weapons. He excluded this possibility for the present, therefore the system would be limited geographically to Central Europe. On page 539 provision was made for other countries to join if they accepted the arms limitation provisions.

Mr. Buchan maintained that unless the whole NATO and Warsaw Pact area except the Mediterranean was subject to the same obligations, negotiations would not get very far. Why should East European states accept a system in which two of the most powerful states in Europe, Britain and France, remain outside? Why should Germany accept that two of her neighbours to which she is economically superior have a special status?

Professor Vernant said that was for the Germans to decide. If they did not like that, however, he saw no hope for them to be formally linked, if not reunited. With regard to the East Europeans, if they sincerely feared a more united Germany the presence of British and French military power in Europe would offer a guarantee against a German danger.

Signor Spinelli said supposing the Germans did accept - and became united and the third economic power in the world. What reason was there to think that the four guarantor powers would always agree about their attitude towards this colossus? The most probable outcome would be that the four powers would disagree among themselves and then one of them would want the colossus on her side. This was a highly destabilising possibility. Nor did he believe that the limitation imposed on Germany's military power (stressed by Professor Vernant) would prove durable.

Professor Vernant agreed that Signor Spinelli might be right. But in that case, we had to recognise that the most stable situation would be perpetuation of the division of Germany, and accept the consequences of that.

Mr. Haagerup felt we were considering the problem in too static terms. He agreed with Signor Spinelli on the probable destabilising effects of model three as seen from Germany's small neighbours, not because he did not think the military limitations on Germany would last but because these very limitations would lead Germany to exert economic and political pressures on other countries as the only policy means open to her. On the other hand he did not entirely agree that the alternative was a perpetuation of the division of Germany and we must accept the consequences. If the kind of German unification envisaged in model three (which he personally would not consider as unification) was not accepted - and he agreed that the crucial point was whether the Germans wanted this or not - the German division might under circumstances other than those envisaged in model three and possibly in model two lose some of its less pleasant aspects, so that we would not talk about perpetuating the division in the same terms. Even a strengthening of contacts between the two Germanys and the possible recognition by the Federal Republic of the DDR some years hence would change the situation considerably. An environment could be created in which the division of Germany could look very different from today.

Professor Vernant recalled his starting point, that the aim in initiating this study was to help arrive at the framework most likely to minimise the risks implicit in the development of closer ties which would in all probability evolve, despite the different social systems, through the progressive normalisation of relations between the two Germanys. The point was that without some framework we might well see ten years hence two very powerful German states which, if they were to combine together, would become in time the strongest military and economic powers on the continent.

Dr. Wagner protested that this was the least likely evolution.

Signor Spinelli maintained that the danger did exist. Therefore this perspective must be linked with the perspective of an Eastern and a Western Europe organised on a more collective basis. As long as the USSR and US remained the states they are now we would have two Europes.

Mr. Buchan then drew the discussion to a close, expressing the general appreciation of the meeting to the Centre d'Etudes for their working paper.

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EUROPEAN JOINT ARMS PRODUCTION - by François Duchêne

1. The pressures for joint European arms production are rapidly growing. The EDC and MLF fiascos have shown in the past that defence is the most dangerous area in which to attempt joint international action. But the changing facts of economic life may now be pushing the west European nations into collective commitments (in conventional arms production) which they have not been able or willing to undertake on political grounds alone.

The recent decisions of the British and French to commit most of their aircraft industries to joint military production seems to be the first sign of a new era in defence production in western Europe. Aircraft are the most onerous of "conventional" weapons and the strain on resources is not quite so great, as yet, with other armaments. But the growing squeeze on defence spending, compressed by budgetary restrictions at one end and rising costs at the other, seems certain to drive the European nations in new directions in the coming years.

2. The struggle to damp down inflationary pressures has recently become a major budgetary preoccupation with most west European governments. Britain, Germany, Belgium and Denmark have all recently cut defence spending. In France, where the force de dissuasion absorbs a quarter of the armed forces budget, there is evidence of compensatory cuts elsewhere (e.g. in orders of tanks). These restraints seem more than temporary. Ultimately they express a shift of priorities from defence to civil objectives in a period of detente, associated on the civilian side with more strained economic growth than in the recent past.

Yet defence costs, particulary of equipment, go on rising. In 1968 it will cost over three times more, in real terms, to equip a British infantry brigade group than in 1961. Aircraft are not, then, an isolated case. The dominant characteristic of modern weaponry is electronics with everything. A large part of the cost of high performance aircraft is electronics. Where a prewar naval vessel

had 60 electronic devices, the average current one has 60,000. Guided missiles, strategic or tactical, nuclear or not, warships, aircraft, air control and ground environment systems, communications by satellite or other means, ABM defence - virtually all up-to-date defence mechanisms call for more and more electronics. This accounts for a great deal of the continually rising cost of weapons which shows no signs of slowing down.

3. One way out of this dilemma could be to phase out the more high cost industries in the West, or at least reduce them to a less prominent role. This would mainly mean Britain and France's following the postwar German and Italian policies of buying cheap and, usually, American. But, though the economic arguments for buying arms cheaply and concentrating indigenous resources on developing civilian export industries are strong, even Germany in practice, seems to be reconsidering its position as an arms customer.

The experience of building the ill-fated Starfighter under licence has shown (1) that buying American is not invariably as cheap as it seems at first sight, and (2) that there are dangers in adapting to one purpose a machine developed elsewhere for another purpose. Further, Washington's pressure on Bonn to buy American arms, whatever Germany's own assessment of its requirements, in order to cover the D-mark costs of keeping American troops in the Federal Republic, has produced some disenchantment with the consumer's role. The strategic, political and technological advantages of close links with the most powerful and industrially advanced nation in the world remain. But the Germans are more aware of possible subordination than in the past and more likely (a) to diversify their sources of supply and (b) to enter more fully into arms development and production themselves.

4. The only other way to escape from the cost squeeze on defence is to pool European markets and resources as far as possible. This is the direction in which the Anglo-French aircraft agreements point. The purposes the British and French hope to serve by joint production will probably force them to go further than they currently intend. They have traditionally tried to make their own weapons and sell

them to the world. They can no longer do this individually because they cannot afford large enough domestic orders to bring the costs of expensive weapons down to levels attractive for foreign buyers. Yet the evidence of the VG strike-interceptor aircraft - officially billed as the core of Britain's military aircraft programme for the 1970s - suggests they may not be able to do much better bilaterally.

If critics are correct, their present cost estimates assume sales of 1,000 aircraft against a maximum Anglo-French market of some 300. This implies that Germany as a minimum must buy a substantial number of VG planes if the programme is to seem even moderately respectable in the eyes of critical ministries of finance and parliaments. In crucial cases like the VG aircraft, the Anglo-French combination seems as vulnerable in tomorrow's conditions as national aircraft programmes in those of barely yesterday.

But to "buy European" rather than American, the Germans must have the incentives to do so. The German taxpayer's money must come back in some form to German industry (American contractors have been sensitive to this). German technology - a subject to which Bonn is paying increasing attention - must benefit. Germany, which might be ready to play a shadowy role beside giant America, will want to be offered a moregenuine partnership with France and Britain. The Germans are likely to want to be active partners, not to be simple consumers or licensees.

5. The great gaps between the policies of the west European nations - the would-be self-sufficient nuclear powers and the importing non-nuclear ones - are thus tending to close economically. Politically, too, Britain's shift to Europe and retreat from east of Suez, which is slowly but surely under way, should gradually render British "operational requirements" for weapons more compatible with those of the continental powers. The Germans, for their part, are putting more emphasis on reunification and relations with the East, and by extension are more inclined to think in European and not only American terms about defence planning. As a result, there are more signs today that joint production of armaments is possible and even likely in western Europe than at any previous time.

6. If this development had taken place a few years ago, it would have almost automatically suggested the idea of a European Defence Production Community. Such a community, with common institutions, common funds and a single defence market, on the lines of the EEC or rather Euratom, has obvious attractions. First, it would offer the hope of exploiting to the full the resources and markets of the member countries, including the small ones, which tend to get left out of bilateral cooperation. Second, it would directly confront the difficulties of multilateral decision-making and at least initially mobilise the political will to overcome them. Third, whether Atlantic partnership or Europe's separation from America is the aim, it would offer Europeans more equality of opportunity than narrower and less thorough-going arrangements. Fourth, joint production of all but nuclear weapons would offer a big step towards common defence policies without raising the most sensitive issue, the impact of nuclear weapons on the politics of western Europe or of East-West detente.

7. Yet the obstacles to such a community are currently insurmountable. A Defence Production Community, sharing out arms orders, calls for the formulation of common policies of a kind the EEC itself has achieved, and for the moment look like achieving, only in agriculture. France, under General de Gaulle, would not accept anything smacking of a community solution. The rift in strategic and nuclear policies between the European states would make it almost impossible to agree on priorities for conventional arms either. There is also more complementarity between Britain and France and less between Britain and the Five in defence than in civilian industries. It is hard to believe therefore that even British entry into the EEC would make a European Defence Production Community very probable.

8. The immediate issue seems to be what guidelines can be suggested for a period in which radical solutions are not on the cards.

In economic terms, it should be noted that defence production already ranges from the purely national to the NATO level. In some cases, like tanks, the costs of cooperation hardly outweigh the savings to be made by longer production runs - which may be a reason for the failure of most efforts at joint production. At the other end of the scale, the NATO early warning and air control system, stretching from North Cape to Taranto and using US equipment (NADGE), is not only a European but Atlantic venture in which France continues to take part. An ABM system, if it were installed, would almost certainly be a similar affair. The scope for joint European production comes in areas in between, mostly in aircraft, missiles and, if it were not for political factors, in nuclear weapons too.

In this area Germany seems to hold the key to the situation, since it spends more on defence than all the other non-nuclear NATO powers in Europe put together. If it chooses to continue as an arms importer, America is likely to win more orders than Britain and France. Bilateral cooperation by the British and French will probably not stop their gradual retreat from the frontiers of technology. They too may gradually become importers of arms in these fields. If, however, Germany chooses in a significant number of cases to participate actively with Britain or France or both in joint research development and production, it could become the catalyst of multilateralism in European arms production.

9. This in itself would be a political step forward. Whatever the administrative difficulties, politically multilateralism is preferable to bilateralism. Bilateral arrangements carried out predominantly by the two same countries, as in the Anglo-French projects, tend to perpetuate discrimination and suspicion between European states. Bilateral deals carried out in random fashion are less discriminatory, but they are more confused and this may reflect on defence policies and efficiency. Moreover, officials, at least in Britain, tend to believe that the difficulties of inter-governmental cooperation on defence production rise in geometrical proportion to the number of countries involved. This is particularly true when there is no devolution of authority to effective bodies.

There seem to be several different ways of making a useful beginning before any such thing as a European Arms Production System or Community or Authority is politically possible.

(a) One might be to have a European Research and Development agreement or authority, leaving the question of production to the decision of national governments. By this technique the governments of the Seven or the NATO Twelve (perhaps even including Sweden) would agree to coordinate the work of their defence research establishments, and to concentrate on different forms of specialisation in different countries on the principal of developing "centres of excellence". The possibility of beginning with this approach would be largely independent of British entry into EEC or its enlargement. A second stage in this approach would be the founding of a European budget for military R. and D. contributed by the participating governments, in the same way that ESRO or CERN have central budgets.

(b) A second approach would be to establish a European Defence Management Secretariat. This would provide the management system, cost control system and administration for each multilateral production agreement.

Instead of creating separate organisations for each operation, it should be possible to expand and adapt the secretariat set up for one operation to cope with succeeding ones as well, so that it gradually comes to supervise a series of projects. This would have several advantages. It would gradually create a body of administrators used to handling the problems of joint defence production. It would over a period of time tend to spread the net over as many nations (involved in different operations) as possible, and give a certain unity to the whole. It would, or should, cut overheads.

It is possible that the political divisions of western Europe might prevent even this modest step being taken. But the fact that the organisation would be outside NATO and WEU should avoid some of the most tenacious political objections. It would not compete with the EEC since it would not have comparable status and the European NATO powers are all potential candidates for the membership of the common market. It would not undermine NATO since in practice NATO has been mainly a centre for relations with the United States and would necessarily remain so. And, without raising institutional issues which are currently insoluble, it would tend to pave the way for the more radical approach that must come one day if the European community develops.

(c) Of course if Britain does become a member of EEC in the near future, then a different approach is conceivable. High priority would be given to the standardisation of European patent, company and tax legislation, and a science or defence directorate could be established in Brussels as part of the Commission. The amalgamation of dèfence related companies would be /deliberately encouraged, /say two or three aircraft companies, three or four electronics companies, for the whole of western Europe. Thus the problems of multilateral co-operation would be tackled at the industrial or company level rather than at the level of governments. In the end European governments would have no option but to agree on joint projects.

(d) If there is no immediate prospect of the enlargement of the EEC, it is open for consideration whether a European Technological Community should be created forthwith embracing both the EEC and the EFTA countries, since both groups of powers are under a common threat of American technological dominance. This need not be concerned solely with defence technology, indeed it would put countries like Sweden, Switzerland and Austria in a difficult position if it were. It might, however, concentrate initially on industries that have a direct relationship to defence such as computers and aircraft. But it would have to have an element of supranational authority at the centre if the mistakes and failures of ELDO were not to be repeated. The question is whether this is politically feasible.

In considering all these proposals, there is obviously no question of Europe cutting itself off entirely from American defence technology. Clearly, for instance, there would be no question of trying to develop a European ABM system or many forms of military electronics without the use of American components or licences.

Francois Duchene

Table I	Weapon costs in Europe
Table II	Electronics companies /Aircraft companies
Table III	Defence Expenditure and Research
Table IV	Defence Expenditure, NATO Europe
Table V	Selected Economic Data
Table VI	Capital cost of re-equipment of infantry brigade

TABLE I

Weapons Costs in Europe

Notional Research, Development and Production Costs of Weapons Programmes
(for two production quantities)

(1) Weapon Type	(2) RDT&E (£ m.)	(2A) Quantities in units		(3) R&D cost/unit (£ m.)	(4) Production cost/unit (£ m.)	(5) Total cost/unit (£ m.)	(6) Lead Time (years)	(7) Derived Annual R&D cost (£ m.)
Solid fuel IREM + nuclear warhead	4,000-7,000	A	50	80-140	2-4	82-144	12	330-580
		B	200	20-35	2-4	22-39		
Liquid fuel IREM (no warhead)	1,500-2,000	A	50	30-40	1-2	31-42	10	150-200
		B	200	7.5-10	1-2	8.5-12		
Mach 2 Nuclear Bomber exc. cost of bomb	300-500	A	50	6-10	4-6	10-16	9	33-55
		B	400	.75-1.25	3-5	3.75-6.25		
Mach 2 Interceptor	200-400	A	100	2-4	2-4	4-8	8	25-50
		B	1,000	.2-.4	1-2	1.2-2.4		
VTOL Fighter	150-200	A	100	1.5-2	1-2	2.5-4	8	19-25
		B	1,000	.15-.2	.5-1	.65-1.2		
Air-Air/Air-Ground Interceptor/Strike Missile	150-200	A	200	.75-1	.1-.2	.85-1.2	7	21-29
		B	2,000	.075-.1	.1-.2	.175-.3		
Ground-Air AA Missile	100-150	A	500	.2-.3	.3-.5	.5-.8	6	17-25
		B	5,000	.02-.03	.1-.2	.12-.23		
Large EDP Computer	30-60	A	50	.6-1.2	.1-2	1.6-3.2	4	7.5-15
		B	1,000	.03-.06	.75-1.5	.78-1.56		
Main battle tank	10-20	A	500	.02-.04	.1-.2	.12-.24	8	1.25-2.5
		B	5,000	.002-.004	.05-.1	.052-.104		
A/c Carrier 50,000 tons exc. a/c conventional type		A	1			200-250	6	33-42
		B	4			150-200		
Missile destroyer exc. missiles		A	1			60-80	3	20-27
		B	6			50-70		
Nuclear Submarine (+ missiles bought not developed)		A	1			120-150	6	20-25
		B	4			100-120		
Nuclear Submarine (no missiles)		A	1			60-70	5	12-14
		B	4			50-60		

TABLE I. Explanatory Notes

Column One.

The weapons are chosen as typical systems or equipment which a European country might now be developing. Although no weapons are identified by name, the data used for each come from one or two existing projects.

Column Two

The R & D costs are gathered from forecasts made at various stages in the development programmes. They are not 'out-turn' figures. In many past projects the original estimate of cost has had to be multiplied by three, ten or twenty to arrive at final cost, according to whether the project was fair, bad or very bad at keeping to forecast. Hardly any projects have been completed under a total cost of the original estimate multiplied by two. Nobody really knows what a project will cost, in general, until it is more than half finished.

Column Two A.

Two production quantitites are given.
'A' is the number estimated to be required by one country whose size is such that it could originally contemplate the development. 'B' is the number which might be produced if every country in Europe which might have a requirement ordered a minimum.

It must be emphasised that these numbers are only very approximate estimates and changes in the strategic thinking of any one country could have the effect of altering radically both the lower and the higher number.

Column Three.

Is the quotient of $\frac{\text{Column 2}}{\text{Column 2A}}$

Column Four

The production costs are estimates based on newspaper reports and company interviews, as well as some published sources. It is probably the case that they are in the right order of magnitude, but the unreliability of sources and the technological uncertainties involved mean that they may be as much as 50% out and in the case of missiles, which have more security surrounding them, the error may be a factor of two or four.

Column Five.

This is the sum of columns three and four, adding the lower values together and the higher values together.

Column Six.

Lead time is generally understood to be the time between the formation of an operational requirement and the date of first service.

Column Seven.

This is the quotient of columns two and six. It indicates the annual rate of spend necessary to complete development. However, the total effort, reached by adding all the figures apparently necessary to develop all the projects is less than the real effort needed. This is because the actual rate of spend is such that in an eight year programme more than two thirds of the total spend will occur

in three of the years, Therefore the 'total effort' needed may be two or three times the annual rate of R and D shown as a total on the table.

In addition to the notes above, a number of points about the table should be made.

1. Ships do not, properly speaking, have R and D costs and production costs as separate items. Shipbuilding is still in a state of technology where almost every ship built is in the nature of a prototype, and all the cost can be called R and D or it can be called production cost. The figures in column five are fairly reliable (errors less than 50%) and have been included to show how the rate of spend compares with R and D spending.

2. From column seven it might be thought that a country the size of Britain or France, spending more than $600 million per year, could do all the projects. This is a tenable hypothesis, if the lowest estimates are taken and the time period for completion was long enough to prevent the commitment in the highest years (see note to column seven) being above the average commitment over the period.

3. From column five it might be thought that there are immense benefits to be gained, in the form of cheaper weapons, from cooperation in defence projects. The data produced does not in fact support this conclusion.

(a) First, the costs of 'A' production or 'B' production should be compared so that the highest 'B' cost is set against the lowest 'A' cost. This will to some extent compensate for the 'costs of cooperation', which are unknown, but certainly significant.

(b) Secondly, cooperation should only be regarded as a good bet, economically, if, and only if, lowest 'A' is, say, four or five times as high as highest 'B'. This difference is necessary to justify a decision on economic grounds alone because of the unreliability of data and the uncertainty of the future. The actual forecasts available may be misleading in the light of existing knowledge because of the security which surrounds such projects and the relationship of this forecast to the 'out-turn' cost of the project is unknown.

(c) The data is all interdependent except columns two and four. These columns contain uncertainties of at least 50% and often of a factor of two. All the other figures are merely derived. This 'uncertainty factor' is a feature of all defence procurement, but past experience shows that it does not tend to diminish in size with cooperation, but rather to increase. With cooperation there are also two aspects of it, the R and D and the number eventually ordered. Not only does R and D uncertainty factor tend to be higher if several countries are involved in the project, but also the number ordered becomes subject to many more political strains and balances.

(d) With an R and D uncertainty factor of two, that is the R and D might cost twice as much as you think or, more rarely, half as much, and an order uncertainty factor of two, that is the apparent production order may be halved in the case of a co-operative project and may be doubled in the case of a single nation one, it needs at least a saving factor of four, and preferably five, between highest

'B' and lowest 'A' production cost to make co-operative projects justifiable on purely cost-economic grounds.

(e) It will be observed that the highest saving factor is about two and a half for liquid fuelled IRBMs and air-air strike missiles. In the former case no one wants to make them since they are ineffective in payload, and in the latter case the highest 'B' cost is even more than usually dependent on a long production run of 2,000, since the missile production cost is unlikely to show significant savings with quantity.

(f) There are no cases which satisfy the criterion of a saving factor of five.

TABLE II

Main Defence Companies in Europe

Aircraft Companies - classified by size of employment

NB Where the company is mainly engaged in aircraft manufacture, the total company employment is used. Where there are substantial other activities the company is classified by the size of the aircraft division.

Company		Approximate Turnover ($ m.)	Employment
Hawker Siddeley	UK	900-950	40,000-50,000
Brit.Aircraft Corpn.	UK	300-350	30,000-40,000
Rolls Royce	UK	350-400	
Bristol Siddeley	UK	250-300	
Sud Aviation	F	250-300	20,000-30,000
(none)			15,000-20,000
SAAB	S	200-250	10,000-15,000
SNECMA	F	100-150	
Nord Aviation	F	100-150	
Fiat	I	75-100	
VFW	G	75-100	
Westland	UK	75-100	5,000-10,000
Short Bros.	UK	75-100	
Dassault	F	150-200	
HFB	G	30-40	
Fokker	N	75-100	2,000-5,000
Dornier	G	30-40	
Bölkow	G	30-40	
Breguet	F	30-40	
Handley Page	UK	30-40	
Messerschmidt	G	20-30	
Potez	F	20-30	
Fabrique Nationale	B	20-30	
MAN	G	20-30	
AFU/FFA	SWI	30-40	
Turbomeca	F	30-40	
Hispano Suiza	F	30-40	
Svenska Flygmotor	S	30-40	
Agusta	I	20-30	
SABCA	B	under 20	1,000-2,000
Piaggio	I	under 20	
Aermacchi	I	under 20	
Klockner Humboldt Deutz	G	under 20	

UK = Britain, F = France, B = Belgium, G = Germany, S = Sweden, N = Netherlands, I = Italy, SWI = Switzerland

Four American Companies

Boeing (Aircraft)	2,000-2,500	100,000
Lockheed (A/c & Missiles)	1,000-1,500	60,000
North American (A/c & Missiles)	300-500	20,000
General Dynamics	600-800	35,000

TABLE II (cont.)

Main Defence Companies in Europe

Electronic Companies - classified by size of employment

NB In many cases the employment and turnover figures given include substantial interests in purely electrical goods.

Company		Approximate Turnover ($ m.)	Employment
Philips	N	2,000-2,500	250,000
Plessey	UK	350-400	65,000
Siemens	G	400-450	60,000
L.M. Ericsson	S	350-400	44,000
SEL	G	350-400	40,000
Telefunken	G	250-300	30,000-40,000
CFTH	F	200-250	
STC	UK	250-300	
CSF	F		
Pye	UK		20,000-30,000
GEC	UK		
Elliott Automation	UK	100-150	10,000-20,000
AEI	UK	75-100	
Ferranti	UK	75-100	
Marconi	UK	75-100	
EMI	UK		5,000-10,000
Smiths	UK		
Rank	UK		
MBLE	B		under 5,000
ACEC	B		

UK = Britain
F = France
B = Belgium
G = Germany
S = Sweden
N = Netherlands

TABLE III

Defence Expenditure and Research

Comparison of the United States with the U.S.S.R. and Europe

	Defence Expenditure ($ million)	Military R & D ($ million)	Proportion of Def.Expend.
United States	58,300	6,946	12%
U.S.S.R.	35,000	2,000-4,000 (est)	6 - 12%
Europe			
(U.K.)	6,081	677	11%
(France)	4,465	600 (est)	13%
(F.R. Germany)	4,435	159 (est)	4%
(Belgium)	520	-	-
(Netherlands)	750	8	1%

Figures are taken from 1966 Budgets, but are in some cases estimated

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TABLE IV

Defence Expenditure - NATO Europe

	$ million	year	% of total
Belgium	520	1966	2.8
Denmark	268	1966-7	1.5
France	4,465	1966	23
Federal Republic	4,335	1966	22
Greece	206	1966	1.1
Italy	1,982	1966	10.0
Luxembourg	10	1966	-
Netherlands	750	1966	4.0
Norway	298	1966	1.5
Portugal	224	1966	1.2
Turkey	377	1966-7	2.0
U.K.	6,081	1966-7	31
	19,516		

U.K.	6,081	31%
France	4,465	23%
Federal Republic	4,335	22%
Others	4,635	24%

Source: NATO Newsletter

TABLE VI.

COMPARISON OF CAPITAL COSTS AT CONSTANT PRICES OF EQUIPMENT OF UNITS OF AN INF. BDE. GRP BEFORE AND AFTER RE-EQUIPMENT.