3rd July, 1967

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Secretary Ceneral

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Deputy Secretary Ganoral / ASO for Political Affairs Acting ASS for Economics & Finance Directour On Cabinot

Hr. Chapman
Hr. de Campret
Dr. Bühling
Hr. Van Campen
Hr. Lintall-Smith
Hr. de Burlet
H. Tansever

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Keeting of Sub-Group 1 on 27th and 28th June, 1967

The three ecctings of Sub-Group 1 involved nearly ten hours of discussion. A lansard Report would therefore be lengthy, repetitive and sometimes decultory. This report therefore attempts to give a synthesis of the views expressed on topies of particular significance and interest.

The attempt to initiate a substantive diacussion of the Gerian problem was in the main aborted. The hetherlands, U.S. and others apphasized that a necessary first contribution was a statement of Jonn's policy on this matter. Dr. Sabm said that he could not do this. Frofessor Bryzinski referred to specches by Chancellor Klosinger on the 14th, 17th and 23rd June as "extractly interesting and rather novel", but Dr. sain was not to be drawn into adding any comment on these procedes. He argued that after thirteen years of its old policy, Boan had only recently begun to experiment with a new policy based on détente and that this policy night have to be nodified in the light of experience. It was therefore unreasonable to ask Bona at this state to come up with a whole set of new policy ideas on the German problem. It was all very well to invite the Rapporteur to be bold in his treatment of the subject but being bold mearly alveys meant making succestions for new concessions.

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Dr. Vickert said that we should not fall for the fallacy that there was some magic formula to solve the German problem and asked "Do I detect a feeling in the Group that German policy should perhaps go further?" Professor Bryzinski pointed out that instead of being asked to react to German views on the German problem, the Group was being asked to answer questions in the Rapportsur's paper, i.e. to define its position before hearing the German position or baving a text to work on.

- Although the attempt to extract from the Federal Republic a statement of policy on the German problem drew a blank, a specific request put forward by the U.K. and U.S. was accepted. This was that the German Representative should supply a statement of what principles the Federal German Republic thought should apply in the future to relations between Donn's NATO Allies and the Soviet Zons. Their argument was that with the Federal German Republic applying a new policy to intra-German relations, the Allies of Born were bound to ask themselves what their policy should be vis-à-vis the Soviet Zone. Dr. Jahn agreed to provide such a statement for the Group.
- A number of speakers were inclined to play down the need for any very detailed or profound unalysis of the German problem. The Canadian and the Jane in particular second to think that the process of détente had such a long way to go before there could be a situation in which the German problem could become ripe for negotiation that discussion of the latter was somewhat academie. The Dome even said that the period involved might be "longer than the history of MATO". The Belgian said that under the old policy there had been no difficulty in defining a position on the German problem in that detente could only progress to the extent that there was also progress toward German reunification, but under the new policy line the nodalities were not indicated and all we had was the objective. .ie therefore needed guidelines. Dr. Sahm pointed out that on the new policy line, détente should not be pursued in any vay which vould projudice rounification. He could not accept the Canadian concept of a tineframe in which the Group simply concerned itself with "expansion of the détente" and left aside the question of a European settlement and the German problem as being outside the timeframe on which the Group was vorklar.

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- to serve our own purposes rather than those of lioscov.
- Profescor Bryzinski also challenged the assumption and the oft-relterated view that the bilateral approach in Rast-West relations must be our methodology. He said that multilateral issues had already become important and would become increasingly important in East-West relations. As examples, he instanced the Common Karket's commorcial policy, CATT, IIF, etc. The Eastern Auropean governments no doubt felt hap ler in handling questions on a bilateral basis because this was much less difficult for them than to face up to the multilateral issues which in the economic field, for excepte, meant that Castern Auropean countries might have to undertake redical transformation of their Communist economies. He argued that it would be to our advantage to develop multilateral relations as a leverage for reorientating the policies of these East European régimes. Our sin should be to get them to put Furope at the centre of their policy preoccupations. In this way, multilateral questions could exercise a europeanizing effect and accelerate ". e evolutioner: terdencies.
- The Itelian Legrosentative regulated Signor Pantanios suggestion that the Rernel Exercise chould be extended to examine the idea of a puropean conference. This op roath night have promise, not indocd in respect of colving the German problem at this time, but possibly by bringing about major progress in economic relations which later on hight well have useful political results. Or. Sahn said that there was no need for formal action to extend the Group's terms of reference, which were amply vide enough to deal with this and similar considerations. Ambassador Tatson said that he thought the Group should examine the question of a European security conference and cone up with some fairly specific suggestions. There was a big difference between the idea of engaging in East-Test talks and the much remoter idea of getting into the ultimate question of a Turopean The other speakers saw a Juropean conference as not a proposition for the near future. The V.S. regarded it as likely to be counter-productive from the west's point of view: if we wanted to pursue the economic aspects of East-West relations this could always be done in ECE, OECD, etc.

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- Professor Dryzinski suggested that there should be a new piece of machinery in MATO. He called it a Commission, which on a continuing and permanent bacis would study last-lest relations and implications for them of new wearons systems, disarrament and other security angles. The fallure of the Group to get to grips with the German problem second to him a proof that there was need for just such a Commission. The Commission's job would be to study organizing the peace, just as traditionally NATO had organized defence. The existence of such a Commission would have useful "spill-over" effects on the nember governments and their processes of policy formation. Its existance would also help IMTO s image in public relations. The Canadian Ambassador asked whether the Harnel Rereise, which was a continuing one, would not fulfill exactly the rôle of such a body? The Rapporteurs emphasized that any proposals on machinery or on aspects of public relations ought really to come up at a late stage in the work of the Sub-Group - at thy rate after the substantive questions had been clarified - probably at the stage when the results of all of the Aub-Grouns were . sidellave
- of There was a long and rather desultory discussion of items listed in the Repportours' paper unior the heading "Practical Steps and Freedures". The discussion was not so much substantive as on the question as to how the various items should be grouped. At one stage, it was contended that they should be grouped under three headings accurity, economic etc., political. In the end, epinion rallied for the view accepted by the Rapportours that it would be better to group these elements under (a) detente, and (b) guidelines regarding ultimate elements of a Juropean settlement. The Repportours undertook to get into touch with ir. Kohler on items having security aspects.
- 9. There was the usual turble regarding where the main responsibility for the report should lie. Attempts to suggest that it lay essentially with the Lapporteurs were combined with pleas that notional representatives could not expect to subscribe to "every thought and every line" of the report. Dr. "chastid that just the same it was not revely a question of the freedom of thinking of the Rapporteurs, but also of a report to be agreed as representing the views of the "ub-Croup.
- 10. The Group agreed to meet again on the afternoon of lith September and to continue its discussions throughout 19th September. A number of papers were circulated during these meetings on 27th and 28th June and various additional papers were promised for distribution before the September meeting. (See the report by the Secretary, Ir. L. Lintall-Smith (LLS/67/39).