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NORTH ATLANTIC COUNCIL DEPUTIES

DOCUMENT:

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OR. ENG.

3rd January, 1951

USE OF EXPORT CONTROLS TO ENSURE ADEQUATE
SUPPLIES FOR NATO MILITARY PRODUCTION.

Memorandum by the United Kingdom Deputy

At their meeting in New York the North Atlantic Council (see C5-D/4 (Final)) expressed great concern at the effect which shortages in the supply of primary commodities might have on the ability of the NATO countries to produce military equipment for the forces envisaged in the Medium Term Defence Plan. It would seem equally important to ensure the supply of other necessary materials, equipment and components. It would therefore seem desirable that in addition to the measures already under consideration by the Deputies for dealing with this problem, an embargo should be instituted, to the extent necessary, on exports to the Soviet Bloc of goods urgently required for the defence needs of the North Atlantic area. (For this purpose, the Soviet Bloc should be considered as including the U.S.S.R., Eastern Germany, Poland, Czechoslovakia, Hungary, Roumania, Bulgaria, Albania and Communist China. Since there are no zonal controls on trade within Austria, special procedures would have to be devised in order to make effective the application of any embargoes considered necessary in respect of the Soviet Zone of Austria.)

2. As a result of the common action of most of the NAT countries and of Western Germany, limitations on exports of strategic importance to the Soviet Bloc have already been, and will no doubt continue to be, undertaken under procedures already established. These limitations should be coordinated with the work of NATO in this field which should be confined to covering those items urgently required for the defence of the North Atlantic area which are in short supply but have not been placed under embargo as being of importance to the war potential of the Soviet Bloc.

3. This matter is connected with the responsibilities already entrusted by the Deputies to the Defence Production Board and the Advisory Group on Raw Materials. Paragraph III, 3 (i), (ii) and (iv) of D-D/205 (Terms of Reference for the Defence Production Board) and paragraph 3 of D-D/207 (Resolution on the Establishment of an Advisory Group on Raw Material Problems) would seem to provide appropriate bases on which these two bodies could conduct the necessary studies and make recommendations to the Deputies in regard to exports to the Soviet Bloc on which embargoes should be placed. The Deputies would then review such recommendations and forward those which they had approved to member Governments, with the suggestion that they be put into effect as soon as possible. Uniform action by all member Governments in the application of controls would clearly be most important.

4. It is therefore suggested that the Council Deputies approve the Resolution attached as an Appendix to this memorandum.

(Initialled) F.R.H.M.

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APPENDIX

DRAFT RESOLUTION

THE NORTH ATLANTIC COUNCIL DEPUTIES:

noting the concern expressed by the North Atlantic Council (C5-D/4 Final) at the effect which shortages of primary commodities might have on the ability of the North Atlantic Treaty nations to produce the military equipment for the forces envisaged in the Medium Term Defence Plan, and recognising that the supply of other necessary materials, equipment and components is of equal importance in this respect;

Conclude:

(a) that in addition to the measures already under consideration by NATO for ensuring adequate supply of these items an embargo should be instituted to the extent necessary on exports to the Soviet Bloc of goods which are urgently required for the defence of the North Atlantic area and are in short supply, but have not been placed under embargo as being of importance to the war potential of the Soviet Bloc;

(b) that by reason of their existing terms of reference the Defence Production Board and the Advisory Group on Raw Material Problems are the most appropriate bodies to undertake the task of formulating proposals for such action;

Agree:

that they, the Deputies, will review and, where appropriate, approve any such proposals for transmittal to member governments with a recommendation that they should take prompt measures to implement them, and that they should keep

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the Council Deputies informed of the action taken;

Accordingly request:

the Defence Production Board (or until such time as it comes into operation, the Permanent Working Staff of the Military Production and Supply Board) and the Advisory Group on Raw Material Problems to concert action on the following lines:-

(a) The Defence Production Board, bearing in mind measures of control already proposed or in operation, should ascertain urgently from member countries particulars of critical shortages which are likely to arise in respect of raw and other materials, components, and equipment required for defence purposes. As and when detailed requirements for defence purposes emerge from the studies of the Defence Production Board, these should be taken into direct account in the Board's assessment of the position.

(b) The Defence Production Board, should forward to the Advisory Group on Raw Material Problems the resulting information on raw materials derived from action in paragraph (a) above; and the Advisory Group should, in the light of information obtained from OEEC and other sources on essential civilian requirements and total availabilities, and after giving due consideration to control measures already in effect, make recommendations to the Deputies concerning any raw materials which it feels it is necessary to place under embargo in order to ensure adequate supplies for defence purposes.

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(c) The Defence Production Board should make similar recommendations to the Deputies regarding other materials, equipment and components required for defence purposes.