

NORTH ATLANTIC COUNCIL DEPUTIES

SECRET

SUMMARY RECORD

D-R(51)27

OR. ENG./FR

13th April, 1951

Summary Record of a meeting of the Council
Deputies held at 13, Belgrave Square, London,
S.W.1. on Wednesday, 11th April, 1951, at
3.0 p.m.

PRESENT:

Chairman - Mr. C.M. Spofford (United States)

Vicomte Obert de Thieusies (Belgium) Mr. L.D. Wilgress (Canada)

Count Eduard Reventlow (Denmark) M. H. Alphan (France)

M. G. Petursson (Iceland) Signor A. Rossi-Longhi (Italy)

M. A. Clasen (Luxembourg) Jonkheer A.W.L. Tjarda van
Starkenorgh-Stachouwer
(Netherlands)

M. D. Bryn (Norway) Dr. R.E. Ulrich (Portugal)

Mr. C.A.E. Shuckburgh (United Kingdom)

SECRETARIAT

Mr. T.A.G. Charlton
M. J.C. Debray

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UNCLASSIFIEDSECRET
D-R(51)27I. DRAFT AGREEMENT BETWEEN THE PARTIES OF THE NORTH ATLANTIC TREATY REGARDING THE STATUS OF THEIR FORCES.

(Previous reference: Summary Record: D-R(51)15, Item I).

1. THE CHAIRMAN reminded the Council Deputies that the Working Group on the Draft Convention between the parties of the North Atlantic Treaty regarding the status of their forces was due to reconvene on Monday, 16th April, to consider amendments proposed by governments. He understood that suggested amendments or nil returns had been received from all governments concerned with the exception of one. Some of these amendments had, however, only recently been circulated and in order to give governments more time to consider them he felt it would be desirable for the Working Group in the first instance to concentrate on the Draft Agreement on the Status of NATO Representatives and International Staff (Document: D-D(51)58).

2. THE COUNCIL DEPUTIES:

Took note of the Chairman's statement.

II. MEETING OF INFORMATION OFFICERS.

(Previous reference: Summary Record: D-R(51)23, Item VIII).

3. THE CHAIRMAN reminded the Council Deputies that the meeting of Information Officers would hold its first session the following day at 10 a.m. He hoped that all Deputies would be able to attend the reception which he was giving at 13, Belgrave Square on Friday, 13th April.

4. THE COUNCIL DEPUTIES:

Took note of the Chairman's statement.

III. OUTCOME OF THE DISCUSSIONS WITH THE USSR IN PARIS.

(Previous reference: Summary Record: D-R(51)22, Item VII).

5. THE FRENCH DEPUTY gave a summary of the events which had taken place in the course of the discussions between the Deputies of the Four Powers in Paris, which had started on 5th March. (The text of this statement was subsequently circulated as Document: D-D(51)97).

6. THE COUNCIL DEPUTIES:

(1) Thanked the French Deputy for his statement.

(2) Instructed the Secretary to circulate a copy of the text.

IV. PROGRESS REPORT ON THE CONFERENCE ON THE ESTABLISHMENT OF A EUROPEAN ARMY.

(Previous Reference: Summary Record: D-R(51)23, Item I).

7. THE FRENCH DEPUTY said that after the Easter recess three meetings had been held in Paris on 5th, 6th and 7th April, respectively. /

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respectively. The Comité de Direction had met on 5th and 7th April, and the Comité Militaire on 6th April. It was clear from these discussions that the main divergence of view was on the level at which national units should be integrated into the European Army. As far as German participation was concerned, the French Delegation had adhered to the decision reached by the North Atlantic Council at their meeting held in Brussels in December that the basic national unit should be the regimental combat team. The German Representatives on the other hand had, for military and other reasons, emphasised the need for a homogeneous national unit with a strength of some 10,000 which would be self-supporting. In the light of this divergence of view the Military Committee was at present limiting its activities to studying the problems which were common to either of the two above solutions, namely, the organization of reserve forces, standardization of equipment, recruitment, training, supply problems etc.

8. On the political side the Draft Convention had been examined article by article, with the exception of Articles VII and VIII relating to the level of integration, which for the reasons explained above could not for the time being be profitably discussed. The representatives of Belgium and Italy had drawn attention to the need for Parliamentary approval for the proposed supra-national institutions. In addition, the Italian Delegation had reiterated their preference for a college of commissioners for defence rather than one single commissioner. It had been agreed in discussion that the Defence High Commissioner should organize any European Army, which it might be agreed to establish in such a way as to fit in with the organization of the forces placed under the command of the Supreme Allied Commander, Europe. A plenary session of the conference had been called for Friday, 13th April.

9. THE COUNCIL DEPUTIES:

Took note of the statement by the French Deputy.

V. PARTICIPATION OF GERMANY IN THE DEFENCE OF WESTERN EUROPE.

(Previous reference: Summary Record: D-R(51)19, Item VI).

10. THE FRENCH DEPUTY made a statement summarising the outcome of the two further meetings between the representatives of the Occupying Powers in Western Germany and the West German Federal Republic, which had been held on 2nd and 16th March respectively.

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11. At the meeting held on 2nd March the representatives of the Western Powers had given their views on the combatent status of German forces operating under the command of the Supreme Allied Commander, Europe, under international law. Three points had been raised by the German representatives namely:

(a) Although the West German Federal Republic was not in all respects an independent sovereign state, would it be accorded the status of a belligerent in the event of hostilities?

(b) If belligerent status was not reorganised by the Soviet Union would the Soviet Union nevertheless treat German prisoners in accordance with International Law?

(c) Would German soldiers participating in the defence of Western Europe be subject to the penalties prescribed under the Central Council legislation on German demilitarisation?

12. The representatives of the Western Powers were able to give some reassurance to the German representatives on the above points, based on both legal and practical considerations. The representatives of the West German Federal Republic had declared themselves to be satisfied on the legal issues in the light of the reassurances given.

13. Discussion had then turned on the size and type of German formations which would participate in the defence of Western Europe. Herr Blank had advanced the same views on this particular issue as had been advanced by the German Delegation to the conference on the establishment of a European Army, namely, to recommend a national homogeneous and self-supporting unit with a strength of about 10,000 men. He had emphasised that the forces of Western Europe would have to be of the highest possible quality in order to combat the numerical superiority of the USSR and its satellites. On the technical side the German representatives had suggested that integration should take place at the level of a division consisting of two groups of 10,000 men; two infantry groups would compose an infantry division, and one infantry group and one armoured group an armoured division. In conclusion, however, Herr Blank had said that he would be prepared to consider any alternative solution which would be politically acceptable to the West German Federal Republic.

14. At their meeting on 16th March questions of finance had been discussed. The German representatives had pointed out that both the cost of German participation and the means of financing it must be determined at an early date. Unfortunately, however, owing to the destruction of all former records relating to

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the Wehrmacht, they were not in a position to submit any kind of estimate. The West German Federal Republic would be prepared to contribute an annual sum of 6 milliards DM. In view of the fact that the total occupation costs were at present running at 6.2 milliard DM, it was evident that the Western Powers could not count on a German contribution towards the cost of maintaining the German units. The Allied representatives reserved their position.

15. THE UNITED KINGDOM REPRESENTATIVE said that a further meeting had taken place on 6th April, at which the British representative was in the chair. A further meeting was due to take place on 18th April. At both these meetings questions of the German contribution to the tactical air force would be discussed. He suggested therefore that it would be more convenient if the next progress report were delayed until after the second meeting had been held.

16. THE COUNCIL DEPUTIES:

- (1) Took note of the statement by the French Deputy.
- (2) Agreed that the next progress report would be given by the United Kingdom Deputy after the conclusion of the second meeting to be held on 18th April.

VI. MILITARY, POLITICAL AND ECONOMIC CONDITIONS IN HUNGARY, ROUMANIA, BULGARIA AND ALBANIA.

(Previous reference: Summary Record: D-R(51)19, Item II).

17. The Council Deputies had before them a Draft Agreed Minute prepared by the Working Group (Document D-D(51)80).

18. In the course of discussion certain amendments were suggested to Section I of the draft, namely:

- (a) Paragraph 2(b), first sentence.

The view was expressed by certain Deputies that apart from the actual presence of Soviet armed forces in Albania, Soviet influence was just as strong in Albania as in the other satellite countries.

- (b) Paragraph 3(b), second sentence

Some doubts were expressed whether the action of the Hungarian Government was "successful" and it was suggested that the sentence might be omitted.

- (c) Paragraph 3(b), last sentence.

It was by no means clear that in fact the goal set under the Five Year Plan, as recently adjusted by the Bulgarian Government, would not in fact be achieved.

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(d) Paragraph 3(c)

It was suggested that this sentence should be omitted on the grounds that the socialization of Roumanian agriculture had already made considerable progress.

19. THE COUNCIL DEPUTIES:

- (1) Instructed the Working Group to revise Section I of Document D-D(51)80 in the light of the suggestions referred to above.

20. The Council Deputies then discussed the suggestions contained in Section III of Document D-D(51)80. In accordance with normal practice no record of this discussion is being incorporated in these minutes.

21. THE CHAIRMAN said that the Working Group had circulated a memorandum with regard to future procedure for these exchange of views on political matters (Document D-D(51)92). In this connexion it would be desirable to place on record once again the agreement which had been reached at previous meetings, namely that the agreed minutes which were drawn up as a result of the Deputies discussions merely represented a concensus of the views expressed, but did not involve any individual country in definite commitments.

22. THE COUNCIL DEPUTIES:

- (2) Instructed the Working Group to draw up an agreed minute on the questions contained in Section III, (a), (b) and (c) of Document D-D(51)80.

VII. ESTABLISHMENT OF AN INTERNATIONAL BUDGET FOR NATO CIVILIAN AGENCIES.

(Previous reference: Summary Record D-R(51)26)

23. THE CHAIRMAN recalled that the Deputies had to study problems relating to expenditure in respect of NATO as a whole, divided into the three following categories: civilian, military and infrastructure. The Deputies were not yet in possession of all the information required in order to carry out this study. He therefore proposed that the method of approach should be the same as that which had been hitherto adopted, namely to discuss the problems piecemeal. He hoped that agreement could be reached in the course of the meeting on civilian expenditure and that discussion of military expenditure could be stated. It would then be necessary to embark on the much more complicated infrastructure problem in respect of which a request for advances had been received from the Standing Group.

(A) Formula for sharing cost.

24. Turning to the NATO civil Budget, the Chairman recalled that every country had accepted the grouping method, subject to the reservation that such acceptance would not prejudice the method to be adopted for sharing the costs of the SHAPE Budget.

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The Netherlands and Italy, however, made their acceptance conditional on the sharing of SHAPE expenditure being based on capacity to pay. This reservation had made it impossible to reach final agreement on the NATO civilian Budget up to the present. In order that the NATO civilian Budget could be drawn up immediately, the Chairman proposed that a provisional agreement should be reached on the grouping method, on the understanding that if the reservation made by the Deputies of the Netherlands and Italy on the method of sharing SHAPE was not subsequently satisfied, the provisional agreement now reached on the NATO civilian Budget would become invalid and the question would then have to be reconsidered.

25. THE DEPUTIES OF ITALY AND THE NETHERLANDS signified their agreement to the Chairman's proposal.

26. THE COUNCIL DEPUTIES:

(1) Agreed that the contributions to the NATO civilian budget would be based on the scale shown in paragraph 19 of Document D-D(51)59, subject to the reservation that the question would be reconsidered, if the method to be subsequently adopted for sharing the costs of SHAPE was not based on the capacity to pay.

(B) Establishment of a Working Capital Fund

27. THE CHAIRMAN recalled that a Draft Resolution on the establishment of a Working Capital Fund was attached as Annex C to the Second Interim Report of the Working Group (D-D(51)74). This draft contained a blank relating to the figure of the Working Capital Fund. In its Sixth Interim Report (D-D(51)96), the Working Group proposed that the Working Capital Fund should amount to £400,000.

28. The Deputies unanimously agreed in principle to this proposal. The Deputies of Canada and Iceland stated, however, that they could not give their formal agreement until they had received instructions from their Governments.

29. THE CHAIRMAN suggested that the Secretariat should be notified of the formal agreement of the two Deputies concerned, in order to avoid the necessity of placing the question once again on the agenda.

(C) Staff Regulations

30. THE CHAIRMAN said that these regulations were merely a starting point and could of course be amended later if this should prove necessary. He pointed out that, as soon as the principal appointments to the staff of the Organization had been made, recruiting could begin for the other posts.

31. THE COUNCIL DEPUTIES:

(2) Approved the Staff Regulations as set out in Annex A of Document D-D(51)89.

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(D) Salary scale

32. THE CHAIRMAN drew the attention of the Deputies to the great importance of this question. The Working Group, which had not succeeded in reaching agreement, had set out in its Report (D-D(51)89) the arguments in favour of each of the two suggested scales; one was the OEEC scale, and the other a lower scale proposed by the United Kingdom Delegation. The United States was in favour of the OEEC Scale. As small a staff as possible should be employed, and a high standard of efficiency should compensate for its low numerical strength. Moreover, the future of the NAT Organization was unknown and the salaries offered to the staff employed by NATO should take this uncertainty into account. The Chairman did not regard as controlling the objection that too high a salary scale would be seriously out of line with the level of government salaries in the host country. This situation had already arisen in several countries, particularly in the United States and France, and higher salaries than the national salaries had been accepted there. It was also necessary to bear in mind the considerable difficulties which would be caused by the existence side by side in Paris of the OEEC and the NATO Financial and Economic Board, if the salary scales of those two bodies were different. The level of OEEC salaries was reasonable and lower than that of the United Nations. The Chairman had had the opportunity of consulting, among others, Mr. Herod and Mr. Newton, who had told him that it would be impossible to recruit highly qualified individuals if a salary scale lower than that of the OEEC were offered. The salaries could no doubt be supplemented by the national governments, but the Chairman thought that this should be avoided as far as possible.

33. THE UNITED KINGDOM DEPUTY said that he had been instructed to support the lower salary scale. It was the view of his government that international salaries had shown too great a tendency to become inflated and that it was time to check this trend. He had however been struck by the force of the arguments put forward by the Chairman regarding the terms on which highly qualified staff could alone be recruited. If individuals from the field of private enterprise were recruited, special arrangements could be made. But in general, staff would no doubt be mainly recruited from the Civil Service and he did not consider that it was necessary to offer Civil Servants, whose career was in any case assured in the government service, such great advantages as those which would be conferred by the OEEC scale. The latter had been drawn up in the light of the cost of living in Paris. The cost of living in London was much lower and this fact should be taken into account.

34. THE NETHERLANDS DEPUTY expressed his agreement with the United Kingdom point of view. It was time to check the inflationary tendencies of international salaries. The OEEC scale was much higher than that of the United Kingdom Civil Service there should be no question of establishing a comparison with diplomatic salaries, the level of which was determined by representational duties, which would not be expected of NATO officials. Moreover, it would be undesirable to pay high salaries to NATO staff at a time when the rearmament policy was calling for many varied sacrifices from all the inhabitants of NATO countries.

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35. THE FRENCH DEPUTY expressed his agreement with the Chairman's point of view. None of the arguments put forward by the United Kingdom Delegation seemed to him to be valid. The cost of living in Paris was no higher than the cost of living in London. It was, moreover, impossible to distinguish within the same organisation between individuals contributed by government departments and others recruited from commercial life. The salaries of international officials differed from those of national officials everywhere, for the reasons given by the Chairman. This difference had been accepted in Paris in the case of the OEEC, precisely because first-class staff had to be found. It was quite justifiable that when an individual had to break with his settled position in his own country in order to take up a new appointment, he should receive some compensation for doing so.

36. THE BELGIAN DEPUTY expressed his agreement with the view expressed by the Chairman and the French Deputy. He did not think that most of the staff would be contributed by government departments.

37. THE NORWEGIAN DEPUTY supported the United Kingdom point of view. The salary scale should be compared not only with national salary scales, but also with the scale applying to NATO national delegations and, in some cases, it would be higher than the latter. The reactions of Parliamentary opinion should also be taken into account.

38. THE DANISH DEPUTY also supported the United Kingdom argument. It seemed to him undesirable to fix very high salaries at the present time. In Denmark, the salaries of senior Civil Servants had just been reduced by 10%.

39. THE PORTUGUESE DEPUTY inclined rather to the United States view, in the light of the OEEC precedent. He suggested that an attempt might be made to find a compromise between the two scales.

40. THE ITALIAN DEPUTY was of the opinion that the OEEC salary scale should be adopted.

41. THE CANADIAN DEPUTY said that he had no definite instructions. This problem chiefly concerned the European countries, since the Canadian Government would in any case be required to supplement the salaries of their nationals. In these circumstances, he had no opinion to express.

42. THE CHAIRMAN said that, if it was true that the level of international salaries raised a problem of a general nature, it was not for the Deputies to solve it. Their duty was to set up an organisation, and not to attempt to solve a general problem. The question had admittedly a certain importance from the point of view of parliamentary opinion in the individual countries. It seemed to him that, since the OEEC scale was a middle scale and lower than that of United Nations, there was probably very little reason for Parliamentary insistence on the adoption of a lower scale. In any event, the United States Government would be unwilling to adopt the lower scale.

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43. THE BELGIAN DEPUTY recalled that the OEEC regulations had already been accepted by various parliaments; they were therefore not unfamiliar. According to his information, the Schumann Plan was expected to adopt at least as high a salary scale.

44. THE FRENCH DEPUTY said that the Parliaments were chiefly interested in ensuring that the organization should not have too large a staff. He said that even in the OEEC scale, a Deputy Secretary-General, which was a very high post, would receive a lower salary than that of a Counsellor in the French Embassy in London.

45. THE UNITED KINGDOM DEPUTY said that he would report the views expressed in discussion to his Government.

46. THE COUNCIL DEPUTIES

(3) Agreed to reconsider the question on the following Monday, 16th April, 1951.

VIII. ESTABLISHMENT OF AN INTERNATIONAL BUDGET FOR SHAPE.

47. THE CHAIRMAN proposed that the Deputies should meet again on Thursday, 12th April, 1951 at 3 p.m. to consider this question.

IX. CIRCULATION OF DOCUMENTS BY THE INFORMATION SERVICE

48. THE FRENCH DEPUTY expressed his surprise at the fact that documents which had been sent by the French Delegation to the Information Service had not yet been circulated.

49. MR. NEWTON, Director of the Information Service, stated that the service had practical difficulties to contend with since there was a shortage of translators and typists. Moreover, he had understood that the Information Service was expected to do a certain amount of editorial work on documents which were sent in by the national delegations for circulation. A number of documents could be circulated immediately. Others required study and editing.

50. THE FRENCH DEPUTY stated that he could not possibly agree that the Information Service should be allowed to re-write the documents which had been submitted. He could understand that circulation might be delayed on account of practical difficulties but he could not accept delay for the reason mentioned by Mr. Newton. When French documents were sent in, they should be circulated without awaiting an English translation.

51. THE COUNCIL DEPUTIES:

Agreed that this problem should be discussed at a forthcoming meeting.