

NORTH ATLANTIC COUNCIL DEPUTIES

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REPORT BY THE NORTH ATLANTIC

COUNCIL DEPUTIES

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Not included.

PART II

PROGRESS REPORT FROM THE COUNCIL DEPUTIES

A. Action on Organisation and Administration

(1) Reorganisation of the top structure of NATO

1. In accordance with the request of the North Atlantic Council, approved at the Sixth Meeting in December, 1950, concerning simplification of the structure of NATO, the Council Deputies, after a thorough review of various proposals, on 2nd May 1951 approved, on behalf of governments, the new terms of reference of the North Atlantic Council and Council Deputies (D-D(51)86 Final). This reorganisation of the top structure of NATO merged the former Defence Committee and the former Defence Financial and Economic Committee into the Council, and established the Council Deputies as the permanent working organ of the North Atlantic Council, responsible for coordinating the activities of and giving guidance to all the other permanent organs of the North Atlantic Treaty Organisation. The full text of the document setting forth this reorganisation (D-D(51)86 Final) is set forth in Appendix A below. Action with respect to proposals for reorganising the NATO military structure is being considered by the Military Committee.

2. In carrying out its responsibility of coordinating the activities of the other permanent organs of NATO, the Council Deputies, in addition to considering questions referred to them by member governments and by other NATO agencies, have found it of value to arrange for periodic meetings with the heads of the other NATO agencies. With respect to the military agencies, they have discussed problems of mutual concern with the last two incoming Chairmen of the Standing Group, Vice Admiral Jerauld Wright (DR(51)25), and Lieutenant General Paul Ely (DR(51)52), and have met

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with General of the Army Dwight D. Eisenhower, Supreme Allied Commander Europe (DR(51)4), and Lieutenant General Alfred M. Gruenther, Chief of Staff, SHAPE (DR(51)26). In addition, the Standing Group has designated a Liaison Officer to the Council Deputies.

3. With respect to the civilian agencies, the Council Deputies have arranged for monthly meetings with the Chairman of the Defence Production Board and the Coordinator of Defence Production, and with the Chairman of the Financial and Economic Board.

4. A list of the principal representatives of the permanent civilian agencies of NATO is attached as Appendix B.

CONFIDENTIALD-D(51)198APPENDIX A
(Document D-D(51)86 Final)NATC REORGANIZATIONTerms of Reference of Council
and Council Deputies.

1. The North Atlantic Council, pursuant to their Resolution of the 19th December, 1950 (Document C6-D5(Final)), having considered certain proposals for the reorganization and simplification of the structure of the North Atlantic Treaty Organization put forward by the Canadian Representative, together with other related proposals, have agreed that the provisions set out below shall replace:

- (a) Sections I, II, III, VII, and VIII of the Report of the Working Group on Organization, as adopted by the Council on 17th September, 1949;
- (b) The Directive from the North Atlantic Council to the Defence Financial and Economic Committee. (Document: Council D-1/4 dated 18th November, 1949).
- (c) The Directive from the North Atlantic Council to the Military Production and Supply Board (Document: Council D-1/5, dated 18th November, 1949).
- (d) Council Resolution No. 4/7, dated 17th May, 1950, setting up the North Atlantic Council Deputies.

I. GENERAL PRINCIPLES

2. The North Atlantic Council shall be the principal body in the North Atlantic Treaty Organization. In accordance with the Treaty, the Council shall be charged with the responsibility of considering all matters concerning the implementation of the provisions of the Treaty. Such subsidiary bodies as shall be set up under Article 9 of the Treaty shall be subordinate to the Council.

3. The organization established under the North Atlantic Treaty should be operated with as much flexibility as possible and be subject to review from time to time. The establishment of this machinery does not preclude the use of other means for consultation and cooperation between any or all of the Parties on matters relating to the Treaty.

II. COUNCIL

4. The members of the North Atlantic Council shall represent their respective Governments. The Council shall incorporate not only the Council envisaged by Article 9 of the Treaty but also the Defence Committee referred to in the same article. The Council shall be composed of members of ministerial rank although in exceptional circumstances member Governments may be represented by other persons duly designated for the purpose. Heads of Governments may attend meetings of the Council in person. Otherwise, governments shall be represented by their Minister for Foreign Affairs and/or their Minister of Defence or by other competent

/Ministers,

Ministers, especially by their Minister responsible for financial and economic affairs, according to the nature of the Agenda.

Terms of Reference

5. The North Atlantic Treaty shall constitute the terms of reference of the Council.

Time and Frequency of Sessions

6. The Council shall be convened by the Chairman and shall meet in ordinary session annually and at such other times as may be deemed desirable by the majority of the Parties. Extraordinary sessions under Articles 4 and 5 of the Treaty may be called at the request of any party invoking one of these Articles.

Location

7. The location of each session of the Council shall be determined by the Chairman after consultation with the other Parties. For general convenience the ordinary annual session should normally be held at about the same time and in the same general geographical area as the annual session of the General Assembly of the United Nations. Other ordinary sessions should whenever practicable be held at some convenient location in Europe.

Chairmanship

8. The Chairmanship shall be held in turn by the Parties according to the alphabetical order in the English language. Each Party shall hold the office from the beginning of one ordinary annual session until the appointment of the new Chairman at the following ordinary annual session. If any Party does not wish to accept the chairmanship it shall pass to the next Party in alphabetical order.

Languages

9. English and French shall be the official languages for the entire North Atlantic Treaty Organization.

III. COUNCIL DEPUTIES

10. To enable the Council effectively to carry out its responsibilities and to exercise them continuously, each Government shall be represented by a Council Deputy. Each Deputy shall represent all Ministers concerned with NATO matters in his Government and shall be responsible to such Minister or Ministers as his Government may determine. The Council Deputies constitute the permanent working organ of the North Atlantic Council. When the Council is not in session, the Council Deputies shall carry out the policies of the Council, recommend to Governments the measures necessary to this end, formulate issues requiring decisions

/by

by the Council or by member governments, and otherwise constitute a body which may register the approval of their governments on matters before them for consideration.

11. The Council Deputies shall have as their general terms of reference those of the Council: in addition to the functions set out in paragraph 10 above, they shall also:

- (a) be responsible for coordinating the activities of and giving guidance* to all the other permanent organs of the North Atlantic Treaty Organization;
- (b) exchange views on political matters of common interest within the scope of the Treaty;
- (c) deal directly with the military committee as at present constituted, and when that body is not in session with the Standing Group, on political matters having military implications and provide those bodies with the political guidance* upon which strategic decisions should be based. The Standing Group shall maintain close liaison with the Council Deputies and provide that body with advice on military matters;
- (d) promote and coordinate public information activities in furtherance of the objectives of the Treaty while leaving responsibility for national programmes to each country;
- (e) consider what further action should be taken under Article 2 of the Treaty, taking into account the work of the existing agencies in this field.

Chairmanship

12. The Council Deputies shall select a Permanent Chairman from among their membership. The Chairman, in addition to presiding at meetings of the Deputies, shall be responsible for directing the organization and its work. The Council Deputies shall also appoint a Vice-Chairman who shall act in the absence of the Chairman, the office to rotate alphabetically by countries (in the English language) at the end of each calendar month.

Time and Frequency of Sessions

13. The Council Deputies shall be so organized as to function continuously.

Location

14. The Council Deputies shall have their headquarters in London.

IV. DEFENCE PRODUCTION BOARD

15. The organization and terms of reference of the Defence Production Board shall be as set forth in Council Deputies Document D-D/205 of 7th December, 1950, except

/that

* See Annex.

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that the Board shall in future report to the Council Deputies and not, as provided in Section IV, paragraph (1) of that document, to the Defence Committee. The Board shall keep the Council Deputies currently informed of the progress of its work, and receive guidance from them.

V. FINANCIAL AND ECONOMIC BOARD

16. The organization and terms of reference of the Financial and Economic Board shall be as set forth in Council Deputies Document D-D(51)121.

ANNEX

AGREED INTERPRETATION OF THE TERM "GUIDANCE"
IN PARAGRAPH 11 OF D-D(51)86 (2nd Revise)

For the purposes of paragraph 11 of D-D(51)86, the term "guidance" is interpreted to be synonymous with the term "direction". Thus general guidance by the Council Deputies described in paragraph 11(a) has the same meaning as general direction, and political guidance described in paragraph 11(c) has the same meaning as political direction. The term "guidance" is preferred as being more usual and appropriate in describing the relationship between two bodies of such standing as the Council Deputies and the Standing Group. The latter will not be free to reject or to alter political guidance received from the Council Deputies. In the event it finds such advice militarily unacceptable, it will follow the procedure set forth in paragraph 16 of DC 24/3 (Final)*. With respect to that paragraph it is observed that:

- (1) The words "militarily unacceptable" are interpreted as meaning "militarily impracticable of accomplishment";
- (2) the new terms of reference of the Council Deputies preclude the possibility of conflicts with strategic conceptions previously approved by higher NATO agencies;
- (3) the word "report" is interpreted literally and not as conferring any new authority upon the military agencies of NATO.

* "It is considered that the Standing Group, upon receipt of such political guidance, should ensure its reflection in strategic direction to lower military agencies. In the event the political guidance appears militarily unacceptable, or in conflict with strategic concepts previously approved by higher NATO agencies, the Standing Group, in consultation with the Military Representatives Committee or the Military Representatives of the individual nations as appropriate, should so inform the Council Deputies and if agreement is not reached immediately report to the Military and/or Defence Committees."

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APPENDIX B

COUNCIL DEPUTIES

Chairman: Ambassador Charles M. Spofford
(United States)

Executive Secretary: Mr. Nigel E.P. Sutton (United
Kingdom)

Standing Group Liaison Officer: Major-General Richard C. Lindsay,
(United States Air Force)

DEFENCE PRODUCTION BOARD

Chairman: M. H. Janne (Belgium)

Coordinator of
Defence Production: Mr. William R. Herod (United States)

FINANCIAL AND ECONOMIC BOARD

Chairman: M. R. Leroy Beaulieu (France)

Director, Financial
and Economic Staff: M. M. Denis (France)

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(2) Organization of the Defence Production Board and the Financial and Economic Board

5. The North Atlantic Council, at the sixth meeting in December 1950, established the Defence Production Board and approved its terms of reference (D-D/205). Each member government appointed a representative to the Defence Production Board, which held its first meeting on 11th January 1951. The representative of Belgium, M. H. Janne, was elected as first Chairman to hold office for six months initially, and was re-elected to office for another six months.

"On 15th January, 1951, the Council Deputies, on the recommendation of the Defence Production Board, approved the appointment of Mr. William R. Herod as Coordinator of North Atlantic Defence Production and confirmed his terms of reference."

6. In order to provide a more effective permanent organization to deal with the financial and economic problems arising out of the defence effort, the Council Deputies on 30th April, 1951 (D-R(51)33) adopted a resolution setting out the terms of reference of the Financial and Economic Board, to be located in Paris, and to be composed of representatives of each country at a senior official level. This Board succeeded to the functions and responsibilities of the Permanent Working Staff of the Defence Financial and Economic Committee, of the Advisory Group on Raw Material Problems and of the Economic and Financial Working Group, which were dissolved.

7. The terms of reference of the Board (D-D(51)121; D-D(51)168) provide that it shall be responsible for considering and making recommendations upon financial and economic problems arising in connection with NATO defence programmes and upon the best use of financial and economic resources in member countries in support of the common defence effort. It shall advise the other NATO bodies under the Council Deputies on all relevant economic and financial questions arising out of their work and may recommend to the Council Deputies such directions to these other bodies as may

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seem necessary from the economic and financial point of view. The Financial and Economic Board held its first meeting on 22nd May, 1951. M. Leroy Beaulieu was elected Chairman to hold office for one year.

(3) Establishment of international staff for civilian agencies, approval of the first budget and agreement on sharing costs.

8. During January and February 1951, the Council Deputies reviewed the question of establishing an international staff for the NATO civilian agencies, to be financed out of a budget to which all member governments would contribute. On 26th February, 1951 (D-R(51)13), the Council Deputies adopted a resolution (D-D(51)47(Final)) establishing the principles to be applied in setting up the NATO international staff, as follows:

(a) " To enable the civilian agencies of NATO to perform their tasks, it is essential that their operations be drawn together and closely coordinated, and that the concept and objective of NATO should be a single cohesive organisation. This concept and objective should be emphasised and should be pursued in all organisational steps affecting the civilian agencies of NATO.

(b) To this end a common administrative system should be developed which would apply to the staff of all civilian agencies of NATO. While for operational purposes such staff would be responsible to their respective boards or other directing authorities, they would for administrative purposes be members of a unified NATO staff.

(c) The NATO staff serving all NATO civilian agencies should be kept as small as possible consistent with the efficiency of the operation of the organisation. "

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"On 21st May, 1951, Mr. Nigel Sutton was appointed ..."
 Executive Secretary of the North Atlantic Treaty Organisation,
 to assist the Chairman of the Council Deputies in the
 direction of the operations of the international staff of
 the Council Deputies, in coordination of the work of the
 civilian agencies of the Organisation, and in the admini-
 stration and supervision of their international staffs.

10. Plans for the organisation of the Central Staff
 of the Council Deputies, the Defence Production Staff, and
 the Financial and Economic Staff were prepared, and were
 incorporated in the initial budget estimates for the period
 from 1st July 1951 to 31st December 1951. After review and
 revision by the Budget Committee, revised estimates,
 aggregating £ _____, were approved by the Council
 Deputies on 20th August, 1951.

11. The formula for sharing the cost of the civilian
 agencies, adopted by the Council Deputies on ____ August
 1951, was as follows:

| | |
|----------------|----------------|
| France | 22.5% |
| United Kingdom | 22.5% |
| United States | 22.5% |
| Canada | 8.0% |
| Italy | 8.0% |
| Belgium | 5.0% |
| Netherlands | 5.0% |
| Denmark | 2.0% |
| Norway | 2.0% |
| Portugal | 2.0% |
| Iceland | 0.25% |
| Luxembourg | 0.25% |
| | <u>100.00%</u> |

12. Since the beginning of June 1951, recruitment of
 the international staff for all the civilian agencies has
 been proceeding. A total of _____ had been employed by
 15th August; and it is expected that substantially all of the
 authorised 390 posts will be filled by the end of October.

(4) Status agreement covering civilian agencies

13. After the Council Deputies had decided to establish a NATO international staff, the question of an agreement to cover the status of NATO, national representatives and International Staff, was referred to an expert Working Group. The draft negotiated by the working group (D-D(51)178) was submitted to the Council Deputies on 25th July, 1951, and transmitted to member Governments with some comments (D-R(51)58). Final agreement was reached, and the Agreement signed on - August 1951, subject to ratification.

14. The draft follows generally the form of agreement which, beginning with the General Convention on Privileges and Immunities of the United Nations of 1946, has been adopted to define the privileges and immunities of practically all important international organisations. Certain departures have, however, been made from the precedents in order to meet the particular requirements of NATO.

15. At the time of signature of the Agreement the Council Deputies adopted a resolution recommending that Member States give effect to the Agreement through administrative action, to the maximum extent possible pending ratification.

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- (5) Agreement on sharing costs of SHAPE and other military headquarters, and approval of first budgets.

16. The first step toward the creation of an international budget for SHAPE was the establishment by the Standing Group on 20th January, 1951 of an international ad hoc budget committee to recommend an international budgeting and accounting system for SHAPE and a formula for sharing its costs among NAT member governments. This committee completed a report on the scope of the budget, on budget and accounting procedure, and on various possible methods of sharing costs, which the Standing Group transmitted to the Council Deputies for consideration on 16th February, 1951.

17. After extended discussion, and in the light of the development of new facts as the various commands were established, Council Deputies reached the following agreements:-

(a) On 2nd May, 1951, (D-R(51)34) it was agreed that all member governments should share in the expenses of all Supreme Commands.

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(b) On - August 1951, it was agreed that the current and capital costs of SHAPE and its subordinate headquarters should be shared as follows:

| <u>Country</u> | <u>Operating Budgets</u> | <u>Capital Budgets</u> |
|----------------|--------------------------|------------------------|
| United States | 22.57 | 40.07 |
| United Kingdom | 22.5 | 22.5 |
| France | 22.5 | 17.0 |
| Canada | 3.0 | 5.1 |
| Italy | 3.0 | 5.1 |
| Belgium | 5.0 | 3.1 |
| Netherlands | 5.0 | 3.1 |
| Denmark | 2.0 | 1.3 |
| Norway | 2.0 | 1.3 |
| Portugal | 2.0 | 1.3 |
| Iceland | 0.25 | 0.1 |
| Luxembourg | 0.25 | 0.1 |
| | <u>100.00%</u> | <u>100.0%</u> |

18. In the meantime, interim advances were made to SHAPE to cover initial expenses, first by France and the United States and later by all member governments.

"Later, budget estimates were prepared by SHAPE to cover the expenses of SHAPE and the Subordinate Commands in Central Europe. Estimates for Headquarters in Northern and Southern Europe are now in preparation, but have not yet been completed. The estimates completed by SHAPE, which have been reviewed by the Budget Committee and approved by the Council Deputies, are the following:"

SHAPE:

| | |
|-------------------------------|-------|
| 1 Dec. 1950 - 30 June 1951 | _____ |
| 1 July 1951 - 31 Dec. 1951 | _____ |
| Army Forces Central Europe | |
| 1 July 1951 - 31 Dec. 1951 | _____ |
| Flag Officer Central Europe | |
| 1 July 1951 - 31 Dec. 1951 | _____ |
| Air Forces Central Europe | |
| 1 July 1951 - 31 Dec. 1951 | _____ |
| Allied Forces Northern Europe | |
| 1 Apr. 1951 - 31 Dec. 1951 | _____ |
| TOTAL | _____ |

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19. The above budgets were approved by the Council Deputies in August, 1951, and Governments have been asked to advance funds to cover them in accordance with a schedule worked out with SHAPE and with each government.

20. Provisional estimates for SACLANC were transmitted to the Council Deputies by the Standing Group on 6th August 1951. These will be considered by the Budget Committee on _____, and in the meantime the Council Deputies have given preliminary consideration to the question of interim advances and to the formula to be adopted for sharing these costs.

(6) Agreement on the status of armed forces

21. An agreement establishing the status of armed forces of member governments while serving in the territory of other member governments was negotiated, and signed in London on 19th June 1951 by accredited representatives of the member governments, subject to ratification.

22. At the time of signature, a resolution was adopted by the Council Deputies recommending that member governments give effect to the agreement to the maximum extent possible through administrative action, pending ratification.

23. A separate headquarters agreement was negotiated between SHAPE and the French Government, and was signed on _____ August 1951 after approval by the Council Deputies.

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(7) Progress on Organisation in shipping field

24. Since the last meeting of the North Atlantic Council the Council Deputies, on behalf of the Council, have considered two reports by the North Atlantic Planning Board for Ocean Shipping.

(a) Defence Shipping Authority

25. The second report of the PBOS (PBOS 2/26 dated 20th November, 1950) recommended the establishment in case of war or emergency of a Defence Shipping Authority, a recommendation which was approved by the Deputies. The third report (PBOS 3/23 dated 27th April, 1951) developed in detail the organisation and procedure of the Authority, as agreed at the third meeting of the PBOS held in London in April 1951.

26. The Council Deputies took note of the Organisation and Procedure of the Defence Shipping Authority and of a resolution approving the plan which had been adopted at the third meeting of the Board (PBOS 3/23, Annexes I and II). Furthermore, they agreed to a procedural proposal by the PBOS for making available to certain non-NATO nations details of the plan and the text of the resolution. Since that date the Council Deputies have agreed to the information being transmitted to Greece, Turkey, Sweden, members of the British Commonwealth and to 20 Latin-American States.

(b) Central Authority and Shipping Requirements in time of War or Emergency.

27. In their third report the PBOS pointed out that some NATO body other than the Defence Shipping Authorities, should be responsible for the determination of shipping requirements and of the relative priorities of those requirements.

28. In considering this question, and pursuant to a proposal by the French Deputy (D-D(51)55), the Council Deputies on

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7th June, 1951 decided to ask the FEB (i) to report on the feasibility and the proper scope of a realistic examination, at the present time, of civilian sea-borne import requirements for commodities in time of war on a strict austerity basis; (ii) to examine the nature and functions of any standby organisation or organisations which might be established within NATO to provide the Defence Shipping Authority in wartime with agreed programmes of civilian imports for NAT countries; and (iii) to consider the feasibility of establishing the principles which should be applied by NAT organisations in war time to the establishment of priorities among import programmes (D-D(51)135 (Final)).

- (c) Organisation to deal with questions concerning reception of merchant shipping including that of change of destination.

29. At a meeting held on 21st March, 1951, the Council Deputies had before them a memorandum from the Standing Group (SGM-283-51) to which was attached a report by the Western European Regional Planning Group on the organisation required to deal with questions concerning the reception of merchant shipping, including that of change of destination. The Council Deputies noted that the Standing Group recommended the PBOS should assume responsibility for coordinating the arrangements which individual nations might make, and should also establish whatever international machinery might be considered necessary to allow merchant shipping to be diverted from the port of one nation to that of another.

30. However, on being informed that the question was under review by Working Party of the Western European Regional Planning Group, the Council Deputies agreed to await the results of that study before taking a decision on the recommendation of the Standing Group.

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31. In June the Standing Group transmitted to the Council Deputies a report by the Northern European Regional Planning Group on the Organisation required to deal with reception and change of destination of merchant ships (SGM-931-51). Action on it has also been deferred, pending receipt from the Standing Group of the results of the study referred to in the preceding paragraph.

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(8) North Atlantic Treaty statistical programme and reports control.

32. The objective of the NAT statistical programme is to assure the availability of reliable statistics on progress of NAT programmes and on substantive problems under consideration by NAT agencies, through the collection of basic data from original sources or from published reports of other organisations, and the presentation of such data in the form best suited for use by NATO bodies. The first step in carrying out such a programme was the creation of a central statistical service as a part of the Central Staff of the Council Deputies, to serve as a coordinating group concerned chiefly with the preparation of summary progress reports and with the coordination and development of more detailed and extensive statistical programmes within the other NATO civilian agencies, and, through liaison, with the military agencies. It is also proposed that a procedure be established for review of questionnaires and other requests for reports emanating from NATO agencies and addressed to member countries, to avoid duplicate requests for similar data and to reduce the reporting burden placed on member countries. Much remains to be done before an adequate programme can be said to exist, but a substantial start has been made.

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B. Action on Matters which are Primarily Political

(1) Association of Greece and Turkey with Western Defence

33. Note: Preparation of this item has been deferred until discussion of this subject has been completed by the Council Deputies. It will be necessary to decide whether the report should contain a description of the points raised in the Council Deputies' discussions (as was done in the Working Group's report, D-D(51)182), or should merely be a brief statement that the question was discussed at a specified number of meetings between 20th May 1951 and _____ August 1951, leaving the detailed statement of substantive issues to a separate action paper to be presented to the North Atlantic Council. 7

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(2) German Participation in Western Defence

34. The North Atlantic Council, at their sixth session in Brussels, having adopted the joint report of the Council Deputies and the Military Committee, as amended by the Defence Committee, on the German contribution to the defence of the West, and having agreed that it constituted an acceptable basis for discussion with the German Federal Government in regard to the part that Germany might assume in the common defence, invited the Governments of the three Occupying Powers to explore the matter with the German Federal Government and to keep the other parties to the North Atlantic Treaty informed as fully as possible of the course of the discussions. (C6-D/1).

35. Between 17th January and 11th June the Council Deputies received a total of eight reports by the Deputies of the three Occupying Powers on the progress of the negotiations (D-R(51)5, D-R(51)9, D-R(51)15, D-R(51)19, D-R(51)27, D-R(51)37, D-R(51)152).

36. At their sixth session the Council also took note of the French Government's intention to call a conference of the countries (including the German Federal Republic) which might wish to participate in a European Army, and in view of the importance of the French Government's proposals, requested the Deputies to keep themselves informed as fully as possible of the progress of the conference. They also requested the Deputies to consider in due course the recommendations made at this conference from the point of view of NATO requirements (C6-D/1).

37. Between 19th February and 25th July the French Deputy, who served as Chairman of the conference, gave eight progress reports on the negotiations (D-R(51)11, D-R(51)14, D-R(51)19, D-R(51)23, D-R(51)27, D-R(51)33, D-D(51)153, D-D(51)185).

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(3) Discussions of political matters of common interest.

38. From time to time Ministers of member Governments have met with the Council Deputies, and have discussed questions of general interest with them. They included: His Excellency M. Alcide de Gasperi, Prime Minister of Italy, and His Excellency Count Carlo Sforza, Italian Minister for Foreign Affairs (D-R(51)21); His Excellency M. Paul van Zeeland, Chairman of the North Atlantic Council, (D-R(51)35); His Excellency M. Ole Bjørn Kraft, Danish Minister of Foreign Affairs (D-R(51)37); the Right Honourable Herbert Morrison, United Kingdom Secretary of State for Foreign Affairs (D-R(51)48), and the Honourable Lester B. Pearson, Canadian Secretary of State for External Affairs (D-R(51)50).

39. The Council Deputies' terms of reference authorise them to "exchange views on political matters of common interest within the scope of the Treaty" (Council Resolution 4/7, paragraph (c) and D-D(51)86 (Final)). The Council Deputies, early in 1951, decided not to confine their discussions in this field to specific political problems which might be referred to them for exploration or decision, but instead, at regular intervals, to exchange views on political questions of a general nature.

40. In the first instance, having ascertained the views of their respective Governments, the Deputies reviewed the present position of Yugoslavia (D-D(51)29 (Final)). Subsequently, they began a series of discussions covering the USSR (D-D(51)169) and the satellite countries: Hungary, Roumania, Bulgaria and Albania (D-D(51)80 (Final)), Eastern Germany (D-D(51)90); Poland and Czechoslovakia (D-D(51)133 (Revise)). In general, views were exchanged on

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on the political, economic and military conditions in those countries. Furthermore, the Council Deputies considered the question of "The Conflict of Ideas," and views expressed in the course of discussion were included in a Memorandum of Guidance for the NATO Information Conference (D-D(51)63 Final).

41. Early in April, in the light of experience in previous discussions, the Council Deputies agreed on the procedure to be followed in their political exchanges (D-D(51)92 Final). The purpose of these consultations was stated to be fourfold:

(a) to provide an informal means of exchanging information and points of view on political matters of common interest within the scope of the Treaty;

(b) to provide a summary of this exchange of information which would show the points on which there were common views and those on which views differed;

(c) to provide a channel for inter-governmental consultation on political questions of common concern within the scope of and connected with the Treaty. Such questions might either be proposed by agreement of the Deputies themselves, or might be taken up at the request of one or more of the NAT governments. Such consultation might, with the agreement of the Governments directly concerned, also refer to matters of common concern to NATO as a whole, which might be under discussion elsewhere;

(d) where appropriate, as a result of such consultation, to make recommendations to governments.

42. It was agreed that the summaries of the Deputies' political discussions should be regarded as an informal exchange of views and should not in any sense be regarded as committing NAT Governments to a particular course of action. At their meeting on 20th June, 1951, (D-R(51)49), the Council Deputies agreed to extend the area of their exchange of views in appropriate cases to include statements of national policy.

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C. Action on Military Build-up and Requirements

(1) Proposals for coordinated action by NAT agencies in carrying out Medium Term Defence Plan.

43. The Co-ordinator of Defence Production, at a meeting of the Council Deputies on 30th July, 1951, proposed that a meeting of senior representatives of the Council Deputies, the Defence Production Board, the Financial and Economic Board and the Standing Group be convened at an early date to give comprehensive consideration to the over-all situation with respect to carrying out the Medium Term Defence Plan.

44. A preliminary meeting was held on 14th August, 1951, attended by representatives of the Council Deputies, the DPB, the FEE and the Standing Group. The programme approved at this meeting was reviewed by the Council Deputies on 20th August, 1951.

✓ This item will be completed after further action has been taken by the Council Deputies and the Joint Working Group 7.

(2) Proposals for Financing Arms Production in Europe.

45. A memorandum by the Chairman of the North Atlantic Council, M. Paul Van Zeeland, which was sent to the Council Deputies at the end of 1950 (D-D(51)1), suggested that the necessary bases were available on which to calculate the volume and type of arms to be the minimum indisputably essential to the equipment of the Atlantic Force, and that two conditions were now essential to increase arms production in Europe:

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(a) the arms to be purchased must find a definite purchaser;

(b) the producing countries must have the assurance that a payment system will be set up.

To fulfil these conditions, the Chairman suggested that a system be devised to guarantee payment by the twelve nations, and that the possibility existed of establishing an Inter-Atlantic fund [REDACTED]

[REDACTED]

[REDACTED]

45. The suggestions made by the Chairman were referred to the LRSC-PWS, and later to the FEB where they provided the starting point for a careful analysis of the problems involved in the full use of existing capacity. [REDACTED]

"A new approach to the problem from the point of view of pre-financing has been submitted to the FEB by the Belgian representative."

(3) Arrangements concerning infrastructure.

47. At the end of March, 1951 the Standing Group requested (STAND 70) that the Council Deputies make a strong and urgent request to governments of nations concerned, to provide the funds immediately necessary for expenditure on airfields contained in the "second slice" of the Western European Regional Infrastructure Programme (WR/MC(51)87). (The "first slice" of the Infrastructure was agreed upon by the Brussels Pact countries in May 1950 (£33 million).

[Note: This section will be completed when this subject has been considered further by the Council Deputies. See report of Special Committee D-D(51)196]

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(4) Report by individual countries on progress of the re-armament programme.

48. At a meeting of the Council Deputies on 31st January, the United Kingdom Deputy gave an account of his Government's increased armament programme. The Deputies took note of the statement and agreed it would be useful, in the event of important changes being made or developments in national re-armament programmes, to have the facts put before the Deputies. In the course of the next few weeks, the Deputies of Canada, Norway, Italy and Belgium drew attention to the plans of their respective Governments for increasing their defences. At a later date Mr. Charles E. Wilson, Director of the United States Office of Defence Mobilisation, outlined at a meeting of the Deputies the three-year plan for defence production which is being carried out in the United States.

49. The establishment of the central Statistical Office and the development of current programmes for reports to various NAT agencies, such as the recent reports made by each member government to the FEB, should make it possible to provide more complete and frequent periodic reports on this subject in the future.

D-D(51)198(5) National military service, mobilization and training

50. In December 1950 the Council Deputies transmitted a questionnaire (NACD 16) to member governments relating to the acceptance of certain principles, established by the Defence Committee, governing National Military Service, Mobilization and Training (D.C.25 Final). The object of the questionnaire was to ascertain to what extent the various governments adhered to the principles furnished by the Defence Committee and thus obtain information necessary to recommend specific action to be taken by governments concerned.

51. At two meetings in March 1951, to which a representative from the Standing Group and a representative from SHAPE were invited, the Council Deputies examined the replies submitted by each country, together with a tabulated summary and a brief factual analysis of the answers prepared by the Secretariat. It was found that the principles set forth had not been fully adopted in a number of countries, although in certain cases steps were being taken to that end. It also appeared that all countries were convinced that, either under their present system, or when the new measures contemplated had been introduced, it would be possible for them to meet their present engagements under the Medium Term Plan (D.C.28). It was suggested that in this respect a military judgment was called for, and that SHAPE was the most competent body to carry out an evaluation.

52. The Council Deputies, as a result of their examination of the replies to the questionnaire, on 8th March, 1951 took the following action:

- (a) Requested SHAPE, through the Standing Group, to
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make an appraisal to determine whether the measures adopted by each country with respect to the matters raised in the questionnaire would produce the forces required for the Medium Term Plan as to quantity, quality and in time.

(b) Invited the Standing Group to report to the Council Deputies those national conditions which should be brought to the attention of governments with a view to securing any necessary action.

(6) Appointment of Supreme Allied Commander Atlantic.

53. In accordance with the Defence Committee's decisions regarding the North Atlantic Ocean Command Organisation (D.C.24/2 and D.C.24/3), the Council Deputies in February 1951 discussed a draft resolution concerning the appointment of the Supreme Allied Commander Atlantic. The proposed procedure was for the Council Deputies to adopt this resolution after consultation with the individual governments and specifically with Defence Departments.

54. The resolution (D-D(51)88), as amended during discussions, was last considered at a meeting held on 9th April, 1951, but was not acceptable to all member governments. No progress has been made since that meeting.

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(7) Establishment of NATO defence college

55. As the result of a proposal made by SHAPE, the Standing Group and the Military Representatives Committee approved the establishment of a NATO defence college (SG.138/1) and the question of financing its operations was referred to the Council Deputies. On 25th June 1951, the Council Deputies adopted a resolution (D-D(51)122) which provided that:

- (a) Capital, operational and maintenance costs should be included as a charge on the SHAPE budget.
- (b) National funds should be expended for the pay, allowances and subsistence of students and instructors of each nation.

56. The Commandant of the college has been appointed, and the estimates for 1951 have been included in the SHAPE budget estimates.

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D. Public Information Activities

57. As a part of the programme of the NATO Information Service the first NATO Information Conference was held in London in April and attended by senior information officials from all twelve member countries, from the Standing Group and from SHAPE. The information officials representing the member nations outlined the problems and policies of their national services, and discussed organisational questions. Members of the NATO Information Service gave detailed exposition of techniques for publicizing NATO. Discussions on the nature of adverse propaganda in each member country were followed by an expression of views as to the role of the NATO Information Service in this field.

58. The conference adopted a series of resolutions (AC/1-D/4 to 9), subsequently approved by the Council Deputies, which gave assurance of cooperation and support in the member countries and:-

(a) Urged the adoption of active initiatives likely to make a strong impression on public opinion in the information field.

(b) Urged the importance, to the fullest extent compatible with security, of the release of information on the military aspects of NATO and also of information on economic and industrial aspects of NATO, and of arrangements for regular and continuous supply of such information.

(c) Emphasized the importance of the task of NATO Information Service in circulating to national information services pooled information from member countries giving an overall picture of defence and production efforts, etc. by NAT countries, and of collated information on questions concerned with the war of ideas.

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59. Even with its present limited staff the service has been able to play some part in the development throughout the Atlantic Community of an awareness of NATO. Although the fact that the greater part of NATO activity must remain secret presents an inherent obstacle to satisfactory public relations, it does not prevent growing press and public inquiry about the organization's affairs. In cooperation with national information services, increasing efforts have been made to encourage coverage of NATO developments by press, periodicals, radio, film and television. It is evident from the journals of various member countries that the following material distributed by the NATO Information Service is being put to good use by the national information services:-

- (a) The Bulletin on Cominform Propaganda (daily), The Monitoring Report (daily), and The Summary of World Broadcasts;
- (b) Atlantic Series, (Contributed information on developments behind the Iron Curtain);
- (c) Defence Series (The defence efforts and programmes of NATO and NAT countries, and factual comparative data on East-West strength);
- (d) Speech Series
- (e) Trends of Communist Propaganda (fortnightly analysis)
- (f) Press Communiqués and Releases on NATO affairs as issued.

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E. Miscellaneous Matters

(1) West Berlin industry

60. In January, 1951 the Council Deputies approved a resolution recommending that each member government seek every opportunity to encourage the placing of orders for exports from Berlin, particularly for items needed in NAT defence programmes (D-D(51)13 (Final)).

61. As the unemployment position in West Berlin was still serious, the Council Deputies, at their meeting of 26th May, 1951 re-affirmed their previous resolution.

(2) Use of export controls to ensure adequate supplies for NATO military productions

62. In January 1951 the Council Deputies adopted a resolution (D-D(51)11(Second Revise)) on the use of export controls to ensure adequate supplies for NATO military production. The Council Deputies concluded that in addition to those supplies, the export of which to the Soviet bloc may be prohibited as a result of the measures already under consideration for dealing with supplies likely to be of importance to the war potential of the Soviet bloc, there may remain other goods in short supply, the export of which to the Soviet bloc it may, in certain circumstances, be desirable to prevent either by embargo or other equally effective means, on account of their importance to the North Atlantic defence effort. The Defence Production Board and the Advisory Group on Raw Materials were invited to examine the matter in the light of measures referred to above which are already under consideration and, in consultation with member Governments, to establish what critical shortages are in fact likely to arise in respect of the supplies under consideration, and thereafter to recommend what action can best be taken to prevent the /export

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export of such articles to the Soviet bloc. The Defence Production Board listed a group of items which should be conserved to the utmost for NATO rearmament, but expressed the view that the DPB was not competent to suggest what form control of these items should take. After a thorough discussion, the question of the method of controlling export of such products was referred to a working group, which prepared a resolution for the Council Deputies in which the Financial and Economic Board, in consultation as necessary with other appropriate international agencies was requested to examine this matter with a view to securing prompt agreement among NAT countries as to the specific measures to be taken in this field (D-D(51)158). This resolution was finally adopted by the Council Deputies on _____ August 1951.

(3) Aid to Yugoslavia

63. The United States Government communicated with NAT member governments when it proposed in November, 1950 to extend food assistance to Yugoslavia under the Mutual Defence Assistance Act of 1949 as amended, and in July 1951 when it proposed to extend assistance in raw materials under the same legislation. In their replies the NAT Governments agreed that maintenance of the capacity of Yugoslavia to defend itself against aggression was vital to the security of the North Atlantic area.

64. In a memorandum of 7th July, 1951 (D-D(51)174) the French, United Kingdom and United States Deputies proposed the adoption of a resolution which would give general NATO endorsement to the principle that all NAT countries should cooperate in relieving the serious economic strain on Yugoslavia, which had resulted in an

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approach by the Government of Yugoslavia to the three Governments for economic assistance. The resolution adopted by the Council Deputies on 1st August, 1951, recommends to member Governments that, if they are approached by the Yugoslav Government to extend economic assistance, they should cooperate to the fullest extent possible (D-D(51)189).