

CONSEIL DE L'ATLANTIQUE NORD
NORTH ATLANTIC COUNCIL

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NATO CONFIDENTIAL
SUMMARY RECORD
C-R(56)56

Summary Record of a meeting of the Council held
at the Palais de Chaillot, Paris, XVIIe, on
Wednesday, 24th October, 1956 at 10.15 a.m.

PRESENT

Chairman: The Lord Ismay

Mr. A. de Staercke	(Belgium)	Mr. N. Hommel	(Luxembourg)
Mr. L.D. Wilgress	(Canada)	Mr. M.F. Vigeveno	(Netherlands)
Mr. S. Sandager Jeppesen	(Denmark)	Mr. J.M. Boyesen	(Norway)
Mr. J. Le Roy	(France)	Mr. A. Martins	(Portugal)
Mr. F. Krapf	(Germany)	Mr. M.A. Tiney	(Turkey)
Mr. M. Melas	(Greece)	Sir Christopher Steel	(United Kingdom)
Mr. H.G. Andersen	(Iceland)		
Mr. A. Alessandrini	(Italy)	Mr. G.W. Perkins	(United States)

INTERNATIONAL STAFF

Mr. A. Casardi	(Assistant Secretary General for Political Affairs)
Mr. F.D. Gregh	(Assistant Secretary General for Economics and Finance)
Mr. J. Murray Mitchell	(Assistant Secretary General for Production and Logistics)
The Lord Coleridge	(Executive Secretary)

ALSO PRESENT

General de Chassey	(Standing Group Representative)
Mr. Vidaud	(Chairman, Budget Committees)
Ambassador Sunde	(Chairman, International Board of Auditors for Infrastructure Accounts)

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I. SIXTH REPORT OF THE INTERNATIONAL BOARD OF AUDITORS FOR INFRASTRUCTURE ACCOUNTS

Reference: C-M(56)111
Document: C-M(56)118

1. The CHAIRMAN of the BOARD of AUDITORS, referring to paragraph 2(c) of document C-M(56)111, stated that the auditors were unanimously opposed to the Working Party's suggestion that assistants should be appointed by an Appointments Board, under the chairmanship of the Deputy Secretary General and consisting of himself, the Chairman of the Civilian Budget Committee and the Director of Administration for the International Staff. They believed that the Board of Auditors alone had sufficient professional knowledge to decide whether candidates for the post of assistant were suitable, and the Budget Committee's position was covered by the fact that all appointments had to be approved by the Council. Furthermore, he believed that the Budget Committee had been penny-wise in trying to obtain assistants below the grade 13 which had been accepted as a maximum, in view of the large sums saved by their work. With regard to the point that assistants should be selected from persons nominated by member countries, the Board of Auditors had repeatedly stated that it was interested in obtaining assistants from as many countries as possible, and particularly those not represented on the Board. However, certain countries had hitherto submitted no candidates, and there was apparently little competition for the posts.

2. The CANADIAN REPRESENTATIVE believed that it was important to obtain highly qualified persons and to ensure that neither the standard of their work nor their independence should be impaired. In these circumstances, he was prepared to accept the proposal that the Board of Auditors should themselves choose their assistants.

3. The COUNCIL:

- (1) agreed to re-examine at its next meeting the method of appointing assistants to the infrastructure auditors in the light of the statement by the Chairman of the Board of Auditors;
- (2) endorsed the recommendations contained in paragraph 6 of document C-M(56)118.

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II. NATO INFRASTRUCTURE PROJECTS IN ALGERIA

Document: C-M(56)117.

4. The CHAIRMAN reminded the Council that in 1953 they had invited him to prepare a paper on the political implications of infrastructure projects outside the NATO area, consulting delegations as necessary. The report now before them dealt only with infrastructure in Algeria - where projects amounting to some £18 million had been planned and only £3½ million had been expended. In Tunisia, the projects planned amounted to some £12½ million and expenditure to £390,000, while in Morocco there has been no expenditure on projects planned to a value of £200,000.

5. The FRENCH REPRESENTATIVE explained, in reply to a question by the United States Representative, that while the original agreement referred to four departments and Algeria was now divided into twelve departments, the new arrangements would cover the whole territory, which was part of metropolitan France. He confirmed that the status of the forces agreement would not become effective in Algeria until 30 days after the implementation of the new arrangements.

6. The STANDING GROUP REPRESENTATIVE stated that the military requirements in the whole of North Africa were still as stated by the Chairman. Their implementation was governed by political considerations. Strategically North Africa was the obvious choice for those planned. If for political considerations agreement cannot be reached for construction in the planned locations, equivalent facilities at approximately the same cost would have to be built elsewhere. There was, however, geographical difficulties and it would be most difficult to find other sites which were strategically equivalent. For this reason the military authorities would only abandon their existing plans if there appeared to be no hope of having them carried out.

7. The FRENCH REPRESENTATIVE pointed out that in Algeria projects would now be constructed in accordance with the normal rules. However, as negotiations regarding the defence of Tunisia had not yet been concluded, there was still uncertainty as to the arrangements governing the relations between Tunisia and NATO. Until this point had been settled, military construction could hardly take place in that area.

8. The COUNCIL:

- (1) took note of the decision of the French Government contained in the Annex to C-M(56)117;
- (2) took note of the statement regarding the position in Tunisia and Morocco.

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III. AD HOC WORKING GROUP ON COMMUNICATIONS

Document: C-M(56)119

9. The Council had before it the Chairman's proposals for a Working Group to study the problem of the provision of communications facilities for use in time of war, as requested by the Council at the previous meeting, together with a proposed revision by the United States Delegation. The Council discussed the United States text.

10. The CHAIRMAN pointed out that he had suggested that Mr. Vidaud should take the chair of the Ad Hoc Working Group in a purely personal capacity. It might be well for the Ad Hoc Working Group to have a joint session with the Budget Committee before reporting to the Council.

11. During the detailed discussion of the paper the following points were made:

(a) As regards Membership

12. It was agreed that while attendance at meetings should be as restricted as possible, different representatives of member countries might be required depending on the various aspects of the problem under discussion.

(b) As regards the Terms of Reference

13. The ITALIAN REPRESENTATIVE proposed that paragraph (a) of the draft should be amended to include the phrase "to lay down the principles on which circuits could be brought into service on a permanent basis in peacetime". After some discussion, the Council agreed that reference to the hiring of circuits in peacetime should be deleted and that the Working Group should be instructed not only to examine the methods proposed by the NATO military authorities to meet their requirements, but also "to make general recommendations".

14. The Italian Representative wished the Council to amend paragraph (b) to include the "establishment of criteria for common financing". Several representatives doubted whether this came within the terms of reference of the Committee.

15. Mr. VIDAUD then pointed out that the Military Budget Committee was considering a new definition of the eligibility for common financing of command and liaison circuits (C-R(56)35, paragraph 1), and that this was part of the question raised by the Italian Representative. As the Chairman had suggested that the Working Group should hold a joint meeting with the Military Budget Committee before completing its work, financial questions could be discussed at that time. In this way, the report to the Council would cover the military, technical and financial aspects of the problem together.

16. During further discussion of this paragraph, several representatives pointed out that the "investigation of present methods of establishing PTT rates for NATO" would take several months. Nevertheless, proposals that this point should be taken as a separate item were recognised as impracticable since the outcome of the investigation would have a direct bearing on the remainder of the Working Group's report.

17. The UNITED KINGDOM REPRESENTATIVE pointed out that the communications requirements of all NATO Headquarters had been expanding very rapidly; it would therefore be useful for paragraph (d) of the terms of reference to cover communications as a whole rather than to restrict them to long lines only. This proposal was accepted by the Council.

18. It was felt that, in view of the work entailed by the investigation of present methods of establishing PTT rates for NATO, it was doubtful whether the Working Group could report even by 31st January, 1957.

19. Mr. VIDAUD, speaking as Chairman of the Budget Committee, wished to have the matter settled as rapidly as possible since communications accounted for roughly 15% of the military budget for 1957. Nevertheless, while he would do anything in his power to complete the work by the end of the year, this might not be possible.

20. The COUNCIL therefore agreed that the Working Group should be instructed to render a progress report by 1st January, 1957.

21. The COUNCIL:

- (1) approved the composition and terms of reference of the Ad Hoc Working Group on Communications (for final text see C-M(56)119(Final));
- (2) agreed that the Working Group should hold a joint session with the Budget Committee before reporting to the Council.

IV. THE THAW IN EASTERN EUROPE

Document: C-M(56)110

22. The CHAIRMAN pointed out that the paper under discussion had been circulated well in advance of the meeting in order to enable permanent representatives to receive the views of their governments on the questions posed in paragraph 95. He therefore hoped that they would be in a position to answer some, at least, of those questions at the present meeting.

Question 1

23. Many representatives felt that the analysis of events put forward in C-M(56)110 did not lay sufficient stress on the significance of Titoism as a force in Eastern Europe. The fact that the Twentieth Congress of the Communist Party had blessed the policy of "different roads to Socialism" had been most unsettling for the satellite countries. The whole question of the ideological supremacy of Moscow over the Communist world and the Russian dilemma as to whether to try to reverse the position by force in case their situation in Eastern Germany was threatened, had perhaps not been adequately brought out.

24. The UNITED KINGDOM REPRESENTATIVE pointed out, however, that while a ferment was known to exist in Eastern Europe, the possibility of satellite countries breaking free from Soviet control was limited by economic factors, the presence of Stalinists throughout their government services, the domination of the armed forces by the Soviet Union and the bitter jealousies dividing the East European countries before their occupation by the Soviet Union. He doubted whether direct Soviet military intervention to quell riots was likely unless such intervention was called for from one faction or another within the satellite concerned.

25. The UNITED STATES REPRESENTATIVE said that his authorities inclined to take the events in Poland at their face value. The new government was probably the best Communist government available; it would no doubt remain Communist though with some independence from Moscow. The forces now set in motion were not likely to be turned back and it was not believed that the Soviet Union would use force to improve its situation in Poland, although this could not be altogether excluded.

26. The GERMAN REPRESENTATIVE pointed out that the western governments should act with extreme caution, while the new governments now being formed in Eastern Europe would have more popular support than their predecessors, they were bound to remain Communist and precipitate action by the West might well serve to unsettle their position.

27. The ASSISTANT SECRETARY GENERAL for POLITICAL AFFAIRS pointed out that the purpose of the Working Group was to see whether there was any way in which the NATO countries could further their purposes in Eastern Europe. It was felt that all delegations should have the benefit of the experience of countries having contacts with the satellite countries. He believed that the Council would wish to consider the replies to questions 2 and 3 in this light.

28. The BELGIAN REPRESENTATIVE questioned what would be the effect on the armed forces of satellite countries if the latter broke away from the direct Soviet domination. He wondered whether their potential would be improved.

29. In answer to this the STANDING GROUP REPRESENTATIVE replied that a satellite army allied to the Soviets might be more effective than a satellite army dominated by the Soviets. This was an example of many of the important points which would be studied by the NATO military authorities in the light of the current events in the satellite countries.

Question 2(a): Cultural contacts and information effort

30. Representatives gave accounts of the cultural contacts between their countries and the Soviet Union or satellite countries: the United Kingdom did not spend money on cultural contacts with the satellites but concentrated attention in this sphere of activity on the Soviet Union, where it was thought worthwhile to try to penetrate those areas of society which had been previously isolated from the west. Efforts were made to avoid contacts with Friendship Societies, as these had been found to produce unsatisfactory results. The Netherlands felt that in general it was important to obtain up-to-date information on scientific and technical developments in the Soviet Union. The Soviet Union maintained a large translation office in order to ensure adequate knowledge of what was being done in the west, and advantage should be taken of cultural relations to learn what was happening in the technical field in the Soviet Union.

31. The BELGIAN and NORWEGIAN REPRESENTATIVES mentioned that their governments were signing, or had signed, cultural agreements with the Soviet Union in order to ensure the principle of reciprocity and to obtain some control over cultural exchanges.

32. The GERMAN REPRESENTATIVE felt that it would be useful to discuss a general line of policy to be adopted if possible by the NATO countries as a whole in their dealings with the satellite countries. The German Government was informed of many private contacts with citizens of satellite countries and especially of Poland. They were impressed by the very high intellectual standard and the liberal approach to many of the problems of the day, but were shocked by the lack of information on conditions in the west. This was a field in which it should be possible to carry out fruitful activity once the situation had become clearer.

Question 2(c): Relations in the economic and trade field

33. The NETHERLANDS REPRESENTATIVE reported that his country had normal economic contacts through trade agreements with Poland, Czechoslovakia and Hungary and that there were barter arrangements in force with Rumania and Bulgaria.

34. The Canadian Government had been offering credit guarantees to Canadian dealers selling wheat to the satellite countries; otherwise trade remained very small.

35. The UNITED STATES REPRESENTATIVE reported that his authorities had been considering the question of aid to certain countries; they had decided they should not offer aid to Poland at the present time but should be prepared to consider providing assistance if asked.

Question 2(d): Renewal or normalisation of diplomatic relations

36. The United Kingdom and the Netherlands had correct diplomatic relationship with all satellite countries except Albania and Eastern Germany.

37. Portugal and Germany on the other hand had no diplomatic relations with any satellite country whatsoever. For Germany the problem was bound up with the recognition of Eastern Germany.

Question 3: Questions for further study

38. The UNITED KINGDOM REPRESENTATIVE proposed that experts on the satellite countries should meet from time to time to discuss certain specific aspects of relations with those countries, for example the unrealistic exchange rates. It might also be valuable to have an up-to-date paper for submission to the Ministerial Meeting in December, so that Ministers could take a decision regarding a concerted policy if any were found to be possible.

39. In conclusion, the COUNCIL:

- (1) invited representatives to submit replies in writing to the questions posed in paragraph 95 (2) and (3) and agreed that the International Staff should collate these replies;
- (2) invited the Secretary General to suggest at their next meeting a procedure for preparing, with the aid of national experts, a paper on the position vis-à-vis the satellite countries, for possible consideration by Ministers in December.

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V. MINISTERIAL MEETING IN DECEMBER

40. The CHAIRMAN invited the Council to confirm that the Ministerial Meeting would take place on 11th-14th December, 1956. The three main subjects for discussion would be:

- (a) the Reappraisal - for this it was hoped to have a draft political directive to the military authorities available for approval by Ministers;
- (b) a report of the Committee of Three Ministers on Article 2 activities, and,
- (c) the 1956 Annual Review.

41. The CANADIAN REPRESENTATIVE reported that his Minister would prefer to have five full days for discussion and therefore hoped that the Meeting could begin on Monday, 10th December.

42. The ASSISTANT SECRETARY GENERAL for ECONOMICS and FINANCE asked that the Annual Review should come fairly late in the agenda for the Ministerial Meeting. The new procedure introduced this year by which the military authorities sent provisional recommendations on which the International Staff commented prior to the formulation of final military recommendations had taken longer than expected. Some of the final military recommendations were still awaited, but it was nevertheless hoped that the papers would be ready by 3rd or 4th December. As they had been closely associated with the International Staff throughout the whole procedure, the military authorities would probably be prepared to forego the three weeks period they normally requested between the publication of the documents and the Ministerial Meeting.

43. The COUNCIL:

- (1) invited representatives to ascertain whether the dates 10th-14th December inclusive would be acceptable to their governments for the next Ministerial Meeting, instead of the dates 11th-14th December inclusive which had been provisionally agreed in July;
- (2) noted the statement by the Assistant Secretary General for Economics and Finance to the effect that the Annual Review papers would be available on 3rd or 4th December, 1956.

Palais de Chaillot,
Paris, XVIe.