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MEASURES TO REDUCE WESTERN DEPENDENCE  
ON THE SUEZ CANAL

Note by the Secretary General  
and Chairman of the Council

Previous reference: C-R(57)37, Item III

At its meeting on the 12th June, 1957<sup>(1)</sup>, when discussing follow-up action on the Ministerial meeting at Bonn, the Council invited the International Staff to ascertain what studies were being carried out within the OEEC and, if necessary, within SCUA on the problem of reducing dependence on the Suez Canal.

2. The International Staff has obtained the following information:

- (a) Organization for European Economic Co-operation  
The economic repercussions of the Suez crisis have been under consideration in the various technical committees of the OEEC since last autumn. The Executive Committee of the OEEC Council, which has been charged with co-ordinating this work, is to present a report to the Council in the near future stating what has been done up to the present and suggesting the lines of future work now that the immediate emergency has ended. It is expected that the report will refer to the question of reducing dependence on the Suez Canal. In this connection, the Energy Committee has already been instructed to consider the policies which should be adopted in order to minimise the consequences of an emergency similar to that which arose from the Suez Crisis. The Maritime Transport and Coal Committees may be requested to report on the same subject at a later stage.

The Oil Committee, which together with OPEG<sup>(2)</sup>, played a large part in the allocation and distribution of oil supplies to Europe during the emergency, is now considering measures to increase the general level of oil stocks and of storage capacity. This Committee is also preparing a report for the Council due in September which will contain a chapter on "Lessons to be Drawn from the Suez Crisis". This chapter will include sections on Oil Stocks, the Continuance of Co-operation with the Oil Industry Oil Tankers and Pipelines.

(1) C-R(57)37, Item III.

(2) OEEC Petroleum Industry Emergency Group.

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(b) Suez Canal Users' Association

The Council of the Suez Canal Users' Association examined in January, 1957 the problem of restoring the flow of trade through the Suez Canal as well as that of alternative routes, particularly for oil supplies. A report prepared by SCUA in March, 1957, with the unofficial co-operation of the OEEC, deals with the closure of the Suez Canal (1). It does not appear that SCUA has any further projects in mind.

3. A report has also been published by the Suez Canal Company, which might be of interest in any study made of measures to reduce the dependence on the Suez Canal. This report, which is entitled "Survey of the Future of the Suez Canal" contains two studies, prepared on the basis of the situation in July, 1956. The first, prepared by United States engineering contractors, contains estimates of the traffic through the Canal up to about 1972. The second is a description of the development programme which the Suez Canal Company had intended to carry out by stages between 1958 and 1968 to cope with the expected increase of traffic.

4. The Council will recall that a number of NATO countries are already considering measures to reduce dependence on the Suez Canal. These measures include the encouragement of the construction of pipelines in areas which are strategically less vulnerable, the construction of super-tankers, the development of domestic oil resources and the expansion of alternate sources of energy.

(Signed) P.-H. SPAAK

Palais de Chaillot,  
Paris, XIVe.

(1) SCUA II/57/D/16 Revised.

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