

NORTH ATLANTIC COUNCIL DEPUTIES

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SUMMARY RECORD

D-R/33

OR ENG/FR.

25th November, 1950.

NATO UNCLASSIFIED
and
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Summary Record of the Thirty Third
Meeting of the Council Deputies held
at 19 Belgrave Square, London, S.W.1.
on Friday, 24th November, at 3 p.m.

PRESENT:

Chairman -	Mr. C.M. Spofford (United States)
Vicomte Chert 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 Starkenborgh-Stachouwer (Netherlands)
M. D. Bryn (Norway)	Senhor J. Queiroz (Portugal)
Sir Frederick Hoyer Millar (United Kingdom)	

SECRETARIAT

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

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I. ORGANISATION OF MILITARY PRODUCTION

(Previous reference: Summary Record: D-R/28 (Revise) Item I)

1. The Council Deputies had before them a note by the Secretary covering a report by the Working Group on Production and Finance containing recommendations for the establishment of a Defence Production Board (Document No. D-D/168).

2. THE CHAIRMAN recalled that when this report had been discussed previously the council Deputies had agreed to obtain the views of their respective governments both on the substance of the report and on the body to which the proposed Defence Production Board should be responsible (Summary Record: D-R/28 Revise, Item I). It was most desirable to reach agreement on these matters because the Military Production and Supply Board was meeting in Rome on 28th November.

3. Discussion first turned to the substance of the report. The CHAIRMAN said that his Government approved the report and was in favour of action to carry out the experts' recommendations. The United States Government had, however, comments on some aspects of the experts' recommendations, namely:

(a) While approving the proposal that the Defence Production Board should make appropriate recommendations on the eligibility of major projects and programmes for external aid, they understood that the Board's recommendations would be based on technical production criteria such as cost and relative efficiency of the proposed projects. The Board however, should not express any judgment as to the amount and financial terms on which external resources were furnished.

(b) The Experts' recommendation that member governments will be expected to make appropriate arrangements permitting the Board's international Staff to function as an efficient integrated unit had been noted with special interest. Notwithstanding the administrative problems involved by a common budget in comparison with a contributory basis the United States Government thought that serious consideration should now be given to the provision of an international budget for the international integrated staff, covering both salaries and other expenses, which would be administered by the Director under policies approved by the Board.

(c) In connexion with the recommendation that the Board should establish its own rules of procedure it was understood that they would bear in mind the possible advisability of adopting voting procedures at least on matters of internal administration and perhaps on certain types of substantive recommendations.

4. In the course of discussion the following points were mentioned:-

(a) Paragraph 29 (1) THE DANISH, LUXEMBOURG AND PORTUGUESE DEPUTIES explained that owing to shortage of technically qualified

experts it would be difficult for them to spare one individual who would always be available in London to take part in the discussions of the Board. It was pointed out that this recommendation had been drafted so as to permit the appointment of one or more alternates to the regular member. Such alternates might, if desired, be experts in a particular field who would take part in the deliberations of the Board when items were discussed within their own particular field. The important point was to ensure that a representative of each country desiring to be represented on the Board should always be available for consultation.

(b) Paragraph 29 (3). THE BELGIAN DEPUTY drew attention to the need for substantive arrangements to contact the non-NAT countries and it was agreed that these points should be covered in the proposed terms of reference of the Board. As, however, the precise channels of approach might involve political considerations, the Production Board should be asked to seek the guidance of Council Deputies in due course.

(c) Paragraph 29 (6) THE NETHERLANDS DEPUTY suggested that it would be preferable if the Council were entrusted not only with the actual appointment of the Director but also with laying down the terms of his appointment. It was agreed to cover this point by the addition of the words "and confirmed by the Council" at the end of the first sentence of this paragraph.

(d) Paragraph 29 (4) (xii) THE NETHERLANDS DEPUTY said that his government would like to see a firm rule to the effect that the close liaison between the Board and other agencies should normally be maintained through the intermediary of the national representative. He realised that in practice this would normally be the case as the national representative on the Board would be aware of any proposals to enter into close relations with other agencies. It was agreed that this point should be covered in the terms of reference.

5. THE COUNCIL DEPUTIES:

(1) Approved the substance of the report subject to the Chairmans' comments and the points raised at (a) to (d) above.

6. A discussion then took place on the question whether the proposed Defence Production Board should be responsible to the Defence Committee or to the Council Deputies:

7. THE CHAIRMAN said that his government were of the opinion that the Board should continue to report to the Defence Committee pending any general reorganisation of the NATO ministerial committees. Nevertheless, his Government recognised the importance of making arrangements under which the Board could obtain immediate guidance from a higher NATO authority at times when the Defence Committee was not in session and therefore suggested that the Board's terms of reference should include a provision under which when the Defence Committee was not in session the Council Deputies on their own initiative, or at the request of the Board, may give appropriate guidance to the Board concerning the discharge of its duties. This provision would be on the understanding that

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the Council Deputies would consult their respective Defence Ministers and take such action on an NATO basis as might be required.

8. On the point whether the Council Deputies or the Defence Committee should take final action on the Experts' report (Document No. D-D/168) his government felt that such action should be taken at an early meeting of the Defence Committee. On the assumption that a meeting of the Defence Committee would take place in December he suggested that the Council Deputies should prepare immediately the terms of reference for the Defence Production Board. In order to save time governments might be asked to designate their member of the Board before the final endorsement by the Defence Committee, so that the Board would be in a position to start work without delay once final approval had been given.

9. Divergent views were expressed on the Chairman's proposal. The majority of the Deputies, namely the Deputies of Canada, Denmark, France, Luxembourg, the Netherlands and United Kingdom were in favour of a recommendation being made forthwith that the Defence Production Board should be responsible to the Council Deputies. The following arguments were adduced in support of this view:

(a) To assist in the smooth working of the Board it was essential that it should be in a position to receive immediate guidance from a NATO agency, which like itself would be in permanent session. At present the liaison arrangements between the MPSB and the Council Deputies were not always as effective as they might be.

(b) Constitutionally under Article 9 of the North Atlantic Treaty the responsibility for setting up subordinate bodies in the North Atlantic Treaty Organisation was vested in the North Atlantic Council and the Defence Committee as such have no locus standi in the matter.

10. On the other hand it was argued by other Deputies that as the Defence Production Board would supersede the existing Military Production and Supply Board, which was responsible to the Defence Committee, it was only fair and courteous that the Defence Committee should be given an opportunity of expressing their views. In any case it was doubtful whether the Defence Production Board could be established.

11. THE PORTUGUESE DEPUTY said that his government would prefer an arrangement under which the Defence Production Board was responsible jointly to the Defence Committee and to the Defence, Financial and Economic Committee, on the grounds that the Board would require guidance on the technical plan which the Council Deputies would not be in a position to give. If the majority of the Deputies held other views, however, he would not wish to press this.

12. The view was expressed by a number of Deputies that the course of the discussion on this particular proposal had served to

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underline the necessity for a radical overhaul in the present structure of the NATO. The existing proliferation of high level agencies tended to make it extremely difficult to reach a firm decision on any issue of importance.

13. After considerable discussion the Council Deputies:

(2) Invited the Working Group on Production and Finance to set up a drafting committee to prepare the proposed terms of reference for the Defence Production Board on the basis of the recommendations contained in Document No. D-D/168.

(3) Agreed to invite their respective governments to consider as a matter of urgency the appointment of their representative to the Defence Production Board.

(4) Invited those Deputies who were not in a position to agree to the establishment of the Defence Production Board before formal approval by the Defence Committee to seek further instructions from their governments.

(5) Agreed that in the event of the Defence Production Board being established in advance of a general reorganisation of the higher structure of NATO the Board would be responsible to the Defence Committee, but would keep the Council Deputies correctly informed of the progress of the work.

(6) Invited Deputies to ensure that their representatives at the Military Production and Supply Board proceed to parallel instructions on this particular issue in order to avoid possible confusion.

II POLITICAL ASPECTS OF THE CONTRIBUTION OF GERMANY TO THE DEFENCE OF WESTERN EUROPE.

(Previous reference: Summary Record D-R/31, Item II)

14. THE CHAIRMAN recalled that the Deputies had five documents to consider. The first was the original French memorandum (Document: D-D/174). The second was the summary by the Vice-Chairman of the discussions on the organisation to be set up in Germany. (Subsequently circulated as Document: D-D/195). The third was the proposal of the Netherlands Deputy regarding the creation of a NATO High Commissioner (Document: D-D/191). The fourth was the United States memorandum on the interim measures to be taken (Document D-D/190) and the fifth was the report by the Standing Group to the Military Committee (Document: D-D/188).

15. As the Deputies had no comments to make on the second document it would be circulated (D-D/195).

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16. The report by the Standing Group raised problems of a political nature which it would be important to discuss. The United States Delegation had prepared a document on this subject which would be circulated and could be taken as the basis of a discussion to be held at the next meeting. (This document was later circulated as Document: D-D/194).

17. The Chairman proposed that the discussion at the present meeting should be on the Memorandum by the Netherlands Deputy and the United States Memorandum on the interim measures to be taken.

18. THE FRENCH DEPUTY said that it appeared to him to be difficult to discuss the two documents in question without taking into account the French proposals. In the opinion of the French Government, the Netherlands suggestions could not be regarded as an alternative to the French plan. France wished to see the free world built up by establishing close contact between the United States, the British Empire and Europe, but Europe could not be brought into being without the participation of Germany, and Germany would always be more fully integrated within a European structure than within an Atlantic structure. European unity had a psychological significance which must not be neglected and which was capable of making a strong appeal to German youth. A European philosophy could be a reality, but a NATO philosophy does not exist. Germany could only achieve equality within the European structure and this point emerged clearly even from the Netherlands proposals. Equality within the NATO structure would mean that Germany would have to be admitted to the Atlantic Treaty, and many Parliaments would no doubt object to this.

19. The idea on which the French plan was based was that the formation of the European forces could be brought about gradually by three different processes: the formation of the European army, the raising and integration of the German units and the reduction of the controls described as negative. These three processes should be coordinated with each other. In this way the revival of German militarism would be prevented and the incorporation of Germany on an equal footing would be achieved, the discriminating factors disappearing as the German elements were assimilated into the European army.

20. M. Alphand pointed out that, in comparison with its original ideas, his Government had already made great concessions. On the military level, it had agreed that the "smallest possible" unit would be the "combat team." On the political level, it agreed not to discriminate in any way against Germany within the European army and it had also agreed that the powers of the High Commissioner should be introduced only gradually. Lastly, it accepted the idea of the interim period.

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21. The United States Memorandum had been given very careful attention by a French Delegation. On a number of points the United States plan still differed from the latest version of the French plan. To begin with, under the United States plan, unlike the French Plan, there was no connexion between the processes of forming the European Army and the raising of the German elements. Moreover, it did not give sufficient details regarding the terms of reference of the European conference which it was proposed to call. Lastly, the final decision was made dependent on military considerations in a sphere where political considerations were of primary importance.

22. M. Alphand, recalling the concessions which France had already made, in spite of the political and psychological differences which his Government had to face, appealed to the Deputies to make a new effort to reach agreement.

23. THE NETHERLANDS DEPUTY took note of the French Representatives appeal, but recalled that all the Deputies were bound by their instructions. He agreed that the Netherlands plan was not in fact a substitute for the French plan. The objective of the Netherlands Government had been to separate everything which related to the creation of a new superstructure, from the structure of the German organisation in itself. The Netherlands Government considered that the group of nations which would be left in Europe to implement the French Plan might be too small to face German rearmament. This was the reason which had so far prevented the Netherlands from agreeing to the French proposals.

24. In common with the United Kingdom Deputy, he requested further information on paragraph 7 of the United States Memorandum. Was the meeting of a European Commission closely connected with the realization of the French ideas? Would the purpose of the conference be only to study the French plan, which would imply in a certain sense its acceptance in principle a priori, or could other means of solving the long-term problems be discussed at the same time?

25. THE CHAIRMAN replied that there were two considerations which were difficult to reconcile: the first was the urgency of finding a military solution, and the second was the endeavour to find long-term political solutions. He considered that a solution should be chosen which would not allow either of these two considerations to out-weigh the other. The United States sympathised with the long-term objectives, such as those upon which the French plan was based and those which the Schuman Plan, for example, endeavoured to attain. On the other hand, it was important not to reduce the effectiveness of the military solutions. The desirability of maintaining a balance between these two considerations had caused the United States Government to suggest an interim period during which no possible solution would be excluded from consideration. In any event, there was no question of seeking a previous acceptance in principle.

For the time being, no other proposals than the European proposals put forward by France had been submitted for discussion. The agreements to be concluded should in any event be made within the NATO framework and should have the effect of strengthening and not of weakening NATO.

26. THE FRENCH DEPUTY stated that there was no question of seeking previous acceptance of the French Plan, but that the members of the European Commission should at least undertake to discuss the agenda of the Commission, which would be the formation of a European army. If a non-European country wished to take part in one way or another in such a conference, he was quite prepared to advise his Government to give its consent to such participation.

27. THE NETHERLANDS DEPUTY, in reply to a number of questions on his Government's plan, explained that the Committee of Ministers which the plan proposed, could be the North Atlantic Council or any other body which might be designated. There was no question of reducing the powers of S.H.A.P.E. and the High Commissioner would have the same relations with S.H.A.P.E. as the Defence Ministers in their own countries.

28. He also stated that, in entrusting the High Commissioner with specifically German tasks, as under point A of the Netherlands Plan, his Government had been guided by the idea that German rearmament was a NATO matter and it would therefore be better to plan control in the hands of a NATO body rather than of the Occupying Powers, whose control was bound gradually to disappear. If there were any discrimination against the Germans under point B of the Netherlands Plan, it was fundamentally because it was in Germany and not in other countries that the Allied troops would be permanently stationed. Lastly, the difficulty of finding a means of establishing relations between Germany and NATO was not peculiar to the Netherlands Plan, but appeared in all the plans.

29. THE UNITED KINGDOM DEPUTY considered that Germany would be approached through two channels simultaneously. One, for the settlement of immediate military questions, would be, on behalf of NATO, through the Occupying Powers. The other, for wider political problems, would be the European Commission. Was there not a danger that Germany might delay taking action on the military questions in order to make certain of being in a better position with regard to the problems which the European Commission would have to solve? What would the United States attitude be in that event?

30. THE CHAIRMAN thought that there probably was a danger in that direction. In the absence of precise instructions, he found it difficult to adopt a definite position on that point. Speaking in a personal capacity, he believed that he could say that the United States would not be in a position to go forward with the implementation of their integrated force plan if they had not previously received assurances that Germany was prepared to accept the military plan on which the NATO Powers would have reached agreement.

31. THE FRENCH DEPUTY was of the opinion that it would be less difficult to approach the Germans if the United States Plan were accompanied by proposals for negotiations which would give Germany hope of obtaining equality.

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32. THE CHAIRMAN explained that, according to paragraph 7 of the United States Memorandum, the European Powers which would meet for the purpose of considering the proposals to set up European institutions were the European Powers who were members of the North Atlantic Treaty. He also made it clear that, if the organisation as a whole were carried out in several stages, it was fully understood that each of these stages should have an independent existence.

33. The Chairman proposed that the questionnaire drawn up by the United States Delegation in connexion with the Standing Group's report, (Document: D-D/194), should be considered at the next meeting.

34. THE COUNCIL DEPUTIES:

Agreed to the Chairman's proposal.

III. ADMINISTRATIVE ARRANGEMENTS

35. The arrangements which had been made in order to provide tea for the Deputies had made it necessary to open a banking account in the name of the Council Deputies.

36. THE COUNCIL DEPUTIES: Agreed:-

(1) That Barclays Bank Limited be appointed the Bankers of the North Atlantic Council Deputies (Administration Account).

(2) That the said Bank be and they are hereby authorised -

(a) To honour and comply with all Cheques Drafts Bills Promissory Notes Acceptances negotiable instruments and orders expressed to be drawn accepted made or given on behalf of the said North Atlantic Council Deputies at any time or times.

(b) To honour and comply with all instructions to deliver and dispose of any securities or documents or property held by the Bank on behalf of the said North Atlantic Council Deputies.

Provided any such Cheques Drafts Bills Promissory Notes Acceptances negotiable instruments orders and instructions are signed by Lucille M. Peart and countersigned by T.A.G. Charlton.

(c) To treat all Bills Promissory Notes and Acceptances as being endorsed on behalf of the said North Atlantic Council Deputies provided such endorsements purport to be signed by Lucille M. Peart or T.A.G. Charlton.

IV. DATE OF NEXT MEETING.

37. It was agreed that the next meeting would be held on Monday, 27th November, at 3.0 p.m.

19, Belgrave Square,
LONDON, S.W.1.