

JS. 61/111

NATO SECRET

From : J. Sagne

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Note to the Secretary General

Subject : Importance of the need for increased <sup>external</sup> mutual aid in the context of SACEUR's plan of action for Berlin.

1. One of the main conclusions arising from the study of SACEUR's comments contained in document SHAPE 188/61<sup>(1)</sup> (dated 15 september 1961 and dealing with national responses to the "Plan of Action NATO Europe") is that there is an urgent need for increased <sup>external defenses</sup> mutual aid of U.S or Canadian origin, <sup>if</sup> SACEUR's requests <sup>are</sup> to be met within the very short time <sup>available</sup> required. <sup>in the equipment field</sup>

2. <sup>Under grant reimbursable)</sup> Already in their reply to SACEUR's plan of action, this fact is <sup>Some</sup> underlined by countries, i.e. Germany, Italy, Greece, Norway. <sup>Some</sup> announce that they have taken steps in the right direction : more precisely Norway and Denmark announce that they will request additional funds for purchase of new equipment : 11 million dollars for Denmark, 3 million dollars for Norway. Belgium is studying the possibility of increasing ~~their~~ funds for equipment procurement by 10 million dollars. There is also the possibility for some countries <sup>or</sup> to reallocate funds within their own present defense budget, which ~~is~~ surely the case of <sup>if</sup> ~~when they~~ countries who announce that they are ready to do something in the field of equipment, but do not indicate how they will fund it.

(1) The overall comments of the International Staff on this document are contained in ~~the~~ note JS. 61/112 to be sent to the Secretary General. <sup>Shorlly</sup>  
(~~incassament~~):

3. <sup>But</sup> Unfortunately, even taking into account this <sup>fin</sup> special effort made ~~in the financial side~~, it appears impossible for almost all European countries to meet in time, ~~i.e. within 3 or 15 months (end 1961 or end 1962)~~, <sup>either to</sup> the requests of SACEUR's <sup>for purely production and technical reasons.</sup> <sup>(ilove)</sup>

4. ~~we have studied~~, <sup>A study has been made,</sup> In close cooperation with the Production and Logistics Division <sup>is intended</sup> what are a) the short falls in <sup>major</sup> equipment to be covered and b) the industrial capacity of the countries concerned for the items which have been chosen as the most striking examples of an urgent need for aid. The results of this study by service and by country <sup>are</sup> is attached ~~at annex~~. The main conclusions arising from this study are the following:

- a) the general impression is that additional production possibilities in Europe, as a whole, for delivery in 1962 are very limited ; production needs time and would entail large requirements like raw material, manpower, etc, meaning the shifting of other economic activities to defence production activities since almost all NATO European countries are in a state of full employment both for manpower and their industrial capacity. Many countries are only embarking into the setting up of new production plans of new types of equipment. In some cases, countries have not yet even made their choice for new equipment. In other they have already placed contracts for a production spread over the next four ~~to~~ six years, which was in line with the Commander's 1962-66 requirements, but is no longer in line with their new and urgent request for expediting these programmes; under these circumstances, expediting is easier to say than to actually make. Solution might be found in placing new orders for existing equipment; however countries may hesitate to do so, not only because in some instances lines of production have ceased to produce (i.e. production of aircrafts of F. 84 or F. 100 type), but because they may be afraid that, in doing so, they might jeopardize their longer term programming.

b) on a more specific approach and taking as example the most important shortfall of essential equipment it appears that :

1°. Army : As shown in Annex I, taking as examples the requirements for 1962 combat <sup>vehicles</sup> which include self propelled artillery, <sup>armoured</sup> ~~armoured~~ personnel carriers, light and medium tanks, to fill ~~in 1962~~ the remaining requirements ~~in order to have 90%~~ <sup>i)</sup> of TO&E (i.e; basic load of combat units) ~~to 90%~~ fulfilled by end 1962, <sup>ii)</sup> ~~about half of the 30 days reserves in hand by end 62~~ <sup>to about 40%</sup> and <sup>iii)</sup> ~~at least 1/4 of the~~ <sup>to about 25%</sup> mechanisation requirements fulfilled, would mean a total of 12.350 additional combat vehicles to be procured within the next 15 months. (See Annex I, Army) Of course this is only rough estimate based on standards either used by countries as far as TO&E and reserves are concerned or defined by SHAPE during the preparation of the 1962-66 requirement. However it gives at least an order of magnitude of the needs, which, on the same basis would be of about 10.000 more combat vehicles in 1963 and about 9.000 more in 1964-1966.

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To meet these requirements, the estimated possibilities are the following :

- Belgium, Denmark, Greece, Luxembourg, Norway, Portugal and Turkey are not producing countries, whereas their need are 2.840 combat vehicles for 1962.

- - Among the producing countries, Germany, Netherlands, U.K and Canada will start production of their next types of combat vehicles only in 1963. Other types are no longer in production. This only remain France and the U.S. who have available industrial capacity and who might be able, if they agree to pay for and to set up special lines of production, ~~to~~ to produce yearly 1800 and 2400 combat vehicles respectively. This is far from the total.

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Therefore the only solution to meet the needs in combat vehicle for 1962 are to get them U.S. stocks, which still exist for many types of these items. This might be done either through normal mutual aid or through reimbursable aid and with any other financial formule acceptable to the U.S. and to the interested countries.

2°. Navy

Annex II shows the different items of equipment which should come from external aid in 1962. The same way as for Army the study has been based on comparison between the shortfall in units of materiel or equipment with present production capacity of the countries concerned. The problem is even more difficult to solve in the naval field since the construction of ships, aircrafts and some heavy equipment cannot be expected in a very short period of time. Therefore the recourse to existing U.S. stocks is the only solution. It involves 45 ships of different types (of which 17 of destroyers type.) 32 aircrafts or helicopters and ammunitions as well as some heavy equipment.

3°. Air Force

Annex III shows, on the same basis, the items of equipment which should be provided by external aid for the Air forces of NATO European countries. This amounts to a total of 45 aircrafts by end 1961 and 167 by end 62, to which are to be added quantities of spare parts, ammunition and special equipment.

c) A special mention is needed for the problem of spare parts. In theory many of the spare parts required should come through the channel of the NMSSA. However, there is almost unanimity of criticisms made by countries, either in their reply to the Interim Review 1961 Questionnaire or in their responses to SACEUR Plan of action, as to the complete lack of effectiveness of this agency and the impossibility of getting from it, in time, the spare parts which have been ordered. Therefore, it would not be advisable.. On the basis of these statements of facts, to rely on the NMSSA for quick action, except if a drastic reorganization of the Agency is decided and implemented very urgently.

d) these conclusions have seemed to be important enough to draw the special attention of the Secretary General on them, before the next meeting of the Council on SACEUR's document 188/61. It seems that it would have a great impact on the efforts made by European NATO countries in the face of the Berlin crisis, if the attention of the American authorities could be drawn in time on these urgent needs for external aid, and, if, as a result, the U.S. would inform their partners that they are ready to help them in this field to the maximum extent possible, statement which has not yet been made, at least officially.

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