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NORTH ATLANTIC MILITARY COMMITTEE

COMITE MILITAIRE DE L'ATLANTIQUE NORD

Standing Group

Groupe Permanent

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SGM-1609-51

Per Authority IMSM-431-99

2 October 1951

By JACOARE Date 11-10-99

MEMORANDUM FOR: Lt. Colonel Fourquet
Wing Commander Craven
Captain Sowell

SUBJECT: Policy for Future Financial Expenditure
for the Services in Germany

The enclosed memorandum from SACEUR /SHAPE 518/517 forwarding a copy of a letter from the Commander-in-Chief, British Army of the Rhine (BAOR), is referred to the International Planning Team listed above for consideration and recommendations to the Standing Group.

CH Donnelly
C. H. DONNELLY
Senior Secretary

IMS Control N° 0785

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By Reclassification memo #1 Date 16 July 53

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ENCLOSURE

SHAPE 518/51

S/JC
BF/C/5790

26 September 1951

The STANDING GROUP, NATO
WASHINGTON, D. C.

S U B J E C T: Policy for Future Financial
Expenditure for the Services
in Germany

1. The attached copy of a letter from the C-in-C, British Army of the Rhine, reference BAOR/39021/1/G(SD 2a) dated 20 August 1951, is submitted for your consideration as to the problem of future financial policy.

2. C-in-C BAOR will be supplied direct from SHAPE with information regarding scheduled operational reinforcements and troop moves.

3. The financial implications which are inherent in the questions raised in the enclosed letter are considered to be matters for decision at governmental level. It is therefore requested that you take the action you consider necessary to bring the problem to the attention of the Council of Deputies or other such body as may be appropriate.

4. It is further requested that you communicate any decisions made to this Headquarters as well as to the national military representatives concerned. It is of course to be realized that this question affects not only the British Zone of Germany but also the US and French Zones, and the forces of all NATO nations stationed in those areas.

FOR THE SUPREME ALLIED COMMANDER EUROPE:

/signed/ EDMOND H. LEAVEY
Major General, USA
Actg DC of S, L & A

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APPENDIX

SUBJECT: Policy for future financial expenditure for the Services in GERMANY.

Headquarters
Allied Land Forces, Central Europe
FONTAINEBLEAU

BAOR/39021/1/G(SD 2a)

20 August 1951

1 - The object of this letter is to draw attention to the requirement for a clear financial policy in so far as further reinforcement of this Theatre is concerned.

2 - On the assumption that the military proposals of SACEUR, concerning reinforcement and deployment, will receive governmental approval, the need for this policy is particularly urgent.

3 - Our experience during the past year shows that the time factor in deploying large scale reinforcements in GERMANY is approximately twelve months from the date of financial approval; and it is vital to complete planning, requisitioning of ground, allocation of materials and contract procedure during the previous winter, so that advantage can be taken of the summer months for building construction. On this basis if new formations are to arrive in the Theatre during the winter 1952/53, preliminary action must be taken now.

4 - It should also be noted that existing barracks in the British Zone of GERMANY are already fully committed, and the major part of reinforcements due this winter are having to be accommodated in new, hitted, construction.

5 - In illustration of the financial problem, the following Deutschmark expenditure (hitherto charged to Occupation Costs) is involved in deploying a standard infantry division, and those static units required for its peace maintenance (total approximately 19,000 all ranks):

- a) Annual maintenance costs DM 80 - 100,000,000
- b) Capital cost of new construction
for 17 major and 17 minor units . DM 250,000,000

The above figures are approximate, and are based on current costs, which, in keeping with world-wide tendencies, are rising.

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Further they do not include provision of married quarters, et cetera, either in capital costs or rents.

6 - It is probable that the German monetary contribution to European Defence will not be sufficient to meet the costs of new construction and the expenses of maintaining Allied Forces in GERMANY even on the basis of the reinforcements already planned to arrive in GERMANY by the Spring of 1952. Should German units be formed or additional Allied divisions be stationed in GERMANY there will be a substantial gap between the German DM contribution and the total cost.

7 - It is known that the allocation of NATO funds for the equipment of Allied Forces is being discussed at Governmental level and that international expenditure for specified defence projects is allocated outside GERMANY under the "Infrastructure" scheme.

8 - We are concerned lest decisions to station additional forces in Germany during 1952, which is likely to be a critical year, should be delayed on account of failure to institute the machinery for allocating funds in time for planning, et cetera, to be completed by Spring 1952.

9 - It would therefore be appreciated if this problem could be studied as a matter of urgency, so that guidance can be given in adequate time, and preferably before the end of November, 1951.

/signed/ C. B. CALANDER
Lieutenant General
Commander in Chief

Extension 2518
Headquarters
British Army of the Rhine
BAOR 1
VFM

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Appendix
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