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COPY NO. 21

NORTH ATLANTIC MILITARY COMMITTEE  
COMITE MILITAIRE DE L'ATLANTIQUE NORD

Standing Group

Groupe Permanent

IMS Control No. 1065

SGM-644-52

24 March 1952

MEMORANDUM FOR THE STEERING COMMITTEE

SUBJECT: Study of Costing Procedure to be Used in  
Preparing the TCC-type Report

Reference: SGM-601-52

1. At the Steering Committee meeting this morning, Colonel Chretiennot and Group Captain Adams were directed to revise the draft message at Appendix "B" of the reference, to reflect the agreements arrived at during the discussion.

2. The Enclosure is submitted for your consideration. If approved, it will be despatched to the Council Deputies.

*C. H. Donnelly*  
C. H. DONNELLY  
Senior Secretary

APPROVED .....

DISAPPROVED .....

*11/11/NATO (A.S.L.) Doc 3*

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E N C L O S U R E

DRAFT MESSAGE

TO: SECY NACDEP LONDON ENGLAND (Info: SECLONSTAN)

Reference: SGM-523-52, dated 11 March 1952

1. In anticipation of the annual review and further to the Military Committee recommendation in Enclosure 37 to M.C. 39, it is the responsibility of the Standing Group to prepare military guidance in connection with the costing of the Defense Plan.

2. It is clearly apparent that military guidance to the Nations to assist them in the completion of the necessary returns should be supplemented by guidance from the NATO Secretary General who is responsible for the annual re-estimates of NATO and other Defense Plans. You will no doubt wish to coordinate the guidance given to Nations.

3. The S.C.S. Report, Section H, paragraph 4.A.1, has provided for a revision of the procedure and forms that have been used so far for the costing of plans. Such a revision should be undertaken by a group of military and civilian experts well acquainted with costing procedures and budgetary matters.

4. The Standing Group wishes to have the Council Deputies' views on agreed measures they intend to take in order to carry out such a revision of procedure and forms which should take place at the same time as the preparation of the guidance mentioned in paragraph 1 above.

5. It is suggested that the Ad Hoc Committee which was recommended in paragraph 4.A.1 of Section H of the S.C.S. Report be set up in Washington where there are a number of experts who have participated in previous costing exercises and S.C.S. studies. The Ad Hoc Committee which would be responsible to the Secretary General

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could be invited to review, in consultation with the Standing Group, the procedure and forms and initiate action of the costing in preparation for the further work of the Secretariat General in Paris.

6. Before forming the Ad Hoc Committee it would be desirable to invite nations to propose modifications and simplifications to the procedure and forms.

7. If the Council Deputies agree to these proposals, the Standing Group recommends that they take the necessary action.

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