

**NORTH ATLANTIC COUNCIL DEPUTIES  
SUPPLEANTS DU CONSEIL DE L'ATLANTIQUE NORD**

SECRETDOCUMENTNO/8-D/LDir. LANG.2nd October, 1951.DRAFTMEMORANDUM TO THE COUNCIL'S COMMITTEERecommendations for possible action1. The Problem:

(a) The problem confronting the Committee is to reconcile the requirements of external security with the politico-economic capabilities of NATO member countries.

(b) The solution of this problem might necessitate the taking of the following steps:

- (1) organization
- (2) collection of information
- (3) common definitions and assumptions
- (4) screening of national requirements
- (5) study of the costs of requirements
- (6) study of the politico-economic capabilities
- (7) production programmes and coordination thereof

2. Procedure:

The Committee might wish to make use of:

- The "ad hoc" Joint Working Group of NATO, which is composed of senior representatives of each NATO agency, as a working link with the NATO agencies.
- A temporary staff composed of individuals drafted from NATO agencies and/or other sources for the analysis of NATO defence plans and for preparing the work of the Committee.

3. Collection of information:

The annexed document indicates the information already available or expected to be available in the near future for use by the Committee.

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The Committee might wish to take action to speed up the collection of information already requested or to request fresh information necessary for the Committee's action.

4. Definitions and assumptions:

In order to make existing and future data comparable, the Committee may wish to see that urgent action is taken toward standardization of such assumptions and definitions.

5. Screening of national physical requirements:

The national equipment requirements for N.A.T.O are presently being screened by Standing Group, the Committee might wish to consider the criteria on which such an exercise proceeds. The Committee might also wish to consider the problem of screening the forces and equipment requirements for home defence and for other purposes.

6. Study of the costs of requirements:

A clear and definite picture of the costs of the military requirements, based on the screening of the requirements as in paragraph 5 and a careful analysis of their cost will probably not be available until the beginning of 1952. Consequently the Committee will have to begin with a rough approximation of costs based on information already available and on broad assumptions, and with results of the physical screening becoming available during the course of the Committee's work. The Committee will have to decide how this has to be done.

7. Study of politico-economic capabilities:

FEB has begun a study of the economic impact of existing defence programme up to 1952. This work may serve as a starting point for the Committee's work. On the other hand, the Committee might wish to postulate the application of additional economic resources to NATO defence for the consideration of the economic impact of such additional efforts.

SECRET  
AC/3-D/14

8. Production Programmes and coordination thereof:

The committee might request the DPB to (a) review production possibilities in the various countries with respect to major materiel items, (b) to submit specific production programmes for such items at minimum costs and on time integrated with United States end-item aid.

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ANNEX TO THE MEMORANDUM TO THE COUNCIL'S COMMITTEE (AC/8-D/4)

Information for Coordinated Analysis of NATO Defence Plans

1. Standing Group:

(a) Has completed a costing study, document S.G. 83/4 of 16th August, 1951, which evaluates on full war strength basis the cost of agreed national contribution expressed in document D.C. 28, and of other NATO forces contributing to the defence of NATO and non-NATO areas. This study must be revised and completed because:

- it was based on September, 1950, prices;
- some countries question the levels of forces, taken as basis for calculating the equipment requirements of the forces;
- lack of screening in equipment standards;
- the defence programmes have been revised, thus modifying agreed forces contributions and production programmes;
- Norway, Portugal and Luxembourg figures were not available;
- the forces necessary to fill the gap between national agreed contributions and NATO defence requirements were not taken into account.

(b) Will have completed its initial recommendations to include:

- force requirements for the defence of NAT area (including Germany) by 7th October, 1951;
  - "gap" allocation by countries (for planning purposes) by 30th October, 1951;
  - screened equipment requirements time phased until 1954, based on D.C. 28 agreed national contributions, home defence forces and non-NATO requirements, by 1st November, 1951;
- screened/

- infrastructure requirements for NATO forces based upon NATO operating plans;

(i) to be built up through 1952, by

1st November, 1951;

(ii) to be built up through 1953 and 1954, by March, 1951.

2. Defence Production Board

(a) Has information about industrial possibilities of NAT countries for the production of major material broken down into nine main categories:

- combat aircraft, combat vehicles, transport vehicles, artillery, ammunition, small arms, electronic, engineering equipment, ship-building.

This information is based on reports from "task force" teams of experts which visited NAT countries during the latter part of 1950, and on subsequent reports from individual countries.

(b) Has received information from governments regarding deficiencies and planned production in the nine main categories of equipment mentioned above. This information is available in physical quantities.

(c) Has requested periodical progress reports covering production and delivery of military equipment.

3. Financial and Economic Board

(a) Has received certain information requested in document D-D(50)214, about the economic impact of the defence effort of NAT countries. These answers give information about defence budgets of the NAT countries until FY 52 for all countries and until FY 53 for some countries. These expenditures have been broken down into main categories: (Personnel, operations, maintenance, construction, production, others).

(b) Has requested from countries information about planned expenditures and about actual expenditures on presently voted budgets.