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

SECRETSUMMARY RECORDAC/11-R/1OR. ENG.20th October, 1951.

WORKING GROUP ON SHARING COSTS OF
SACLANT HEADQUARTERS

Summary Record of a Meeting held on
Thursday 18th October, at 10.0 a.m.,
at 13 Belgrave Square, London, S.W.1

PRESENT

Chairman - Mr. G. O. J. van Tets (Netherlands)

M. R. O. P. Thissen (Belgium)	Mr. A. E. Ritchie (Canada)
Mr. S. Secher (Denmark)	Mr. J. Turpin (France)
Col. S. Marsiliani (Italy)	Mr. K. Hedemann (Norway)
Senhor H. Queiroz (Portugal)	Mr. J. Mark
	Mr. A. J. W. S. Leonard (United Kingdom)
Mr. Breithut (United States)	

ALSO PRESENT

Col. W. Adkins (International Staff)

SECRETARIAT

Mr. J. S. Mackintosh

1. THE CHAIRMAN pointed out that the Group had been convened by the Executive Secretary in accordance with the instructions issued by the Council Deputies at their meeting of the 22nd August D-R(51)63, paragraph 13(2). The Group had the task of finding a formula for sharing the costs of the SACLANT budget.
2. THE UNITED KINGDOM REPRESENTATIVE said he had a few general suggestions to make in this connection. His government accepted the principle of sharing SACLANT costs in the same proportions as had been agreed for SHAPE Headquarters. They were not, however, wedded to the Group system. He felt that the amounts required would not be large for any land Headquarters which might be set up, though he was unable to say what a sea-based Headquarters was likely to cost. He felt that the security of the Atlantic link was important for the western alliance as a whole and therefore should be given due weight. He had no instructions to agree to a percentage contribution that was higher than the SHAPE percentage contribution.
3. THE UNITED KINGDOM view was supported by Canada and Portugal and in a more general way by the United States Representative, who was without recent instructions.
4. THE FRENCH REPRESENTATIVE said he could not accept for SACLANT the same formula as for SHAPE, and he sincerely hoped that SACLANT was not going to become as expensive as SHAPE.
5. THE FRENCH view was supported by Belgium, Italy and Norway. The Representative of the latter country accepted the formula of "capacity to pay", but stated that he might have to make reservations later.
6. THE CHAIRMAN, summing up, said that there seemed to be two clear-cut views on the matter, the one accepting and the other rejecting, the SHAPE cost-sharing formula.
7. Speaking as Representative of the Netherlands, he said that the SHAPE formula was in itself a compromise which his government had only accepted with reluctance. His government, for parliamentary reasons feared the cost of the additional expenditure involved in SACLANT and were therefore unwilling to bind themselves to a formula especially as SACLANT Headquarters was only in embryo at present. He was therefore inclined to the French view in the matter.
8. THE UNITED KINGDOM REPRESENTATIVE felt that the question of standards of expenditure was a matter for the Budget Committee, and outside the scope of this Working Group. A distinction should be made between extravagance in estimates and equitable sharing of costs. He would ask that those countries which were not in agreement with the SHAPE cost-sharing formula should prepare alternative proposals among themselves.
9. THE CHAIRMAN then suggested the setting-up of a subordinate Group comprising Norway, Belgium and France, and asked them to bear in mind, when drawing up their proposals, that any formula must also be applicable to subordinate Headquarters.
10. THE CANADIAN REPRESENTATIVE expressed the desire to review any agreed formula at a later date, if expenditure became heavy,

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particularly if the SHAPE formula was retained.

11. In reply to a question of the Portuguese Representative, who asked whether the proposals would be strictly on "capacity to pay" basis, the Chairman confirmed that they would, but that they would also contain a certain element of compromise.

12. THE SECRETARY said that it was proposed to place before the Deputies on 22nd October, 1951 for approval a paper setting out the amount required to 31st December, 1951 for SHAPE and subordinate Commands. This would not include SACLANT.

13. THE GROUP agreed to meet again on Thursday 25th October, at 10.30 a.m., to receive the alternative proposals of the French Group.

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London, S.W.1.