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COMMITTEE ON THE ANNUAL REVIEW
OUTLINE OF PROCEDURE AND STAFF REQUIRED FOR
THE ANNUAL REVIEW

Note by the Secretariat

This note has been prepared in response to the request of the Annual Review Committee, at its meeting of 9th July, for an estimate of the staff required for the remaining stages of the Annual Review and of the staff which the Secretariat expects to have available for this work.

2. Any such estimates presuppose some assumptions on what the procedure for the remaining stages should be, and how the work should be organized at each stage. This paper therefore sets out the Secretariat's proposals on these urgent questions by way of introduction to the estimates of staff which follow.

FIELDS TO BE COVERED

3. Staff work to be undertaken by the International Staff, augmented as necessary by temporary staff supplied by Military agencies and Delegations, falls into five principal categories as follows:

(a) Military Considerations

These include the screening functions as described in paragraph 2 of AC/19-D/9 and the provision of technical military guidance in the process of reconciliation.

(b) Required and Planned Expenditures

As indicated in AC/19-D/9, the work in this area consists chiefly in analysis of tables 4 - 11 of the Annual Review Questionnaire (ARQ(52)).

This includes: (i) the analysis of the relationship of expenditures to force goals and availabilities (review of national costings), (ii) the scrutiny of required and planned expenditures for possible economies, (iii) the analysis of the relationship

of planned expenditures to past expenditures and current budgets, and (iv) the assessment in financial terms of proposed adjustments in force goals (as part of the reconciliation process).

(c) Equipment

This includes: (i) the review and analysis of stated equipment requirements in relation to forces, (ii) relationship of equipment requirements to expected resources, (iii) the relationship of data in the country replies to proposed programmes of offshore procurement, and (iv) the development of equipment priorities as a guide to the best use of productive capacity and the allocation of resources.

(d) Infrastructure

This includes: (i) the review of progress on Slices I, II and III, with particular reference to expenditures required during 1953 and later years, (ii) the scrutiny of Slice IV programmes submitted by the military agencies, considering separately those aspects of Slice IV which are not specifically related to force goals for 1953, 1954, and 1955 and those parts which may require revision in the light of new force goals, (iii) the scrutiny of Slice IV and national programmes from the point of view of economics, (iv) the review of plans for national Infrastructure, and (v) the development of proposals for cost-sharing.

(e) Economic Considerations

The economic work involves primarily an assessment of the politico-economic capabilities of countries for undertaking defence; also an assessment of the longer term economic implications of the defence build-up. The main part of the countries' economic submissions will consist of their replies to the OEEC Questionnaire, which will be reviewed and analysed in the OEEC. The economic staff of NATO will be required to interpret the OEEC analysis for NATO purposes, in the light of the NATO supplementary economic submissions and other information provided in the course of the Review, with particular reference to the problems involved in reconciling politico-economic capabilities and the accomplishment of military goals.

4. The staff required for completion of the Annual Review will be organized into sections corresponding to these major fields. Generally speaking, there are corresponding organizational units in the establishment plan for the Secretariat. Nevertheless, before establishments can be firmly proposed, consideration must be given to the timing and possible overlapping of successive steps in the Review, bearing in mind that each step will involve co-operation between the groups concerned in the different fields described.

SUCCESSIVE STEPS IN THE REVIEW

Design of Summary Tables

5. With the completion of the final form of the Annual Review Questionnaire, the next step on the technical level is the drafting of summary table forms on which the voluminous information reported in the original country submissions can be summarized in a fashion that will facilitate analysis of the data. These summary table forms should be prepared by the International Staff with a separate series of tables corresponding to each of the principal sections in the Questionnaire.

6. Time Schedule This work should begin immediately and should be completed by not later than 30 August.

Preparation of Stock-Taking Report

7. In accordance with AC/19-D/6, it has been agreed that a Stock-taking Report will be prepared by the International Staff in advance of the Annual Review. This report is to be based on data submitted by not later than August 15, in response to the regular periodic questionnaires on Equipment, Defence Expenditures and Infrastructure. An advance submission is also requested for certain data on military forces called for by tables 1, 2 and 3 of the Annual Review Questionnaire (ARQ(52)).

8. Time Schedule If the necessary replies from countries are received on schedule, the Stock-taking Report can be issued by 15 September. It is extremely important that the returns be submitted on time so that most of the work of analysis and preparation of the final report can be completed before the full replies to the Annual Review Questionnaire arrive.

Receipt and Distribution of Country Replies to ARQ(52)

9. It has been agreed that all replies should be received by 31 August 1952 and that copies of each country's return be distributed to every other country and to the appropriate staff sections as promptly as possible. Each country has been requested to submit six copies of its return and it is estimated that the average return will consist of at least 300 pages. If this schedule is adhered to, the Secretariat will receive on 31 August approximately, 4,000 pages for reproduction and distribution. Thus, if the "Limited Distribution" lists of 275 copies are to be used (except possibly for Cosmic material for which a much more restricted circulation would be necessary), over 1,000,000 pages would need to be run off, assembled and distributed. This figure could be greatly reduced if it were agreed that replies to table 12 were not to be reproduced or if the number of copies to be distributed were further reduced. The average daily output of the present establishment is approximately 20,000 pages and if the establishment request submitted to the Budget Committee is approved and the additional equipment now on order is installed and operating by 1 September, the maximum capacity of the plant will be approximately 50,000 pages per day.

10. It is apparent, therefore, that considering the task involved in reproducing the material, country replies will need to be submitted punctually. The following distribution is planned for the 6 copies to be received from each country:-

- 3 copies - to be distributed among the staff sections;
- 1 copy - to Conference Section for reproduction and distribution of additional copies;
- 1 copy - to Statistics Division for preparation of summary tables;
- 1 copy - to Central Reference Room, to be established where copies of all returns and all other Annual Review documents will be available for examination by country Delegations and International Staff who have not yet received copies through regular distribution channels

11. Time Schedule Distribution of all replies should be completed by approximately October 1.

Completion of Summary Tables

12. The completion of summary tables referred to in paragraph above will be primarily the responsibility of the Statistics Division. It is hoped that the number of summary tables can be kept to a workable minimum. In addition to the summary tables, it will be necessary to compile a considerable volume of analytical tables as required during the progress of the Annual Review.

13. Time Schedule The summary tables should be completed by about 15 October.

Preparations for Country Interviews

14. On the basis of studies of country returns and summary tables, the staff should undertake as one of its first functions the drafting of questions to be raised in the conduct of interviews with country Delegations. It is hoped that these interviews can be limited to general policy matters and that questions of detail needed to clarify submissions can be dealt with by the Secretariat beforehand. Representatives of individual countries will undoubtedly wish to participate in the drafting of the general policy questions and in the conduct of the interviews. A large share of the preliminary scrutiny of country programmes will be done as a part of this process of posing questions and conducting interviews.

15. Time Schedule From the date of receipt of country replies to approximately 15 October.

Conduct of Country Interviews

16. The manner of organizing and conducting country interviews is currently under discussion in the Annual Review Committee. The country Delegations being interviewed would, of course, bring appropriate personnel well informed to answer the questions to be proposed.

17. Time Schedule It is suggested that these returns should begin as soon as the questions are ready for discussion and should be completed by the end of October.

Preparation of Preliminary Draft Report

18. It is suggested that immediately following the completion of country interviews, the staff should prepare a series of draft reports, one for each of the principal subjects with which the Annual Review is concerned. In addition, a preliminary summary report would be prepared. The preparation of this summary would be the primary responsibility of the Economic and Reconciliation Staff provided for in the present establishment. These reports would be reviewed by the Annual Review Committee or working groups designated by it.

19. These drafts would consist of factual, analytical statements of the situation in each field and would be designed to point out problems for solution and perhaps suggest alternative solutions. They would not necessarily include specific recommendations for action.

20. These drafts, after approval by the Annual Review Committee, would constitute a preliminary report to be submitted to the Council and to individual countries for discussion and comment. Each country would be invited to suggest solutions to problems raised and to submit such suggestions to the Secretariat within three weeks from the date of receipt of the preliminary report.

21. Time Schedule November 1 - 21 for preparation of preliminary report, with country comments thereon requested by December 7.

Formulation of Recommendations, Programmes of Action and Final Report.

22. After receipt of comments and suggestions on the draft report described in the preceding section, the staff, working in co-operation with the Annual Review Committee and working groups established by it, would prepare a final report incorporating recommendations in the light of country comments and Council discussion. This report would include recommendations as to force goals and related infrastructure, production and economic programmes.

23. Time Schedule December 7 - December 20 with final distribution of the completed report by December 24.

Final Consideration of the Report

24. Final consideration and adoption of the report described in the preceding paragraph would be the first order of business on the Council Agenda after the Christmas holidays.

ORGANIZATION AND STAFF

25. In accordance with the decisions taken by the Council at Lisbon on the reorganization of NATO (C9-D/4(Final)), the permanent establishment of the Secretariat is being planned to cover the requirements of the Continuous Review. Thus it will not be necessary to set up any special organization for the purpose of the Annual Review. Some temporary reinforcements will be required, but they can be fitted into the framework of the organization now being planned. The personnel required in the various fields might be the following:-

(a) Military Considerations.

Arrangements have been made by the Standing Group Liaison Officer (SGLO) for obtaining 12 military experts drawn both from the logistics and materiel planning staff (LMP) and from the international planning teams (IPT). These will be in addition to the existing staff of the Standing Group Liaison Office.

(b) Analysis of Required and Planned Expenditure

In addition to permanent staff included in the proposed establishment (BC-D(52)3) in the finance section (3 grade 13s, 1 grade 12) and such permanent staff of the Statistics Division as may be needed, the personnel should probably include

- (i) (permanently) four experts from defence ministries with experience in budget and finance matters,
- (ii) on a temporary basis two or three similar experts from defence ministries,
- (iii) two or three costing experts and
- (iv) six statistical clerks.

(c) Equipment

In addition to the permanent staff of the Production and Statistical Divisions, there will be needed two or three specialists in equipment planning who are familiar with end-item aid and off-shore procurement programmes.

(d) Infrastructure

No additional staff will be required, since the work can be handled by the Infrastructure Committee and the Infrastructure Section.

(e) Economic Considerations

In addition to the full-time permanent staff included in the proposed establishment, the Secretariat intends engaging the part-time services of four consultants who will be experts in general economic questions. No other staff is deemed necessary.