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Pages 1 - 5 incl.

REPORT BY THE LOGISTICS AND MATERIEL PLANNERS

to the

STANDING GROUP

on

INFORMATION REQUIRED BY THE DEFENSE PRODUCTION BOARD ON PRIORITY OF EQUIPMENT DEFICIENCIES

- References:
- a. SGM-1491-51
 - b. S.G. 61/13 ✓
 - c. SGM-1234-51 ✓
 - d. TOSHAP 47
 - e. SH 20977
 - f. (Ottawa) D-D-8/2
(D-D(51)228)
 - g. DPB(51)77(Revise)

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Per Authority

IMSM-130-96

By

LATHAM

Date

04 May 58

THE PROBLEM

1. At the meeting of the Standing Group on 11 September 1951, it was decided that the Standing Group should meet Mr. Herod in Ottawa to discuss his letter dated 9 August 1951 to Dr. Kruisheer (ref. b above). The Logistics and Materiel Planners were therefore directed in ref. a above to recommend to the Standing Group what points should be discussed at the meeting with Mr. Herod, with particular reference to military priorities.

FACTORS AFFECTING THE PROBLEM

2. The main points raised in Mr. Herod's letter (ref b above) are as follows:

a. the need of establishment by the Standing Group of priorities in military needs and/or a "hard core" set of essential military requirements.

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b. the delay in placing contracts in Europe for new production. This delay will mean that military needs will not be satisfied in time.

c. the necessity for the Council Deputies, Financial and Economic Board, Defense Production Board, and the Standing

Group to study together the implications of sub-para. 2b

above and take appropriate action.

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Dr. Deschamps

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3. The matters in paras. 2b and c above have been considered by the Council Deputies Working Party consisting of representatives of Council Deputies, Financial and Economic Board, Defense Production Board, and the Standing Group. The recommendations of this Working Party to the Council as to necessary action are contained in ref. f above.

4. The points in Mr. Herod's letter are also contained in the report of the Defense Production Board to the Council (ref g above). Of the remaining points raised in the Defense Production Board report, it is considered that only the following will be discussed by Mr. Herod in a meeting with the Standing Group:

a. The need for screening by the Standing Group of national equipment requirements and deficiencies.

b. The need for speedy decisions by NATO nations on the acceptability for their own use of types of equipment under review by the Defense Production Board.

5. In ref f above, it is proposed that the Standing Group should estimate and screen the overall costs and breakdown of costs involved in meeting the essential defence requirements of each country up to July 1954. Mr. Herod has previously emphasised the value to the Defense Production Board of such data and may raise this question at a meeting with the Standing Group.

6. Summarising, the following points may be raised by Mr. Herod in a meeting with the Standing Group and are dealt with in subsequent paragraphs:-

a. Need for military screening of NATO equipment requirements and deficiencies and for military priorities of deficiencies and/or a "hard core" list.

b. Need for speedy decisions by NATO nations on acceptability of types of equipment for their own use.

c. Revised costing data.

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MILITARY PRIORITIES OF DEFICIENCIES

7. In ref c above the Standing Group requested nations to forward by 1 October 1951 complete data submissions as listed in Form No. 1 of PWS(50)109 broken down as between D.C. 28 forces, Home Defence forces and non-NATO forces.

8. In ref d above the Standing Group advised SHAPE that the Defense Production Board had requested information as to "that vital hard core of deficiencies both by items and quantities which it is imperative to meet if the whole NATO effort is not to be stultified" and requested SHAPE to forward relevant information resulting from their current analysis of equipment deficiencies of forces assigned to SHAPE. In ref e SHAPE advised the Standing Group that their study would not be complete before 30 September 1951.

9. On receipt of the national returns referred to in para. 3 above, the Standing Group is prepared to screen for gross error the equipment requirements and deficiencies of NATO nations.

10. When national returns have been received and screened the Standing Group should be able, in the light of SHAPE recommendations, to indicate to the Defense Production Board in broad terms the relevant military priority of equipment deficiencies of NATO nations. While the Standing Group may find it practicable to recommend priorities of military deficiencies as between NATO nations, it cannot establish priorities of deficiencies within national forces which is a question of national defence policy.

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NATIONAL DECISIONS ON ACCEPTABILITY OF TYPES

11. At present the Military Standardization Agency is obtaining from NATO nations information on the types they prefer in various categories of equipment. Progress has been made in this study but it is not yet complete. Close liaison is maintained with the Defense Production Board.

12. When the Defense Production Board commences to plan production programmes for one type of equipment it is found that instead of accepting those enumerated in the Standing Group lists of militarily acceptable types, some NATO nations either propose to adopt other models (usually of national design) or defer their decision until the method of payment for the equipment can be established. This delays Defense Production Board planning.

13. It may be that the Council, following previous procedure, will adopt a resolution requesting NATO countries to implement the recommendation of the Defense Production Board report (reference g above). If this course is not followed it is recommended that the Standing Group advise Military Representatives of the urgency of NATO nations deciding with what types of equipment their national forces are to be equipped.

COSTING

14. In view of the Standing Group's lack of personnel qualified in costing and complex budgetary procedures to assist the Ad Hoc Committee that it would be necessary to set up, the Logistics and Materiel Planners recommend that such a committee should be organized under the aegis of a NATO agency best capable of supplying the necessary staff assistance from the appropriate ministry or department of NATO governments. However, the Standing Group should be prepared to assist such a committee by ensuring that all estimates of costs are based upon proper military guidance as to the phasing of forces, equipment levels required, and assumptions such as levels of war reserves necessary.

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CONCLUSIONS

15. Reference to the points listed in paragraph 6 above, it is concluded that:

a. On receipt of national returns on or after 1 October 1951 and in the light of the SHAPE study of deficiencies, the Standing Group should be able to screen NATO equipment requirements and provide the Defense Production Board with guidance in broad terms as to the relative military priority of equipment deficiencies of NATO nations.

b. The Standing Group should advise Military Representatives of the urgent need to decide on types of equipment acceptable for use by national forces.

c. That some NATO agency other than the Standing Group should be made responsible for any future costing exercise or revision of costing information at present available to NATO.

RECOMMENDATIONS

16. It is recommended that the above discussion form the basis of the Standing Group position at the meeting with Mr. Herod in Ottawa.

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