

Minutes of the first meeting of the Financial and Economic Committee of Western Union (London, 19 November 1948)

Caption: On 19 November 1948, in London, the first meeting of the Financial and Economic Committee of Western Union is attended by financial experts from Belgium, France, the Netherlands and the United Kingdom, as well as the Military Committee.

Source: National Archives of the United Kingdom, Kew. <http://www.nationalarchives.gov.uk>, Records of international organizations, DG. Copies of records of the Brussels Treaty Organisation and Western European Union. Brussels Treaty Organisations and Western European Union: Microfilm copies of files, DG 1.

Five Power Financial and Economic Committee. Minutes of the first meeting on the 19th November, 1948, at 2, Eaton Place, Document No. 186. Londres: Brussels Treaty Permanent Commission, 25.11.1948. 4 p.

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http://www.cvce.eu/obj/minutes_of_the_first_meeting_of_the_financial_and_economic_committee_of_western_union_london_19_november_1948-en-93f76587-81d4-4c81-9cff-97f16283c566.html

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Metric Document No. 186THIS DOCUMENT IS NOT TO BE COPIED.COPY NO. 24BRUSSELS TREATY PERMANENT COMMISSIONFive Power Financial and Economic CommitteeMinutes of the first meeting on the
19th November, 1948, at 2, Eaton Place.Present:

Sir Herbert Brittain Mr. D. F. C. Blunt Mr. E. R. Copleston)	United Kingdom
M. N. Williot		Belgium
M. R. Sergent		France
M. Liefvrick M. J. C. Kruisheer M. J. M. Fehmers)	Netherlands
Lt. Col. J. L. de Rougmont		Five Power Military Committee
M. E. Star Busmann		Secretary-General of the Brussels Treaty Permanent Commission
M. A. W. McEwing		(Secretary)

1. Procedure and Election of Chairman

The Committee noted its terms of reference as set out in Metric document No. 153.

M. Star Busmann suggested that, following the practice adopted in other Five Power Committees, the office of Chairman should be held by representatives of the participating countries in rotation for periods of three months each. The Committee agreed and Sir Herbert Brittain was appointed first Chairman.

Sir Herbert Brittain said that much of the Committee's work must await the decisions and recommendations of the Military Committee and the Supply Board. The Committee was dependent on the Supply Board for information as to the material requirements of the Five Countries and how far these requirements could be met from each country's own resources or from the resources of other countries. Until this information was available, he did not think that the Committee could usefully discuss the general principles to be adopted in allocating costs. He suggested that the meeting should consider individually the financial problems which had been referred for consideration and which were detailed in the Annex to Metric document No. 153. This was agreed.

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2. Discussion of the financial problems referred by the Chiefs of Staff.

ANNEX (para. 1)

(a) Delivery of British Aircraft to France.

A clear report of the numbers of aircraft to be delivered and the costs, was required from the Supply Board before this problem could be considered further.

(b) Training in the United Kingdom of air crew and maintenance personnel

The United Kingdom had already agreed to bear the cost of training air crew and maintenance personnel for jet aircraft up to the 31st December, 1948. Sir Herbert Brittain intimated that the United Kingdom would be prepared to continue this arrangement until 31st March, 1949.

(c) Provision of squadrons by the Netherlands

Further consideration must await information from the Supply Board as to the numbers of aircraft required and the appropriate cost figures.

(d) Licences to manufacture British Aircraft.

(i) M. Sergent asked that the question of the financial conditions to be attached to the manufacture of Vampire aircraft under licence in France should be deferred meantime until some further information as to the expenditure involved was obtained by the French Government. Sir Herbert Brittain agreed that the matter should be deferred. He stated, however, that, in principle, it seemed very desirable that these aircraft should be manufactured in France. This would spread the burden on economic resources.

(ii) It was reported that financial arrangements for the manufacture of Derwent engines in Belgium were under discussion between the Belgian Government and the manufacturers and were expected to be completed shortly.

(e) Tanks in Belgium

M. Sergent reported that this matter was under direct discussion between the French and Belgian Governments. He anticipated that it would be settled shortly and would notify the Committee when settlement took place.

ANNEX (para. 2)

(a) Charges in connection with the Establishment of Headquarters for the Western Europe Commanders-in-Chief Committee on the Continent.

Sir Herbert Brittain proposed, and the Committee agreed, that these charges should for the present be/

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be borne by the countries in which the various Headquarters were located, and the country of origin should continue to meet the pay and allowances of their personnel at the Headquarters. Each country should keep records of expenses incurred by it including expenditure on pay and allowances of personnel, so that whatever arrangement might later be decided, could be applied retrospectively. M. Sergeant emphasised the provisional nature of this arrangement.

(b) Charges in connection with visits by officers to countries of the Western Union.

The Committee agreed that, in principle, these charges, except for pay and allowances, should be borne for the present by the country to which the visits were made, subject to the maintenance of records of the expenses incurred for later adjustment as necessary in the same manner as expenditure on Headquarters.

The question as to the manner in which the local currency requirements of visiting officers should be provided in the first instance, raises some complicated administrative and accounting problems and it was agreed that the detailed arrangements should be discussed with the Military Committee.

The following points were made in discussion:-

(i) For visits of 15 days or more the most convenient method might be for the country of visit to supply accommodation, rations, etc., in kind.

(ii) For visits of less than 15 days it would probably be most convenient for local currency requirements to be provided by the country of origin, possibly by the use of Travellers' Cheques.

(c) Provision of spare parts for equipment produced by one Power already in use in the forces of other Powers.

(d) Transfers of equipment among the Five Powers

It was agreed that further consideration of these two points must await information from the Supply Board as to the quantities of material and costs involved.

(e) Charges in connection with troop trials of prototype equipment.

This point may arise in a number of circumstances, e.g. when troops of one country visit another to try out equipment or when equipment is sent for trial from one country to another. The Committee considered that the allocation of expenses incurred should be decided by reference to the circumstances of each case bearing in mind the general principle that local expenses should be borne by the country in which the trials/

trials were taking place. Any stores (e.g. ammunition) consumed in these trials might better be kept apart from general transfers of stores and equipment and treated in the same manner as services.

3. General Financial Questions

M. Knudsen stated that he was anxious to ascertain the lines of general approach to the final solution of the financial problems of Western Union Defence. He assumed that the Committee would distinguish between supplies of civilian material which had been supplied for civilian purposes, but could be used for military purposes, and additional military supplies of the same type of goods. The former should, he suggested, be dealt with under the existing Commercial Treaties, but the latter would be dealt with under the new arrangement.

Sir Herbert Brittain noted this point but thought that the Committee would have to consider any reaction on civil programmes when the military information was available. He agreed that it was desirable to consider the broad lines of our approach to the main financial problem, but did not think that the Committee could usefully carry consideration of the main problem further without some figures, however provisional, of the costs involved. It was suggested in this context that it was very important that each Delegation should keep in close touch with its own representatives on the Military and Supply Boards so that it could watch the picture as it began to emerge and consider its own problems in relation to the supplies required in good time.

4. Joint Meeting with the Military and Supply Committees

A Joint meeting with the Military Committee and the Permanent Executive Committee of the Military Supply Board was held on the afternoon of Friday, 19th November. A copy of the Minutes of this meeting (M.C. (48)9th Meeting) is attached. At this meeting, M. Heisbourg, representative of Luxembourg, joined the Committee.

Following the Joint meeting, a further meeting of the Committee was held. It was agreed -

(1) That the next meeting of the Financial and Economic Committee should be held at 2, Eaton Place, on 15th December, at 10.30 a.m.

(2) That whatever information was available from the Supply Board as to material requirements and costs should be circulated to members of the Committee before this meeting.

(3) That the French and United Kingdom delegations should each provide one representative to join two representatives of the Military Committee in the Working Party which will consider the detailed arrangements to be made as regards charges in connection with the visits by officers to countries of the Western Union and report to the next meeting of the Committee.

2, Eaton Place, S.W.1.

25th November, 1948.