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SECURITY INFORMATION

EXECUTIVE OFFICE OF THE PRESIDENT

NATIONAL SECURITY RESOURCES BOARD

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OFFICE OF THE CHAIRMAN

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MEMORANDUM FOR DR. STEELMAN
THE ASSISTANT TO THE PRESIDENT

SUBJECT: NATO Planning Board for Ocean Shipping

File
SSS

Because of your earlier interest in the matter, I want to bring to your attention the attached memorandum with respect to an issue on wartime pooling of merchant ships which arose at the recent meeting here of the NATO Planning Board for Ocean Shipping.

Jack Gorrie
Jack Gorrie
Chairman



Attachment

x Nat'l. Security Resources Bd.

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E.O. 12065, Sec. 3-402
State Dept. Guidelines, March 6, 1982
By *NC* NLT, Date *6-21-84*

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EXECUTIVE OFFICE OF THE PRESIDENT
NATIONAL SECURITY RESOURCES BOARD

WASHINGTON
May 23, 1952

MEMORANDUM FOR THE CHAIRMAN

SUBJECT: NATO Planning Board for Ocean Shipping

At the fourth meeting of the NATO Planning Board for Ocean Shipping (PBOS) held here last week, which the undersigned attended as X Observer, the expected satisfactory progress was made on the regular business. However, an issue arose between the United States and other member countries which I think you should know about. This relates to the pooling of merchant shipping in event of war, the issue being raised on the desire of the Department of Defense to hold out from the pool U. S. merchant vessels required to be under U. S. military custody and jurisdiction.

As you will recollect the United States in 1949-50 led in setting up the PBOS and took a strong stand in favor of wartime pooling of all ocean-going merchant ships. At first several of the NATO countries wanted to hold out from the pool certain tonnages which they deemed essential to meet their national needs but, largely upon U. S. insistence, all finally agreed to the complete pooling principle. This was embodied in the plan for a wartime Defense Shipping Authority (DSA) to administer the pool in accordance with priorities determined by higher authority. The plan was approved by the NATO Council and has been the basis for much detailed work to provide for its effective implementation in event of war.

The U. S. military objected to listing in the PBOS inventory the merchant vessels under their jurisdiction but finally acquiesced in such listing, provided U. S. vessels "required to be under U. S. military custody and jurisdiction" will not be subject to pooling and allocation by DSA.

At the PBOS meeting last week a U. S. announcement to the above effect brought out expressions of grave concern on the part of the other delegations. One after another their spokesmen protested, pointing out the inconsistency with the previous commitment of the U. S. and urging reconsideration. They said if the U. S. were to make an exception by holding out tonnage from the pool, many other countries would have to do likewise, thus seriously impairing the basis for effective and economical utilization of allied shipping resources in wartime.



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By ALC NLT, Date 6-21-84

x North Atlantic Council

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Memorandum for the Chairman

The report of this PBOS meeting to the NATO Council includes a clear statement of the issue created by the U. S. announcement and requests on behalf of the other delegations that the U. S. Government reconsider its position as urgently as possible. The U. S. representative indicated that such reconsideration would be given.

The policy question thus raised is whether the interests of the U. S. with respect to availability of shipping to carry out strategic plans in event of war will be fully protected under the plan adopted by PBOS and approved by the NATO Council, or whether the U. S. should seek modification of the basic pooling principle to provide for the exception desired by the U. S. military establishment. In the latter case account will have to be taken of exceptions which other NATO members may insist upon to meet special needs of their own.

Points brought out in discussion of this question include (1) that under the existing PBOS plan each country will allocate its own tonnage during the interim between D-day and the time of effective organization of the Defense Shipping Authority, (2) that thereafter there may be "block allocations", where necessary for military or other special purposes, subject to review at suitable intervals, and (3) that the DSA and its subordinate bodies are to be service agencies, carrying out priorities established by higher authority and acting only by unanimous agreement in allocating tonnage.

Solution of the problem outlined above, as an international (NATO) matter, is of course within the jurisdiction of the State Department. The departments primarily concerned with the substantive issues involved are Commerce (Maritime) and Defense. Their differences came to a head only a few days before this PBOS meeting, leaving inadequate time for careful exploration and reconciliation of views, or reference to higher authority, if necessary for decision prior to the meeting. It is understood that the State Department will take the necessary steps, in view of the request of the other NATO countries for reconsideration by the U. S., to resolve the question.

x
Alvin B. Barber x
Director of Transportation
Production Resources Office



- x Commerce Dept.
- x Defense Dept.
- x Federal Maritime Bd.
- x Maritime Administration