

tion of institutions under government control known as post exchanges, ships service stores, commissary stores and service clubs for the use of the United States forces, civilian employees who are United States nationals employed by the United States Government in connection with the bases or members of their families resident with them and not engaged in any business or occupation in Canada. The provisions of the Leased Bases Agreement concerning tax and customs exemptions, modified in accordance with the recommendations of the Permanent Joint Board on Defense, would also be satisfactory to this government. The United States Government would not, therefore, wish to alter these arrangements.

Subject to the concurrence of the Canadian Government in the foregoing, the United States Government would be prepared to agree that the NATO Status of Forces Agreement should be made applicable to all United States forces in Canada, including those at the leased bases and at Goose Bay, it being understood that those provisions of the Leased Bases Agreement which deal with the matters covered in the NATO Status of Forces Agreement would be held in abeyance until the NATO Status of Forces Agreement is terminated through expiration or denunciation. This government understands, as does the Government of Canada, that the provisions of the Leased Bases Agreement dealing with matters not covered in the NATO Status of Forces Agreement would be unaffected.

The United States Government concurs in the view of the Canadian Government that uniform treatment of United States forces throughout Canada under the NATO Status of Forces Agreement would be in the interests of both countries and would make for simplification of administration.

Accept, Excellency, the renewed assurances of my highest consideration. Ends.

453.

PCO

*Projet d'une note de l'ambassade aux États-Unis
pour le département d'État aux États-Unis*

*Draft Memorandum from Embassy in United States
to State Department of United States*

CONFIDENTIAL

[n.d.]

The Canadian Government has considered the State Department's note of November 5 regarding the Canadian proposal that the NATO Status of Forces Agreement be made applicable to all United States forces in Canada, including those at the leased bases and at Goose Bay.

2. It is noted with satisfaction that the United States Government agrees in principle with this suggestion. It is noted further that the United States wishes to retain the present arrangements (under the Leased Bases Agreement of 1941 as amended by the Permanent Joint Board on Defence Recommendation of March, 1950) relating to post exchanges, etc., and to tax and customs matters generally.

3. While regretting that the United States Government considers it necessary to preserve, during the currency of the NATO Agreement, so many of the parallel