

Bases Agreement. The second point is that the third paragraph of the July 6 memorandum referred to "exemptions from (Customs) inspections" in a way which implied that such exemptions are a right under the Leased Bases Agreement. In fact, this particular exemption is not mentioned in the Leased Bases Agreement, and our Customs people have never acknowledged that there is any right to exemptions from inspections.

7. We do not wish, at this moment, to discuss what actually happens in Newfoundland in the matter of "inspections". The only point we wish to make clear to the State Department is that the matter of exemption from such inspections is not mentioned in the Leased Bases Agreement and is not (repeat not) regarded by us as a right under the Leased Bases Agreement. (We are sending by bag a copy of a letter† from Customs and Excise which explains the point more fully).

8. We shall not take any further action pending a detailed reply to this telegram. Whether or not the U.S. Government decides to adhere to the attitude reflected in WA-2924, we think it would be helpful if the State Department's memorandum of July 6 could be replaced by a revised version which would set forth without ambiguity what the United States is or is not willing to do.

9. I need hardly add that, if we had known prior to June 19 what we now know of the United States attitude, it is almost certain that the Canadian signature to the NATO Agreement would have been accompanied by a formal declaration of our right later on to annex a reservation to our signature. I am sure that the State Department in June had no desire to mislead but the net result is to say the least very unsatisfactory. Message Ends.

451.

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*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-3898

Washington, November 5, 1951

CONFIDENTIAL. IMPORTANT.

Reference: My WA-3837 of October 26th.†

APPLICATION OF NATO FORCES AGREEMENT TO NEWFOUNDLAND
LEASED BASES

1. My immediately following teletype contains the text of the Department of State note, dated November 5, 1951, signifying the agreement of the United States to our proposal that the NATO Forces Agreement should be applicable to all United States forces in Canada, including those at the leased bases and at Goose Bay, subject to the continuance of arrangements under the Leased Bases Agreement for the operation of post exchanges, etc., and the provisions of the Leased Bases Agreement concerning tax and customs exemptions modified in accordance with