

A major deterrent to aggression in the North Atlantic area would no longer exist and a gap would be opened in the chain of defence which maintains our security.

It is the tangible and visible evidence of forces and installations in being, in place and ready, which constitutes an effective deterrent against aggression. An effective deterrent is our greatest safeguard against the outbreak of war.

The North Atlantic Council, having carefully reviewed the political and military situation, find a continuing need for the stationing of forces in Iceland for the maintenance of the facilities in a state of readiness. The Council earnestly recommend that the Defence Agreement between Iceland and the U.S.A. be continued in such form and with such practical arrangements as will maintain the strength of the common defence.

The Council trust that in the proposed bilateral talks between Iceland and the U.S.A. full weight will be given to the Council's finding and to the consideration set forth in this review.

The views of the NATO Council are now under consideration by the Icelandic Government. Discussing these developments in the House of Commons on August 1, the Secretary of State for External Affairs, Mr. L. B. Pearson, commented as follows:

... the situation in Iceland is one, of course, which is worrying to the NATO organization, and it is one that has been discussed already in the NATO Council. I am hopeful that as a result of those discussions, this difficulty over the United States air base in Iceland can be solved, and that Iceland will continue to give strong and steady support to the organization. It is an important matter because the base is an important one; but probably just as important as the air base itself is the situation of Iceland in so far as radar communication and installations are concerned. Therefore we must hope, and do everything we can in NATO to resolve this difficulty, and I have some expectation that this will be possible before long.

It is quite true that one of the reasons for discontent, if you like, in certain sections of the Icelandic population about the NATO association is the trade dispute between Iceland and the United Kingdom in respect of fish and concept of territorial waters

Also there is uneasiness on the part of certain of the people of Iceland in having a United States air base on their territory at a time when the sense of imminent danger seems to be somewhat removed. The trade dispute between the United Kingdom and Iceland did result—and this is an interesting illustration of Soviet tactics—in the Soviet moving in and offering to take all the surplus catch of Iceland's fish, thereby possibly saving them at that particular time from economic distress.

I hope that situation can be rectified but as I said a few moments ago, I feel that the discussions which are now taking place inside NATO and with the Iceland Government will at least provide a solution for these difficulties which will permit that small but important NATO country to support an organization which is as important for Iceland's security as it is for the rest of us.