

In reply, Mr. Paul Martin, the then Acting Secretary of State for External Affairs, commented as follows:

The Secretary of State for the United States has recently stated:

"The United States has bases in Iceland, not in its own right but acting as an agent for the North Atlantic Treaty Organization."

I may say it is a question in which Canada and other NATO countries have a definite interest. The treaty provides that either the United States or Iceland may, at any time, on notification to the other government, request the NATO Council to review the continued necessity for the facilities and their utilization, and to make recommendations to the two governments concerning the continuation of this agreement. If, six months after the review by the Council, no understanding is reached between the two governments, either government may at any time give notice of its intention to terminate the agreement which will cease to be in force 12 months from the date of such notice.

The resolution passed by the Parliament of Iceland before the recent elections in that country, which called for a revision of the defence agreement, referred specifically to the appropriate article in the agreement, and at the same time reaffirmed the decision and the intention of Iceland to support NATO.

The Canadian Government hopes that if a new Icelandic Government should decide to ask for a revision of the defence treaty, as envisaged in the resolution of the Parliament of Iceland, it will be possible to reach a compromise satisfactory to Iceland and all of the NATO partners . . .

As a result of the general elections, the three chief parties which had favoured the withdrawal of the United States forces—the Progressive, Social Democrat and Labour Alliance (Communist) parties—commanded a majority in the new Parliament and combined to form a Coalition Government in which each is represented by two members. The new government therefore includes two Ministers with communist affiliations. Although the composition of the Government has changed, there was no major swing to the left on the part of the Icelandic electorate. None of the major parties either increased or decreased its representation in the Althing by more than two seats and, indeed, the Conservatives still remain the strongest party, both in terms of seats (19), and of the popular vote, with 42.5 per cent (an increase of 5.1 per cent over 1953).

In accordance with the procedure provided in the Defence Agreement, the new Icelandic Government formally requested the NATO Council to review the situation and to make recommendations to the United States and Iceland concerning the continuation of the Defence Agreement. At the same time, the Government declared its intention of remaining in NATO.

NATO Council Statement

The Council's statement of August 3 was made after a careful and thorough review which took into account the various strategic and political factors of the present situation. The statement reads in part as follows:

In the view of the Council, the present international situation has not improved to such an extent that defence forces are no longer required in Iceland. Under the present circumstances, the withdrawal of U.S.A. forces, now in Iceland on behalf of the Alliance as a whole, would leave the island completely undefended.