



European Memorandum no. 1, 1956-1958

Bjarni Benediktsson – Stjórnámál – Alþingismaður – Ritstjóri – Walden Moore – Pierre Billotte –
Declaration of Atlantic Unity – Varnarmál – Utanríkismál – Skýrslur – Minnisblöð

Tekið af vef Borgarskjalasafnsins

bjarnibenediktsson.is

Einkaskjalasafn nr. 360
Stjórnámálamaðurinn
Askja 2-23, Örk 1

©Borgarskjalasafn Reykjavíkur

October 1, 1956

MEMORANDUM

To United States Sponsors, Declaration of Atlantic Unity
From: Walden Moore, Project Director
Subj: Declaration Project - Developments since April, 1956 and plans for the rest of the year

Since publication of our Prospectus last April the following developments, in which we believe the Declaration had considerable part, have taken place.

1. Secretary Dulles' speech of April 23 calling for an exploration to "advance NATO from its initial phase into the totality of its meaning."
2. Appointment by the NATO Ministerial Council on May 23 of a Committee of Three Foreign Ministers "to advise the Council on ways and means to improve and extend NATO cooperation in non-military fields and to develop greater unity within the Atlantic Community."
3. The appointment by President Eisenhower of Senator George as his personal representative for this project. Senator George and the advisors have been well briefed on the Declaration and the Sponsors in London and Paris urged to see him.
4. The passage by Congress (with State Department support) of H.J. Res. 501 providing for permanent membership in the NATO Parliamentary Conference. This proposal was instigated by the Declaration and carried through with our help. At our urging several outstanding Senators and Representatives have agreed to serve on the U. S. Delegation, including Senators Lyndon Johnson, Theodore Green, William Fulbright, Richard Russell, Hubert Humphrey, Alexander Wiley and Edward Thyne.
5. We have approached both Republican and Democratic Platform Committees suggesting planks along the lines of the Declaration and endorsing the above developments. (In this we have not been very successful. The Democratic Platform has no reference to Declaration principles and the Republican has only this to say: "On our initiative, the political aspects of NATO are being developed. Instead of being merely a military alliance, NATO will provide a means ~~xx~~ for coordinating the policies of the member states on vital matters, such as the reunification of Germany, the liberation of the satellites, and general policies in relation to the Soviet Union.")
6. On our initiative General Billotte, principal French Sponsor of the Declaration, requested an audience with the Committee of Three for a delegation representing the 244 signers of the Declaration. We wrote the three Foreign Ministers supporting this request.
7. A memorandum was prepared for General Billotte on the implementation of the Declaration to be the basis of the submission to the Committee of Three. This memorandum was circulated to all Sponsors of the Declaration in nine countries and received the general approval of the United States, French, Canadian and British Sponsors. With some improvements made by Sponsors in other countries this memorandum was submitted to the Committee of Three on Sept. 18 by an international delegation representing the 244 signers of the Declaration.

Plans for the Rest of the Year

1. Raise sufficient funds to complete this year's program and if possible get a start on next year.
2. The Sponsors have formally requested an interview with Secretary Dulles for the purpose of presenting the Declaration memorandum to him. We will also try to see Senator George and the members of the United States Congressional Delegation to the NATO Parliamentary Conference in November.
3. We are circulating the Declaration memorandum with a covering letter to the 79 United States signers - also to the contributors.
4. We are requesting the Sponsors of the Declaration in other NATO countries to take similar action to the above in their respective countries.
5. Spend the month of November in Europe for the following purposes: ✓
 - A. Attend the NATO Parliamentary in Paris the week of November 19 and assist in promoting the objectives of the Declaration among the parliamentarians of the 15 NATO countries.
 - B. Represent the U. S. Sponsors at a Conference of Sponsors of the Declaration and heads of Atlantic Committees called by General Billotte at Paris, November 17 and 18.
 - C. Confer with leaders in the Atlantic movement in London, Paris, Rome, Bonn, Brussels and the Hague on means of promoting the objectives of the Declaration.
 - D. If there is time visit Iceland to do what I can.
6. Carry out the program on page 6 of the Prospectus.

STRICTLY CONFIDENTIAL

London, October 4, 1958

EUROPEAN MEMORANDUM No. 1

To: U.S. Sponsors, Declaration of Atlantic Unity

From: Walden Moore, Director

Subject: Mission to Iceland - September 29 - October 2, 1958
(For background on Iceland see my "European Memorandum No. 2,
September 26, 1957")

1. General. Our plane was 2 1/2 hours late in leaving New York which made our stay in Iceland more crowded than it otherwise would have been. The Declaration Sponsor, Dr. Alexander Johannesson, the signers, and the U.S. Ambassador arranged a number of social occasions (three lunches, two cocktail parties, and a dinner) at which ladies were included because of my wife's presence. At most of these, however, the men separated to discuss "the situation". I also had a few private talks with key individuals. I cannot speak too highly of the hospitality, cordiality and frankness shown me by our Icelandic friends and by the U.S. and British Ambassadors.

2. Persons Seen. In Reykjavik I talked with the following Icelanders either privately or in small groups:

Alexander Johannesson (Sponsor, Rector Emeritus of University, not active in politics but supports Independent Party).

Bjarni Benediktsson (Signer, Foreign Minister, number two man in Independent Party, editor of largest paper).

Benedikt Grondal (Socialist, Member Standing Committee Nato Parliamentary Conference).

Gunnar Thoroddsen M.P. (Mayor of Reykjavik, number three man in Independent Party, son-in-law of the President).

Johann Hafstein M.P. (Signer, Bank Director, Independent Party delegate to all three NATO Parliamentary Conferences).

Gunnlaugur Petersson (President, Icelandic-America Society, Independent Party).

Birger Kjoran (Economist of Independent Party).

Henrik Sven Bjornsson (Permanent Under-Secretary of Foreign Affairs).

Gylfi Gislason (Signer, number two man in Socialist Party, Minister of Education and Acting Minister of Foreign Affairs, gave a luncheon for us at the Ministry but could not himself attend as he was fog-bound in West Iceland).

I also had a private talk with U.S. Ambassador John Muccio and Ted Olsen, U.S. Information Officer. (Ambassador Muccio was also at a luncheon and dinner given for us). I had a private talk with British Ambassador Andrew Gilchrist, on whom I called.

I felt that both Ambassadors and all Icelanders spoke most frankly which is why this report is labelled "Strictly Confidential".

3. Background. Since my last visit, in August 1957, the Icelandic economy has continued to expand and there was a general air of prosperity. Loans from NATO sources (U.S. \$5,000,000; Germany \$2,000,000) have enabled the government to complete the cement factory which will make Iceland self-sufficient in that important commodity. However, inflation continues to be rampant. The official rate for the Icelandic Kroner has jumped from 16 to 25 to the dollar in the past year, and the black market rate from 32 to 45-50. New taxes have been imposed, including a heavy tax on foreign travel. One result of the inflation is an almost frantic building boom in Reykjavik as everyone tries to put their money in real estate rather than savings. (We noted the same phenomenon in Athens last year.) The workers feel the pinch of rising prices and there have been a number of strikes. Local elections show a trend against the present coalition government consisting of the Progressive (Farmers) Party (17 deputies - Prime Minister, Finance Minister), Socialists (8 deputies - Ministers of Foreign Affairs, Education), and Communists (7 deputies - Ministers of Commerce and Fisheries and Social Affairs) and in favor of the opposition Independent (Liberal-Conservative party - 19 deputies).

4. Fisheries Limits. Icelandic economy is directly dependent on fish which constitutes 95% of their exports. The Soviet Bloc now takes about 50% of these exports under a special trading agreement, exchanging ^{for Kroner} machinery and hardware. The Icelanders claim (and believe) that the fish in Icelandic waters are being depleted by foreign traders - chiefly British (26% of total catch) and German (2% of total catch). The British government disputes this. To protect them the Icelandic government extended its fishery limits from 3 to 4 miles - including an extension of the base lines - in 1952. Several governments protested this action as illegal and Britain imposed an embargo on Icelandic fish which has since been lifted.

Iceland, on the other hand, felt the extended limit to be insufficient to protect her fishing stocks and pushed for a United Nations Conference to allow extension of fisheries limits to twelve miles. Such a conference was finally held from February 24 to April 28, 1958. The Icelandic position was supported by Canada, Mexico, Norway, some Latin American and Arab States and the Communist bloc. A U.S. compromise proposal for extension of territorial waters to six miles - plus an additional six for control of fishing (subject to certain historical fishing rights of other nations) won 45 votes with 33 against. All NATO countries voted for this proposal except Iceland and Canada. As this was less than the required two-thirds majority the proposal was not adopted.

The Icelandic government thereupon declared its intention of unilaterally declaring a twelve mile jurisdiction (for regulation of fishing only) and on June 30th regulations were issued to come into force September 1, 1958.

A number of NATO governments issued formal protests including France, Germany and the Netherlands, and the British announced that they would protect their traders by force from interference when fishing on the "high seas" between three and twelve miles from the Icelandic coast.

In May I wrote the Icelandic and British Sponsors of the Declaration expressing the the concern of all the signers over this threat to Atlantic Unity and expressing the hope that the signers in those countries would express to their own governments their hope that the matter would be settled through NATO. The Icelandic Sponsor relied that the Icelandic signers were unwilling to do so since all Icelanders were convinced of the rightness of their governments stand. The British sponsor wrote that his government was quite willing to settle the matter by negotiation, through NATO or otherwise.

When in Paris the week of July 7-14, I discussed the question with a number of NATO ambassadors including Randolph Burgess (U.S.), Dana Wilgress (Canada), Sir Frank Roberts (U.K.) and Hans Andersson (Iceland). Burgess and Wilgress said the question

had been discussed informally by the NATO Council, and felt confident it would be settled by negotiation before the deadline of September 1. Roberts and Andersson were less confident. Andersson said that the NATO Council could hardly settle the matter to Iceland's satisfaction since the interests of a number of member countries were directly opposed to those of Iceland. He said he thought Iceland had an excellent case in international law and that he personally favored submitting the dispute to the World Court.

None of the Ambassadors had any specific suggestions as to how the Declaration might be useful.

On returning to New York I again wrote the Declaration Sponsors most concerned enclosing an Icelandic analysis of the problem and asking their views on the submission of the matter to the World Court (without, of course, mentioning the source of this suggestion). One of our British Sponsors, Martin Madden, M.P., sent my letter with enclosures to Foreign Minister Selwyn Lloyd. Mr. Lloyd replied outlining the British contention and enclosing some material to back it up. With regard to submission of the matter to the World Court he said that the British government might consider this method of settlement but he questioned whether Iceland would agree.

Meanwhile NATO Secretary General Spaak had intervened, and negotiations between Reykjavik and London had produced a "conservation" plan which was practically agreed to by the two governments. This plan would have removed an area of waters around Iceland (actually somewhat larger than that included in the twelve mile area) from all trawler fishing (including Icelandic trawlers) but would have permitted Icelandic hand fishing in the area. British Ambassador Gilchrist told me that the Icelandic government had finally rejected this plan because of vigorous protests from six small but politically influential villages. A second plan for a temporary *modus vivendi* also fell through.

On September 1 a fleet of British trawlers moved into Icelandic waters between the four and twelve mile areas and began to fish - protected by British naval vessels. No other foreign trawlers did so or have done so since. (Actually it is not a good season for fishing in these waters and the Icelandic trawlers themselves were fishing off the coast of Greenland.)

Small Icelandic patrol boats (Iceland has no armed forces) warned the British trawlers off and in a few cases attempted to board them but were met with resistance. In one case where they succeeded in boarding, a British armed patrol also boarded and took the Icelanders as "guests". They were later landed on Icelandic shores. In no cases were shots fired, and the Icelanders succeeded in arresting no trawlers. This and other incidents infuriated the Icelandic people and a demonstration was held in front of the British Embassy in Reykjavik at which some windows were broken, etc. Names were taken of all trawlers fishing in the forbidden waters and should they have to come into Icelandic ports for any reason they would be seized and subjected to heavy fines.

At the current session of the United Nations Assembly, British Foreign Secretary, Mr. Lloyd, suggested that the dispute be referred to the World Court at The Hague, but so far this has not been followed up by any formal proposal. The Icelandic Foreign Minister, Mr. Gudmundsson, did not refer to this suggestion in his own later speech at the U.N. Gudmundsson suggested that the legality of the 12 mile limit be referred to the United Nations Assembly but made no commitment to accept their decision. When questioned about the Lloyd World Court proposal he said he would have to discuss this matter with his government before commenting.

5. Present Conditions. This was the situation when we arrived in Reykjavik September 29 and it remains substantially unchanged today. The following opinions were generally agreed to by everyone I talked to in Iceland including the U.S. and U.K. Ambassadors:

- a) The situation remains exceedingly dangerous and tense and it is not getting better.
- b) Substantially all Icelanders are convinced that they are right and are firm for the 12 mile fishing limit (not to be confused with a 12 mile territorial limit).
- c) The great majority of Icelanders think the British cannot maintain their naval forces in Icelandic waters indefinitely and will have to withdraw.
- d) Hostility toward Britain remains very great and has been accompanied by a cooling towards NATO and the U.S. base "which has failed to protect us from the British pirates". (The British Ambassador has informed his government that a plebiscite held today would result in a two-thirds majority for leaving NATO which would automatically terminate the base.)
- e) There is great danger of an incident in Icelandic waters involving bloodshed as the Icelandic patrol boat captains are getting impatient. In that case, diplomatic relations with Britain would be severed (the British Ambassador has asked his government to designate a legation to take over British interests in that event). Public opinion might also force an Icelandic withdrawal from NATO.
- f) While Icelanders are in substantial agreement on the merits of their case, any peaceful settlement (short of British surrender) would have to clear the hurdle of a very tight domestic political situation. The British Ambassador thinks that domestic politics makes any solution impossible and that the Communists now have the whip-hand. My own view is that any solution would have to have the prior agreement of leaders of the three democratic parties (including the opposition Independents).

6. Suggested Solutions. Any solution must take into account the internal political situation (which the British Ambassador thinks will prevent any solution). Mr. Grondal told me that foreign policy matters are all decided by the Socialist and Progressive Ministers without consulting with or informing their Communist colleagues. He also told me that they do not consult or inform the opposition Independent Party - and Mr. Benediktsson confirmed this (with some rare exceptions). My own view is that any modification of the present stand (supported by all parties) must have the prior consent of all three democratic parties.

a) Private talks. I suggested that some leading Britishers might invite two or three influential Icelanders, representing the democratic parties, to come to London for secret and unofficial talks to re-open channels of communication and explain the seriousness of the situation. However, it was pointed out that any Icelander engaging in such talks would incur great political risks at home. The British Ambassador thought such talks could have no other purpose than to persuade Britain to give in.

b) NATO Pressure. Mr. Benediktsson thought the best solution, from the point of view of Icelandic loyalty to NATO, would be for the North Atlantic Council to persuade Britain to withdraw her ships. I suggested that there might be a good deal of difficulty about this.

c) Demarcation Line. All Icelanders favored a complete British withdrawal either immediately or by steps. British Ambassador Gilchrist doubted that his government was prepared to do this although their position might prove practically untenable in the long run due to conditions at sea. U.S. Ambassadoruccio doubted whether British withdrawal was practicable. He suggested that, to avoid a dangerous clash, the two governments should tacitly agree on a compromise demarcation line (say six miles) inside which British trawlers and naval vessels would not go and outside which Icelandic patrol boats would not venture. Such an agreement need receive no publicity. The Icelanders present did not comment on this.

UNCONFIDENTIAL

d) Submission to World Court. Since this suggestion had been made only recently in a speech to the U.N. by Mr. Lloyd and not yet in a formal proposal, Ambassador Gilchrist did not know whether or not he should follow it up with the Icelandic government - particularly as no decision would probably be reached until Foreign Minister Gudmundsson's return to Iceland. When I pointed out that Icelandic Ambassador Andersson had made this proposal to me in July he said Andersson did not have the confidence of the Icelandic government.

No Icelander I talked to rejected resort to the World Court although some members of the opposition were skeptical as to whether the government would accept it. Dr. Johannsson definitely favored it. Mr. Grondal (Socialist) said his government would find a bona fide offer to submit the dispute to the Court very difficult to refuse provided agreement could be reached in a wording of the question to be submitted. He suggested "Has Iceland violated international law in asserting a 12 mile jurisdiction for fishing?".

Icelanders were interested in what the status would be while the Court held the matter sub judice. Ambassador Gilchrist suggested that the Court fix this itself and thought it would probably say six miles. However, the parties might be able to settle this between themselves (see 6c above).

e) Spaak Mediation. Dr. Johannsson suggested that NATO Secretary General Spaak visit Iceland and discuss a settlement with leaders of the three democratic parties (including the opposition) and that he then proceed to Britain for similar discussions. There was general support for this idea among leaders of the opposition but as it was made the night before my departure I had no opportunity to discuss it with the government side.

7. Readers of this report will, I am sure, appreciate its strictly confidential nature and use discretion in discussing its contents.

Addendum The following extract from my European report No. 6 (Norway) dated November 2, 1958 is also relevant:

"3. Icelandic Fisheries. In Reykjavik Ambassador Muccio told me that Norway had interested herself in this dispute more than any other third power and he was hopeful that they would be successful in promoting a settlement. I therefore sent a copy of my report on Iceland to Halvard Lange and received a request from the Foreign Office that I come in to discuss it with them.

"I met with Pinn Seyersted and Knut Hedemann. The former, who seemed to have a thorough grasp of the problem, did most of the talking. He said the Norwegian Government shared my concern about the dire consequences of a bloody incident and felt that time was of the essence in promoting a settlement. They thought intervention by M. Spaak to secure an Icelandic-British agreement on a compromise line pending a final settlement could be most helpful. He thought it would be a great mistake to submit the matter to the World Court as suggested by Selwyn Lloyd. He had no doubt that the Court would find that Iceland had not violated international law in declaring a twelve mile fisheries jurisdiction. This decision by the Court would result in a chaotic condition in which all countries would assert fishing and territorial jurisdictions as they pleased.

"Of the states about which the Norwegian Government has information, 25, including most of the leading maritime nations, adhere to the 3-mile limit. Norway, Sweden and Finland have 4 miles and a number of Mediterranean countries have 6 miles. On the other hand 14 countries claim territorial limits of 12 miles or more and in addition 10 states have established special fishing zones of 12 miles or more.

"The Government believes that it should prove possible at a new conference to reach agreement on the compromise solution proposed by Canada. According to this proposal a

distinction would be made between fishing limits and territorial limits as defined for other purposes. The proposal would allow countries to extend their fishing limits to 12 miles and their territorial water for other purposes to 6 miles.

"The question of calling another conference is scheduled to come before the Sixth Committee of the United Nations Assembly on November 15. (The proposal of the Icelandic Foreign Minister that, because of the danger of serious incidents the General Assembly itself should decide the question, has won little, if any support.)

"While most members of the U.N. agree on the desirability of another conference there is some disagreement as to date. Some governments, including the U.S. and the U.K., wish to postpone the conference to July 1959 in order to make more adequate diplomatic preparations. Others, including Norway, wish to hold it as soon as possible, i.e. in February.

"From what I learned of the critical situation in Iceland I hope the earlier date will be agreed on.

"Pending this conference the Norwegian Government will make no change in its territorial or fishing limits and hopes other governments will do likewise. Should there again be no agreement, I got the impression that they would adopt the 6-12 limits unilaterally.

"The Norwegian Parliamentarians I talked to thoroughly approved of their government's policy."

These conversations in Norway changed my own views as to the best procedure to reach a settlement.

At the NATO Parliamentary Conference in Paris in November I ^{conferred} on this matter with delegates from Iceland (Mr. Grondal and Mr. Hafstein), Great Britain and members of the NATO Secretariat, and had a dinner for the purpose of a general discussion of this matter at which the above were represented.

After this dinner I drafted the following formula and showed it to the parties who found it generally acceptable but they were, of course, in no position to speak for NATO or their governments. I hope to discuss it further in New York with members of the Icelandic, British and American delegates to the U.N. Assembly.

Icelandic Fisheries Formula

1. Iceland and the U.K. to agree now to accept any rule agreed to by a two-thirds majority at a 1959 U.N. Conference.
2. Iceland and the U.K. to agree now that if the 1959 Conference does not produce agreement by a two-thirds majority to submit the following question to the World Court: "Has Iceland violated international law in asserting a twelve mile jurisdiction for fishing?"
3. Iceland and the U.K. to agree in advance to accept the decision of the Court.
4. Iceland and the U.K. to agree to accept the Court's rule for fishing limits while the matter is sub judice.
5. Iceland and the U.K. to ask Spaak to mediate on political and economic problems involved in the dispute.
6. The U.K. to withdraw its armed forces from Icelandic waters as soon as the above formula is agreed to.

(Translation of letter from General Billotte, French Sponsor of the Declaration of Atlantic Unity, to the Foreign Ministers of Canada, Italy and Norway.)

September 17, 1956

Mr. Minister:

In the name of the 244 signers of the Declaration of Atlantic Unity I have the honor to send you, enclosed, a memorandum relative to certain measures to implement this Declaration.

The measures brought to your attention are practical ones, resting on living realities and would seem able to be accomplished in a reasonable time since the Atlantic governments already have the authority to undertake them from the North Atlantic Treaty. They were inspired by the idea that the Atlantic Organization ought to be a lasting creation susceptible of meeting in the best way all the hypotheses of war and peace: that it ought to be improved from time to time to create the conditions of a true Atlantic solidarity; that there ought to be put at the services of this solidarity all the elements necessary for a power adequate to discourage all kinds of aggression against the Atlantic Community; and that it is indispensable always to interest the peoples in the benefits of such a policy. These measures seem to respond to the gravity of the international situation.

You will understand, on the other hand, that since the Declaration of Atlantic Unity is concerned only with the political, economic, social and cultural fields, the present memorandum makes no reference to military questions. It seems to me nevertheless my duty to point out to you the proposals having reference to this field which have been expressed by certain Sponsors of the Declaration of Atlantic Unity:

The first proposition has reference to the organization of a Defense Committee which would include around the Secretary General of NATO Permanent Representatives designated by the North Atlantic Council and High Military Authorities in order to define clearly NATO "grand strategy."

The second proposal concerns the organization of a NATO Police Force capable of intervening rapidly in support of Atlantic policies to prevent the extension of local conflicts. Such an establishment seems, indeed, especially adapted to the nature of the conflicts which will probably be found to be most dangerous to the Atlantic Community;

According to the third proposal it appears necessary to set up a common organization of psychological action and propaganda designed to reinforce, in the member countries and abroad, the moral potential of the free world;

Finally, in order to obtain a better effectiveness and reduce expenditures, it is proposed to exchange regularly scientific information and techniques, more homogeneity in the nature of conventional armaments where not entrusted to the forces of several nations and the establishment of a common budget for the common defense.

Please accept, Mr. Minister, the assurance of my high consideration.

Pierre Billotte

(Translation from the French Text of a memorandum presented on September 18, 1956 on behalf of the 244 signers of the Declaration of Atlantic Unity to the Committee of Three Foreign Ministers appointed by the North Atlantic Council "to advise the Council on ways and means to improve and extend cooperation in the non-military fields and to develop greater unity within the Atlantic Community." This memorandum was presented by an international delegation headed by General Pierre Billotte, French Sponsor of the Declaration and former Minister of Defense. This memorandum was initiated by the United States sponsors and contributed to by the sponsors from France, Great Britain and Canada).

MEMORANDUM

The present memorandum has the purpose of proposing a certain number of measures for practical application corresponding section by section to the ideas expressed in the Declaration of Atlantic Unity.

TEXT OF THE DECLARATION: I. "The development of NATO as a central agency to coordinate the political, trade and defense policies of the member nations."

IMPLEMENTATION

A) Meetings of the North Atlantic Council should be more frequent (from four to six per year) and of longer duration (one week).

B) The Permanent Representatives to the North Atlantic Council should be members of their governments (with the ranks of Secretary of State, Assistant Secretary or Minister of State). They could thus take part, at the side of their Ministers of Foreign Affairs, in the deliberation of their respective governments when dealing with questions recognized as concerning NATO.

C) The Powers and authority of the Permanent Council should be increased and governments should agree to the principle of a majority vote in this Council on certain subjects.

D) It should be the duty of all governments to inform the North Atlantic Council of every situation of concern to the Alliance. This information should be brought to the attention of the Council as soon as possible and in any case before taking any political or economic decision which could affect the Atlantic Community. Except in extreme emergencies no measure should be taken by member governments before the Council has discussed the matter submitted and expressed its views. (It could be expedient for the North Atlantic Council, in cases of extreme urgency, to confer a delegation of powers either on the Permanent Representatives or on a more limited Council of Ministers organized for the purpose). It should then be the duty of each member government to give the greatest consideration to the views of the Council in the determination and conduct of their policy.

E) All disputes between two or more member nations which cannot promptly be settled between them should be submitted to the North Atlantic Council whose function should be to conciliate the dispute or to recommend a settlement. Member governments should agree in advance to give the greatest weight to the recommendation of the Council.

F) The North Atlantic Council should be assisted by a Political Committee, analogous to the present Military Committee, and by a political working organization as envisaged by the following resolution of the Canadian NATO Parliamentary Association.

"Resolved: That the governments of the signatory countries be urged to authorize the North Atlantic Council to create an economic and diplomatic counterpart of SHAPE, administered by men of the same high character and capacity as those who now serve NATO, or by other appropriate means to establish machinery to make Article 2 of the North Atlantic Treaty a vital and effective medium for concerted political, economic and cultural benefits to and friendly cooperation among all member countries."

II. "The elaboration, pursuant to Article II of the North Atlantic Treaty, of a comprehensive mutual program for lowering tariffs, freeing currencies and eliminating trade restrictions so that there may be established an adequate economic basis for the Atlantic Community and associated nations. Common economic action will give us not only better defense at less cost, but also the benefits of an expanding and thriving economy, thus raising the standards of living for the Atlantic Community and the whole free world."

Implementation

A) NATO should itself become a functioning organization for economic cooperation between its members despite some possibilities of duplication with other existing economic organizations but which do not have, like NATO, the resources of economic power of the Atlantic Community.

B) NATO should set up an Economic Committee and an economic working organization to assist the North Atlantic Council in its task of coordination of the financial, monetary, and economic policies necessary to raise the global power of the members of NATO and the living standard of the peoples situated in their zone of influence (the free world).

C) Member governments should recognize that a close economic cooperation between their countries is an essential pillar of their common defense and should act accordingly. An economic policy conceived in the framework of NATO could only lead them to try to undertake progressively the following improvements in their present economic relations: 1) a permanent concertation of the initiatives of the countries members of NATO in the matters of investments and construction and the eventual establishment of a common investment fund; 2) the lowering of tariffs; 3) the ending of exchange control; 4) the convertibility of currencies; 5) equalization of exchanges by an Atlantic Payments Union; 6) free circulation of labor to secure better employment.

D) The member governments should use the services of NATO to coordinate their economic policies in regard to the Iron Curtain countries.

E) The member governments should discuss within the NATO framework the program for economic aid to under-developed countries. These programs should be undertaken by NATO in the under-developed countries of the Atlantic area or by other organizations judged possibly more appropriate in under-developed countries situated outside the Atlantic area.

F) The member governments should use NATO to improve scientific and technical cooperation between the member countries and on occasions to serve other nations. Exchange of scientific procedures and techniques and of technicians ought to be a continuing process for the concerted enterprises.

G) The representatives of NATO at the United Nations and other international organizations ought to meet periodically and as necessary to coordinate their policies.

III. "The establishment by each of our legislatures of a parliamentary committee or association for NATO to further understanding in each member country of its progress and potentialities."

Implementation

A) Parliamentary NATO associations have been set up by members in the Canadian, French, Belgian, and Turkish parliaments. In the Norwegian parliament there is a joint meeting of the Foreign Affairs and Defense Committees that serves much the same purpose.

B) It could be suggested to other Atlantic Parliaments that they do the same.

C) It would be desirable to establish an Atlantic Academy of Moral and Political Sciences whose curriculum should be inspired by the ideas of liberty and the solidarity of free peoples. (Note: This proposal was not submitted to the other Sponsors of the Declaration.)

IV. "The creation of an advisory Atlantic Assembly, representative of the Legislatures of the member nations, which would meet periodically to discuss matters of common concern. Observers could be invited from associated states."

Implementation

A) A conference of Atlantic Parliamentarians was held in July 1955 at the Palais de Chaillot. This conference decided to set up a permanent organization including a Standing Committee and a Secretariat; it will meet again in November 1956.

B) The North Atlantic Council should formally recognize the existence of this Conference.

C) This Conference should become a true advisory Atlantic Assembly having the right to give advice to the Council on political, economic, social and cultural questions, and capable of being consulted on any question by the North Atlantic Council.

D) All NATO legislatures could be asked to declare themselves officially permanent members of the Conference, as the United States Congress has already done.

V. "The establishment by NATO of an Economic Advisory Council comprising representatives of employers and employees to advise the Council and other NATO bodies on the effect of their policies on the standard of living in the NATO countries, especially upon the working population."

Implementation

A) The value of such an establishment is self-evident. The improvement of the standard of living of the populations, thanks to NATO, will be the best and the most certain means to interest and attach the peoples to an Atlantic policy.

END