



Alexander Jóhannesson og Walden Moore, 1957

Bjarni Benediktsson – Stjórnmal – Dómsmálaráðherra – Utanríkismálaráðherra – Bréf – Alexander Jóhannesson – Walden Moore – John J. Muccio – Adlai Stevenson – *Declaration of Atlantic Unity* – Varnarmál

Tekið af vef Borgarskjalasafnsins

bjarnibenediktsson.is

Einkaskjalasafn nr. 360
Stjórnmalamaðurinn
Askja 2-22, Örk 2

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American Embassy,
Reykjavik, Iceland,
August 27, 1957.

Dear Mr. Moore:

In line with my offer I take pleasure in enclosing clipping of your interview that appeared in Morgunbladid on August 25 together with an informal translation thereof.

Your visit here has done a tremendous amount of good. It sparked broader interest in the Atlantic Community concept which, fortunately, has been receiving wider and wider attention here. The one good thing that came out of the Althing Resolution of March 28, 1956, was that it brought about an intensive public debate of Iceland's position in the world today. The widespread discussion has been very much to the good. The furor has given all Icelanders occasion to think about their country's position in the world today and there is no question but that the vast majority think and look toward the Atlantic Community.

I am very pleased to have had the opportunity of becoming personally acquainted with you and particularly pleased that you found time to come by and tell the NATO and Swiss and Swedish Chiefs of Mission of what you are doing.

Sincerely yours,

John J. Muccio

Enclosure: As stated.

Mr. Walden Moore,
Dartmouth House,
37 Charles Street,
London W.1, England.

Venice, September 26, 1957

EUROPEAN MEMORANDUM #2

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

From: Walden Moore

Subject: Mission to Iceland, August 20-24.
(On this subject see also European Memorandum #1)

1. General. Iceland has 155,000 inhabitants on an island somewhat larger than Ireland. Most of them live near the coasts where they enjoy a mild "Gulf Stream" climate. Whereas there is still considerable sheep raising and a growing amount of industry the only significant export is fish on which the island's economy depends. After being very poor for centuries World War II brought considerable prosperity to Iceland and this has continued in a post-war boom due to the Keflavik base (U.S.), etc. This has resulted in a heavy inflation and the "black market" rate of the Icelandic Krone is 32 to the dollar as compared to the official rate of 16. (At the official rate I found it the most expensive country I have ever visited. In London I was told there was no market for the few Icelandic krona I had left over.)

The Icelanders are of Scandinavian stock with some Celtic mixture (from, they say, Irish and Scottish slaves and captured women). They still speak (and write) the language spoken in Scandinavia in the ninth century which is completely incomprehensible to modern Scandinavians. They have a vigorous literature (sagas) of which they are very proud and have the highest literary rate (100%) and publication per capita rate in Europe. They are 98% Protestant (State Church) and have the highest birth rate (28%) and lowest death rate (8%) in Western Europe. My general impression was that they are vigorous, alert, agreeable, patriotic and a bit shy.

The Icelanders have practiced democracy since their first assembly (Althing) met on a little rising at Thingvallir in 930. However, after 300 years their independent republic became subject to Norwegian and then Danish overlordship until the 20th century. In 1944 they severed their last tie (a personal union) to Denmark and now seem to enjoy their independence despite some complications. They joined the U.N. in 1945, NATO in 1949 and made an agreement with the U.S. for the continuation of the Keflavik Air Base in 1951 (Korea). In 1954 they had a prolonged dispute with Britain (now settled) over fishing rights which resulted in a damaging boycott of Icelandic fish in the U.K. At that time the Soviet Union contracted to take a considerable percentage of the Icelandic catch.

Iceland has never had any armed forces of its own and there was undoubtedly considerable resentment at the British - then American - occupation of the island in World War II and the continued presence of American forces at Keflavik. On March 28, 1956, the Althing passed a resolution calling for the termination of the air base agreement. This led to a dissolution and a general election and the three parties supporting the resolution - Progressive (Farmers Party), Social Democrats and Labour Front (Communists) were returned with a majority and formed a coalition government with Hermann Jonasson (Progressive) as Premier and Gudmundur I, Gudmandsson (Socialist) as Foreign Minister. Since the eight votes of the Labour Front (Communist) Party were necessary to form a majority in the Althing two members of that party were included in the government.

However, the party to make the largest gain in votes in the election was the Independent (Liberal-Conservative) party which stood firmly for NATO and retaining the

EUROPEAN MEMORANDUM #2 (continued)

base. Its most spectacular gains were in Reykjavik, nearest the base. The deputy leader of that party, Bjarni Benediktsson, told me that the election really showed that the majority of Icelanders favored retaining the base.

Whether for this reason or not the present Icelandic government has never implemented the resolution of March 28, 1956. In December 1956, following the Hungarian uprising and President Eisenhower's refusal to raise the U.S. tariff on fish, the Socialist Party reversed its stand and announced it favored retaining the base "because of troubled world conditions."

However, the March Resolution has never been repealed and U.S. troops remain, apparently, by an informal agreement. They are carefully controlled. During my four days in Reykjavik I saw only three Americans in uniform - all early in the morning and obviously on duty.

Some members of the Opposition believe that the U.S. could compel the Icelandic government to either resign or make a long term agreement by threatening to withdraw the troops.

Mrs. Chase S. Osborn visited Iceland in September 1956 on her own initiative and at her own expense and talked with a number of leaders about the Declaration. She made an excellent impression on them and, at their unanimous suggestion, persuaded Dr. Alexander Johannesson to be the sponsor for Iceland. He is Rector Emeritus of the University, presided at the symbolic reunion of the Althing in 1944 when the Republic was proclaimed, and is certainly one of the half dozen leading men of the country. At his invitation five other leading Icelanders, representing all three democratic parties became signers.

2. Since I talked with only two Icelanders who were not predisposed to an Atlantic view it might be of some value briefly to sketch their opinions. The first was a very pretty nineteen year old hostess on my Icelandic airliner plane. She is the daughter of a Lutheran pastor and a student at the Reykjavik Teachers College (she is a hostess only during vacation time). She was most patriotic and enthusiastic about her country and would not live anywhere else. (This attitude seems to be shared by most Icelanders since there is now practically no emigration despite the rapidly expanding population). She was strongly pacifist as well as nationalist in feeling and said the only change she wanted was the removal of foreign troops from her country. When I suggested the substitution of say, Canadian or Norwegian troops for Americans, she said she liked Americans but was opposed to troops of all kinds. She supports the National Defense Party, a small vaguely left-wing party, whose principle policy is withdrawal of the troops, withdrawal from NATO and a return to neutrality. (She said that her father strongly disagrees with her politics). She expressed an interest in visiting Russia but had nothing to say about Hungary. (Actually a relatively large contingent of 50 Icelanders attended the Moscow Youth Festival last summer. I was informed that their trip had been financed by black market currency operations of the Soviet Government in Iceland).

My other informal contact was a trawler engineer who approached me on the docks early one morning and insisted on taking me to his home. His English was very limited but he did make it clear that he liked Americans but disliked the British. This may be an aftermath of the Iceland-Britain fisheries dispute which hurt the Icelandic fishermen badly.

EUROPEAN MEMORANDUM #2 (continued)

3. On the day of my arrival I was invited to tea by our Sponsor, Dr. Alexander Johannesson and explained my mission to him at length which he heartily approved. He was very kind in answering frankly and fully my many questions about Iceland and he also showed me around the University.

On my second day Dr. Johannesson gave a luncheon for me at the Hotel Berg which was attended by the Icelandic signers, the American Ambassador and the Press Chief of the Government.

Besides Dr. Johannesson the signers are:

Bjarni Benediktsson, M.P., Vice-Chairman of the Independent Party and floor leader of the Opposition. Editor of Morgunbladid the leading daily. Minister of Foreign Affairs 1947-53, of Justice 1947-56 and of Education 1953-56. He signed the North Atlantic Treaty for Iceland.

Dr. Gylfi Gislason, M.P. Social Democratic Party. Now Minister of Education.

Saraldur Gudmundsson, M.P. Chairman of the Social Democratic Party. Now Minister to Norway. (As he was in Oslo I did not meet him).

Johann Hafstein, M.P. Independent Party. Twice a delegate to the NATO Parliamentary Conference.

Haukur Shorrason. Progressive Party. Editor of the second largest paper in Iceland.

I had a most enjoyable luncheon with this distinguished group and with Ambassador Muccio all of whom displayed sympathetic interest with my mission when I explained it. Bjarni Benediktsson replied informally for the group giving his hearty concurrence.

In the afternoon Minister Gislason gave a "coffee" for me at Government House at which about 20-25 guests were present including again the U.S. Ambassador and several professors from the University. This was also a very stimulating occasion at which I was again given an opportunity to explain my mission to an interested audience. I had an excellent impression of Minister Gislason who is certainly a most able and intelligent young man. The professors I talked with had a strongly nationalistic point of view (with perhaps an anti-Danish tinge) but this they appeared to find reconcilable with support of NATO. At this affair I met B. Grondahl, M.P., (Socialist), member of the NPC Standing Committee. At the 1956 Conference he made a short but brilliant expose of Iceland's fish economy which greatly impressed the U.S. Senators.

On my third day a government car and chauffeur was put at my disposal and Dr. Johannesson and another professor very kindly accompanied me in a visit to Thingvallir where we had luncheon. They showed me the rising ground where the Althing met and voted in the open each year from 930 to 1800. In the early days the presiding man had to recite the law from memory at the beginning of each session - since no one could then read or write. It was a most impressive day.

On my fourth and final day I was invited to lunch at the fine modern home overlooking Reykjavik, of Opposition Leader Bjarni Benediktsson. (He and his charming wife attended the Bruges Conference and I had an opportunity there to return their hospitality).

EUROPEAN MEMORANDUM #2 (continued)

Before the other guests arrived he told me privately that I was making a mistake to talk only of the non-military side of NATO in Iceland. This, he said, gave an excuse to those who really wanted to get rid of the base to express (perhaps hypocritically) devotion to NATO except as a defense alliance. Evacuation of the base was now prevented by public opinion in Iceland but it was still a serious issue since the evacuation resolution has not been repealed and public opinion might change. I thought his point was well taken and in my final talks I emphasized defense as the heart or skeleton of NATO and the non-military features as the body we were trying to build around it.

(At Bruges Mr. Benediktsson told me that in his four years on the North Atlantic Ministerial Council the Minister who most impressed him, by far, was Dean Acheson).

Later in the afternoon I was received by Foreign Minister Gudmundur I. Gudmundsson (Social Democrat). He greeted me very cordially and said Prime Minister Johansson, who was resting and fishing in the interior, would have received me had he been in Reykjavik. I explained my mission emphasizing, of course, its unofficial nature and that our first target was the United States Government.

To my pleasant surprise the Foreign Minister began by speaking very warmly of NATO as a defense alliance. He then pledged his government's support of the implementation of the Committee of Three Report and gave the following very interesting illustration:

When the present government took office (July 1956) they found a much needed cement factory, started by the previous government, only half completed and no money in the treasury to provide for its completion. A foreign loan was required and the Soviet Government offered one at $2\frac{1}{2}$ percent interest and with very generous long term amortization. (I learned from other sources that this offer had followed a visit by one of the Icelandic Communist Cabinet members to Moscow). However, he and the Prime Minister suspected the Soviet motives and he took the problem to the December 1956 meeting of the North Atlantic Ministerial Council (which adopted the Committee of Three Report). The Council received his request most sympathetically and sent a finance and an economics expert to Iceland to investigate. These had now made their report and the Minister was very hopeful that the necessary funds would now be forthcoming from NATO sources. If so, Iceland should be credited with the first implementation of the Committee of Three's economic recommendations. (Lord Ismay confirmed this account when I saw him in London later.)

Minister Gudmundsson said that while Iceland considered itself a European country it had a very special geographical position and his government preferred to operate in an Atlantic framework (NATO) rather than a European (Strassbourg). (I heard this same sentiment from other Icelanders.) He was therefore in entire sympathy with the Declaration.

Later I was interviewed by a reporter from Mr. Benediktsson's Morgunbladid who produced an excellent two column story headlined "Close Cooperation of the NATO Countries in the Economic and Social Fields Would Increase Their Defensive Strength." Ambassador Muccio very kindly sent me a clipping and a translation.

My final function in Iceland was a cocktail party given for me at the U.S. Embassy by Ambassador Muccio to which he invited the heads of mission in Iceland of the NATO countries as well as some of the Icelandic signers of the Declaration. This also was a most pleasant and profitable affair at which I had a chance to talk informally with several diplomats including the Ambassadors from Britain, France and Germany.

EUROPEAN MEMORANDUM #2 (continued)

Ambassador Muccio kindly gave me an opportunity to explain my mission to the group as a whole. Inspired, perhaps, by the Ambassador's excellent martinis I was able to make a somewhat more forceful presentation than usual. The Dean of the Corps, French Ambassador Henri Voillery, responded most warmly and eloquently as only a Frenchman can with a most wholehearted endorsement of the Declaration and my mission and the whole occasion ended on a very happy note.

(Incidentally, the British Ambassador explained to me privately why my tentative suggestion of the substitution of Norwegian for U.S. troops at Keflavik had been received without enthusiasm in Iceland. He cited the following World War II statistics: 28,000 U.K. troops in Iceland produced 39 illegitimate babies; 31,000 U.S. troops produced 187 babies; 1,200 Norwegian troops produced 362 babies!)

In closing I want to add a word of appreciation for Ambassador Muccio, a career man from Rhode Island who has been in Iceland three or four years. Not only was he most sympathetic with and helpful to my mission but he showed also a clear understanding of and genuine liking for the Icelanders - and a clear grasp of their problems - that makes him what seems to me an ideal envoy to that country. The Icelanders I talked to always spoke of him with admiration and affection and testified that he and other Americans have always treated them on a basis of complete equality and without condescension. The members of his staff I met seemed very likable and competent.

Finally, we could have done nothing in Iceland without our Sponsor, Rector Johannesson, to whom we shall all be most grateful for preparing the way for me and making my mission such a success.

I have never left any country with a greater feeling of admiration and affection for those I met there.

Enc: Letter from Ambassador Muccio, August 27.

December 6, 1957

Dr. Alexander Johannessen
Hringbraut 57
Reykjavik, Iceland

Dear Dr. Alexander:

I do apologize for the very long delay in thanking you for your great kindness and hospitality to me at the time of my visit to Iceland. I asked my secretary to send you a copy of my report on my visit to Iceland to the United States Sponsors of the Declaration. Please let me know if you did not receive it and I will send you another copy.

My wife and I greatly enjoyed seeing Mr. and Mrs. Bjarni Benediktsson in Bruges and Mr. and Mrs. Johann Hofstein in Paris at the very successful NATO Parliamentary Conference. Please give them both our warmest greetings when you see them.

I enclose a memorandum to the Sponsors of the Declaration in other countries with attachments which I think are self-explanatory.

We are not at this time approaching any allied governments direct but we do hope the Icelandic Sponsors will be able to make an approach to your Prime Minister and/or Foreign Minister before December 16th. We think this is most important.

After hearing my enthusiastic reports about Iceland my wife is very eager to visit the country and I have promised that we will stop there on our next visit to Europe.

Please convey my warmest greetings to Mrs. Johannessen.

Faithfully yours,

Walden Moore
Project Director

enc. Memo Dec. 4 with attachments
cc: Mr. Bjarni Benediktsson ✓
Mr. Johann Hofstein
Ambassador Muccio

COPY

Stevenson, Paul, Rifkind, Wharton & Garrison
1614 Eye Street, N.W. Washington 6, D.C.

December 10, 1957

Dear Mr. Moore:

I have just seen your letter of December 5 and hasten to send you my thanks for your thoughtfulness in writing. I was interested in learning about your trip to the nine NATO countries in Europe, and while I haven't had an opportunity as yet to read the enclosures which you were good enough to send me I shall hope to get at them very shortly. In the meantime I hope you will know how very grateful I am to you for taking the time and trouble to write me.

Cordially yours,

Adlai E. Stevenson

Mr. Walden Moore
Project Director
Declaration of Atlantic Unity
51 East 42nd Street
New York 17, N.Y.

December 12, 1957

CONFIDENTIAL

General Pierre Billotte
39 Boulevard du Commandant Charcot
Neuilly-sur-Seine, France

Dear Pierre Billotte:

The situation here on the eve of the Summit Conference is as follows:

1. Elmo Roper has just returned from Washington where he had two talks with Vice-President Nixon. Before a group of twelve, Nixon endorsed the Kefauver-NPC Resolution and said he would urge Secretary Dulles to support it.
2. Elmo also talked to Under-Secretary of State Herter (a signer of the Declaration) who was assigned by Secretary Dulles to prepare the State Department position papers for the Summit Meeting. At the specific request of Senators Jackson and Javits (who were both at the November Parliamentary Conference) he included an endorsement of the Kefauver-NPC Resolution. Of course, Mr. Herter was very glad to do this. The position papers were approved by Secretary Dulles and Senators Jackson and Javits were so informed in writing.
3. So, unless Mr. Dulles changes his mind in Paris or the President demurs, the United States will favor endorsement of the Kefauver Resolution. (It is not clear whether Mr. Dulles will bring up the Resolution himself or would prefer some other delegation to do so.)
4. Senator Kefauver phoned Prime Minister Diefenbaker of Canada about the Resolution. Diefenbaker was much interested in it and Kefauver sent copies of the Resolution to him and to the other heads of government with covering letters.
5. With the approval of Colonel Fens, Douglas Robinson has done the same thing in behalf of the Conference Standing Committee.
6. Our effort to persuade Governor Stevenson to go to Paris has apparently failed. My guess is that this is due to the refusal of the President to renew his invitation. I enclose a copy of a letter just received from Governor Stevenson.
7. The U.S. Sponsors feel they have done all they could to insure the success of the Paris meeting, but they are convening December 18 to plan further action.

With all best wishes, I am,

Faithfully yours,

Enc.: 1. Kefauver-NPC Resolution
2. Letter from Stevenson - Dec. 10

Walden Moore

Declaration of Atlantic Unity

Meeting of U. S. Sponsors
Metropolitan Club, New York, 12:30 P.M., Wednesday, Dec. 18, 1957.

Agenda

1. Budget for 1958.
2. Sources of financial support.
3. Possible activities for 1958 (please indicate priorities)
 - a. Follow-up on Summit Conference
 - 1) Letter to Sponsors.
 - 2) Another Circular Letter to signers.
 - 3) Promotion of idea of another heads of NATO governments meeting in Spring of 1959.
 - b. Implementation of N.P.C. Kefauver-De Freitas Resolution.
 - 1) The proposed Exploratory Convention.
 - 2) The proposed Atlantic Citizens Congress.
 - c. Visits by U.S. Sponsors to
 - 1) Washington (Dulles, Herter, etc.).
 - 2) Ottawa (Diefenbaker, Smith, etc.).
 - 3) London and Paris.
 - d. Private dinner for Under Secretary Herter in New York.
 - e. Selection and briefing of U.S. personnel to Fourth NATO Parliamentary Conference.
 - f. Promotion of European office for the Declaration.
 - g. Promotion of an Atlantic Institute.
 - h. Bring Declaration to full strength in Greece, Turkey, Luxembourg, Portugal.
 - i. Participation in 1958 Atlantic Conferences
 - 1) Atlantic Institute Committee Conference (Europe)
 - 2) Conference to set up Atlantic Citizens Congress (London)
 - 3) International Atlantic Union Conference (Paris)

Declaration of Atlantic Unity

Meeting of U.S. Sponsors
Metropolitan Club, New York, 12:30 P.M., Wednesday, Dec. 18, 1957

Agency (continued)

- 4) NATO Parliamentary Conference (Paris)
 - 5) Atlantic Treaty Association Conference
 - 6) Monthly Conference of Atlantic groups (New York)
- j. Cooperation with other U.S. Atlantic Groups (ACN, Western World, AUC, ACUE, Atlantic Institute Committee, etc.)

- a. Documentation of H.P.O. activities in Atlantic Region:
 - 1) The proposed Atlantic Treaty Association
 - 2) The proposed Atlantic Treaty Association
- b. Study by both agencies to:
 - 1) Washington, D.C., Atlantic Treaty Association
 - 2) Study the Atlantic Treaty Association
 - 3) London and Paris
- c. Study of the Atlantic Treaty Association in New York
- d. Activities and interests of U.S. personnel in Atlantic Treaty Association
- e. Promotion of European office for the Atlantic Treaty Association
- f. Promotion of an Atlantic Treaty Association
- g. Bring Declaration to full strength in Europe, Turkey, Canada, etc.
- h. Participation in 1958 Atlantic Conferences
 - 1) Atlantic Institute Committee Conference (London)
 - 2) Conference to set up Atlantic Citizens Congress (London)
 - 3) International Atlantic Treaty Conference (Paris)

January 3, 1958

Dr. Alexander Johannesson
Hringbraut 57
Reykjavik, Iceland

Dear Dr. Johannesson:

In pursuance to the request on your Christmas card, I enclose a copy of my report to the U.S. Sponsors of the Declaration on my visit to Iceland. I hope you will think that it is fairly accurate.

I also enclose a copy of an article I have just written for Western World on European attitudes on NATO as gathered from conversations on my trip. When you have read this article, I wonder if you would be good enough to pass it on to Mr. Benediktsson, Mr. Hofstein and Dr. Gislason.

The U.S. Sponsors at a meeting last month decided to continue the Declaration Project with all possible vigor. I enclose a copy of the Agenda for that meeting. We would be happy to have your suggestions as to the particular proposals you consider most worthwhile, since we obviously cannot carry out them all.

This month I will go to Washington and Ottawa to confer with leading politicians and officials on Atlantic strategy for 1958.

Later in the year I expect to take another trip to Europe. Be sure I shall not fail to stop over in Iceland on my way.

With all best wishes for the New Year, I am

Faithfully yours,

Walden Moore
Project Director

- Enc. 1. Report on Iceland;
2. Article for "Western World";
3. Agenda - Meeting of Dec. 18.

cc: Bjarni Benediktsson, Johann Hafstein, Gylfi Gislason, John J. Muccio.



DECLARATION OF ATLANTIC UNITY

51 EAST 42nd STREET, NEW YORK 17, N. Y. • MURRAY HILL 2-2562

UNITED STATES SPONSORS

Will L. Clayton
William H. Draper, Jr.
Hugh Moore
Lithgow Osborne
Hans Christian Sonne

Walden Moore
Project Director

January 6, 1958

Mr. Bjarni Benediktsson
The Althing
Reykjavik, Iceland

Dear Mr. Benediktsson:

I enclose a copy of a letter to Dr. Johannesson with some of the enclosures which are self-explanatory.

We would be very happy to have your suggestions as to how we might best apply our efforts in 1958.

My wife joins me in wishing you and your wife a very Happy New Year. It was a great pleasure for us to be with you in Bruges.

Faithfully yours,

Walden Moore
Project Director

- Enc. 1. Letter to Dr. Johannesson -
Jan. 3.
2. Report on Iceland.
3. Agenda - Meeting of Dec. 18.

January 9, 1958

Dr. Alexander Johannesson
Bringbraut 57
Reykjavik, Iceland

Dear Dr. Johannesson:

I read with some concern the enclosed report on Iceland's economy from the annual economic review of THE NEW YORK TIMES of January 7.

I am particularly alarmed about the concluding sentence: "Many (Icelanders) also think that the Western powers are letting Iceland down, letting her slip into the Soviet orbit."

Is this true? If it is, what would you like NATO or the United States to do about it?

We think one function the Sponsors of the Declaration can usefully perform is to call the attention of our governments and legislators to situations of this kind and, is possible, suggest remedies for them. The very fact that we operate outside regular diplomatic channels may, I think, have some value.

We are looking forward to hearing from you about this.

With all best wishes, I am

Faithfully yours,

Walden Moore
Project Director

Enc. Clipping, N.Y. TIMES, Jan. 7.

cc: Bjarni Benediktsson, Ambassador John Muccio

April 25, 1958

Dr. Alexander Johannesson
Hringbraut 57
Reykjavik, Iceland

Dear Dr. Johannesson:

Since February the United States Sponsors and signers of the Declaration of Atlantic Unity have been working to get a Resolution through Congress endorsing the proposal unanimously adopted by the Third NATO Parliamentary Conference last November for the appointment by the governments of a group of leading citizens from the NATO countries to make recommendations for greater unity under the North Atlantic Treaty Organization.

We believe that the recommendations of such a body would have a powerful impact on public opinion and the NATO governments.

On April 22 the Senate Foreign Relations Committee amended the Resolution and then reported it out by unanimous vote. I enclose the revised text.

We have every reason to believe that the two houses of Congress will pass this Resolution within the next few weeks.

While the U.S. signers would have preferred the original text of the Resolution, we believe even the amended text (the first paragraph of which was suggested by the State Department) is likely to induce a cooperative attitude by the American government towards this proposal.

The Right Honorable Sidney Smith, Canadian Minister of External Affairs (who is a signer of the Declaration), has announced to his parliament that he is prepared to bring this proposal before the meeting of the North Atlantic Ministerial Council on May 5. We have every reason to believe that he will fulfill this commitment.

Since we feel it highly desirable that this Canadian initiative should receive a favorable response from the Council, the United States Sponsors hope you will communicate with your Prime Minister and/or Foreign Minister before May 5 calling their attention to the action of the Senate Foreign Relations Committee and to the announced intention of the Canadian Minister.

We hope, at the very least, that the NATO Ministerial Council will refer this

matter to the Permanent Council for further study and suitable action.

The French, Canadian and American Sponsors of the Declaration have all sent one or more deputations to their heads of governments or foreign ministers with good results. We hope that you as Icelandic Sponsor will now give consideration to a similar initiative.

Thank you for your letter of February 25 analyzing the political situation and recommending some books on Iceland. I received "Facts About Iceland" which is most useful. Thank you for sending it to me.

My May trip to Europe will have to be a hurried one as we are having an important dinner here for Under Secretary of State Herter on June 5.

However, I intend to go over for two or three months beginning in early September and at that time my wife and I plan to make a pleasant beginning of our trip by a few days' visit to Iceland. We are looking forward eagerly then to seeing you and Mrs. Johannesson as well as our other good friends there. It will be a great pleasure to introduce my wife to your beautiful country.

I had long talks on Icelandic-U.S. relations with Ambassadors Thors and Muccio in Washington. Neither of them thought there was much the Declaration could do until after our Reciprocal Trade Act is renewed -- which, of course, we support. But we are keeping Iceland in the forefront of our concern.

Please extend warmest greetings to Mrs. Johannesson and to our other friends in Reykjavik.

Faithfully yours,

Walden Moore

Enc: S. Con. Res. 62 - as amended

cc: Bjarni Benediktsson
Johann Hafstein
Gylfi Gislason

WM:ml

... gave a very successful dinner to their members of ...
... of his country, Mr. ... and this to my great ...

... 78 other countries I signed the Declaration of ...
... and I have always been glad I did so. It has been a very
... from the point of view of our future ...

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... **June 12, 1958** ...
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Dr. Alexander Johannesson
Hringbraut 57
Reykjavik, Iceland

Dear Dr. Johannesson:

We were all most sorry to learn from your letter of June 6 of the untimely death of our fellow signer of the Declaration, Mr. Haukur Snorrason. Will you please convey, in behalf of all the signers, our deepest sympathy to his family.

We are, of course, happy that you have persuaded Mr. Thorarim Thorinsson to take his place on the Icelandic list of signers. Mr. Lithgow Osborne is writing a letter of welcome to Mr. Thorinsson.

We are all disturbed at developments following the breakdown of the United Nations Conference on Maritime Jurisdiction in Geneva (a breakdown which the Communists certainly helped to bring about).

We realize, of course, the great dependence of Iceland on fishing and its desire to protect its waters from harmful exploitation. However, the British threat to send armed escorts to Icelandic waters with their fishing fleets alarms us as does any serious clash between NATO allies.

Fortunately the Icelandic government has delayed the invocation of a twelve mile limit to September 1 which gives time for negotiations. Our own view is that this matter is suitable for submission to the North Atlantic Council where we feel very sympathetic consideration would be given to Iceland's special position.

We would very much like to have your own view on this matter and to know whether or not the Icelandic signers would consider intervening with their own government in this sense.

Meanwhile we intend to correspond on this question with our Sponsors in Britain, Canada, Norway and Denmark.

Faithfully yours,

Walden Moore

P.S. Mr. Lithgow Osborne gave a very successful dinner to Under Secretary of State Herter on June 5 of which I enclose a guest list.

In the course of his remarks, Mr. Herter had this to say about the Declaration:

"Along with 78 other Americans I signed the Declaration of Atlantic Unity in 1954 and I have always been glad I did so. It has been a very effective instrument from the point of view of our foreign policy.

"One of the reasons the Declaration of Atlantic Unity has been so tremendously successful is that it brought together intelligent and practical leaders from all NATO countries on a specific program. Of its five recommendations three have been actually put in practice and the other two are still highly desirable."

Enc: Guest list

Mr. Herter
Mr. Herter

Mr. Herter

It was my great pleasure to learn from your letter of June 1st the successful result of our initial efforts in the Declaration. Mr. Herter's statement that the three recommendations are being put into effect is a very encouraging sign for the future.

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HASKOLI ISLANDS
Universitas Islandiae

COPY

Reykjavik, June 24, 195

Mr. Walden Moore
Project Director
Declaration of Atlantic Unity
51 East 42nd Street
New York 17, New York

Dear Mr. Walden Moore:

You ask me about my own view on the invocation of a twelve mile limit on Sept. 1. There is no difference of opinion in this matter in Iceland. Everybody knows that the fishing in Icelandic waters is diminishing from year to year and that our fishproducts make about 95% of Iceland's export. This is therefore vital for Iceland, if we wish to live in our country in the future. We cannot agree that the British people have any rights to claim. They have not only fished at our coasts outside the 3 miles line (from 1901 according to an agreement between the Danish Foreign Ministry, which at that time took care of our foreign affairs, and Great Britain), but they have in a very long period invaded our fjords and one can say poached in our waters (which they call the outer ocean) and destroyed our nets and fishing tackle. And this should give them the right to continue!

We are of the conviction, that the British fishers must and will give up. We are supported by Denmark, Norway, Canada - and now Soviet. This is of course Communist politics to support their Icelandic fellows! Nobody in our Committee wishes to intervene in this matter with our Government. A scientific expert on fishery round Iceland has compiled for me a memorandum "Concerning Fishing in the waters round Iceland" which I am enclosing with this letter. I also send you under separate cover two articles in Icelandic. I hope you can find some Icelanders to translate them for you, if you are interested to hear the Icelandic opinion about this matter. One of them, "Landhelgismalic", is very instructive and is written by Mr. Gisli Gudmundsson, M.P., representative of the Progressive Party in the talks which have taken place between all the four parties of the Althing. It was published in "Timinn" on June 17, our National day. The other one, "Eretar og islenzka landhelgin", is by Þorlákur Benediktsson (probably a farmer or fisherman); it was published in Morgunblaðið on June 19.

I hope this vital matter will be solved for Iceland in a happy way. I do not think there is any possibility for a compromise.

Yours sincerely,

Alexander Johannesson

Copy to Mrs. Chase S. Osborn.

Rjanni Benediktsson

CONFIDENTIAL

July 24, 1958

Dr. Alexander Johannesson
Hringbraut 57
Reykjavik, Iceland

Dear Dr. Alexander Johannesson:

Thank you for your letter of July 9 which I found waiting for me on my return from Paris. I also received via the Icelandic Consulate 15 copies of "Icelandic Fishery Limits - Background Information" which I am forwarding to the Declaration Sponsors most concerned in order that they can get an appreciation of the Icelandic point of view.

Under date of July 4 I received a letter from one of our British Sponsors, Martin Madden, M.P., whose concluding paragraph is as follows:

"I enclose a copy of a declaration the British Government made on 4 June which underlines the emphasis that Britain has placed upon the need for negotiation. If the Sponsors of the Declaration of Atlantic Unity can do anything to persuade the Icelandic Government to enter into discussions, whether through NATO or in any other way, they would certainly be doing the North Atlantic Community a major service."

The attached Foreign Office telegram to Reykjavik, dated June 4, reads in part as follows:

"4. Her Majesty's Government accordingly will not be able to accept the proposed Decree, if issued as of any effect in law. Claims to exercise exclusive jurisdiction in relation to fishing in areas outside the normal limits of territorial waters are wholly unwarranted under international law. Further, Her Majesty's Government will not be able to recognize base lines beyond those permitted by international law.

"5. Her Majesty's Government find it difficult to believe that the Icelandic Government would use force against British fishing vessels in order to secure compliance with a unilateral Decree which the parties of the Government Coalition propose to issue without regard for international law. At the same time, Her Majesty's Government must point out that it would be their duty to prevent any unlawful attempt to interfere with British fishing vessels on the high seas, whether or not such an attempt were to be made within the area in which the Icelandic Government now propose to claim exclusive jurisdiction in fishery matters.

"6. While one nation or a number of nations cannot by themselves alter international law, it is of course open to nations to enter into bilateral or multilateral agreements waiving or restricting in specified areas some or all of the rights which they now enjoy under the law of the sea. Her Majesty's Government and a number of other friendly Governments have done their utmost to persuade the Icelandic Government to abstain from unilateral action and to enter into discussions with a view to the negotiation of an appropriate fisheries agreement.

"7. They hope that the Icelandic Government will agree that negotiation is in every respect preferable to unilateral action, and that the period before September 1 should be used to negotiate a lasting solution acceptable to all concerned."

While in Paris I discussed this matter at some length with the Ambassadors to NATO from the United States, the United Kingdom, Canada and Iceland, and I showed them all your letter to me of June 24. All four took this dispute very seriously and all four confirmed that it was under active (though informal) discussion before the North Atlantic Council as well as through regular diplomatic channels.

The Canadian Ambassador made the point that, while Canada, Norway and Denmark all stood with Iceland at Geneva for a twelve mile territorial jurisdiction for fishing none of them approved Iceland's unilateral action on this matter.

The British Ambassador discussed the law and the facts with, I thought, considerable asperity and I gather that his government has not retreated from the stand outlined in their note quoted above.

The Icelandic Ambassador said his government would not submit the matter to the North Atlantic Council since the interests of most other members were contrary to those of Iceland and Iceland would be isolated there. However, he disagreed with the British view on international law (he is a specialist international maritime law) and indicated that his government might be willing to submit this dispute to the World Court at the Hague for settlement. He did indicate some concern that time for a negotiated settlement was running out since everybody would be away in August.

I am sure that all signers of the Declaration are eager for a just and equitable settlement of this dispute which should, of course, include conservation of the fish in Icelandic waters.

They are all also eager to forestall an armed clash between Icelandic patrol boats and British naval escorts which they would universally regard as an appalling tragedy.

I have had to postpone somewhat my trip to Europe and I enclose a copy of my revised itinerary. You will note that I now plan to be in Iceland from September 30 to October 4 and I hope you plan to be in Reykjavik at that time.

With all best wishes, I am

Faithfully yours,

Walden Moore

Enc: Itinerary

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DECLARATION OF ATLANTIC UNITY

51 EAST 42nd STREET, NEW YORK 17, N. Y. • MURRAY HILL 2-2562

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Walden Moore
Project Director

July 25, 1958

Mr. Bjarni Benediktsson
Morgunbladid
Adalstraeti 6
Reykjavik, Iceland

Dear Mr. Benediktsson:

Further to my letter to you of June 24 I enclose a copy of a letter from Dr. Alexander Johannesson. My reply was sent to you yesterday.

As you can see it is a rather sticky business (other Icelanders I talked with in Paris fully shared Dr. Johannesson's views) and I am not clear as to what, if anything, the Declaration can do further to help. The NATO Ambassadors came up with no brilliant suggestions.

I will be in Iceland in late September and in London October 2-10. If a clash can be deferred to that time perhaps we can think of something.

Needless to say I am looking forward to seeing you and Mrs. Benediktsson when I get to Iceland.

With all best wishes, I am,

Faithfully yours,

Walden Moore

Enc: Letter from Johannesson - June 24

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Panayotis Pipinellis
(Signatures being collected)

TURKEY

Col. Seyfi Kurtbek
(Signatures being collected)

**PORTUGAL,
LUXEMBOURG**
(Signatures being collected)

Bjarni Benediktsson

Declaration of Atlantic Unity

European itinerary of Walden Moore, Director, from September 29 to November 22, 1958.

| | |
|----------|--------------------|
| Sept. 29 | P.M. to Reykjavik |
| Oct. 4 | A.M. to London |
| Oct. 10 | P.M. to Brussels |
| Oct. 14 | A.M. to The Hague |
| Oct. 17 | A.M. to Copenhagen |
| Oct. 22 | A.M. to Oslo |
| Oct. 25 | A.M. to Stuttgart |
| Oct. 28 | P.M. to Bonn |
| Nov. 6 | A.M. to Luxembourg |
| Nov. 7 | P.M. to Paris |
| Nov. 22 | P.M. to New York |



CIVIL
DEFENCE
IS COMMON SENSE

Dr. Alexander Johannesson,
Hringbraut 57,
Reykjavik,
ICELAND.

37, Charles Street,

LONDON, W.1.

9th October, 1958.

Dr. Alexander Johannesson,
Hringbraut 57,
Reykjavik,
ICELAND.

Dear Dr. Johannesson:

I enclose a copy of my confidential report on Iceland, which I hope you will agree is as accurate as I can make it. You are the only person in Iceland to whom I am sending a copy, and you may want to show the enclosed to Bjarni Benediktsson.

I have given a copy to Martin Maddan (and conveyed your greetings to him) and to a few British friends who are influential in all three political parties here. They have all promised to do their best to promote a settlement. I am also sending it to friends in N.A.T.O.

Yesterday I had over an hour's talk with the Icelandic Ambassador Kristan Gudmundsson and his Councillor. The Ambassador felt that nothing much could be done until the U.N. Assembly had finished with the question. He reproached me for not having talked to any member of the Progressive Party in Iceland. Gudmundsson was cordial and appreciative but I felt he was not as able as Ambassador Andersson or Thors.

Mrs. Moore and I are most appreciative and grateful for the kindness and hospitality shown us by you and Mrs. Johannesson. My wife is writing to you and others who helped to make our visit such a very enjoyable one.

With all best wishes, I am,

Faithfully yours,

Walden Moore

Enc: European Report No.1. (Iceland).

STRICTLY CONFIDENTIAL

EUROPEAN MEMORANDUM No.1

London, October 4, 1958.

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 24 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 Reykjavick 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).

Biarni 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).

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

Gulfi 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 machinery and hardware. The Icelanders claim (and believe) that the fish in Icelandic waters are being depleted by foreign trawlers - chiefly British (26% of total catch) and German (23% 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, since Latin American and Arab States and the Communist bloc. However, a majority opposed it. 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) was 45 votes with 33 against. All NATO countries voted for this proposal except Iceland and Canada. As this was less than the required two-third 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 trawlers 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 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 replied 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 Maddan, 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 Atlantic 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. This account was confirmed to me from Icelandic sources. 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. Gudmudssen, did not refer to this suggestion in his own later speech at the U.N. Gudmudssen 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 towards 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-third 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

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 Icelandic 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 this position might prove practically untenable in the long run due to conditions at sea. U.S. Ambassador Muccio doubted whether British withdrawal was practicable or even altogether desirable. Such a step, he believes, would be hailed as a great victory by the government of Premier Hermann Jonasson and exploited by the Communists. 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.

d) Submission to the 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 sceptical as to whether the government would accept it. Dr. Johannesson 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 twelve 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. Johannesson 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.

37, Charles Street,

LONDON, W.1.

9th October, 1958.

Dr. Alexander Johannesson,
Hringbraut 57,
Reykjavik,
ICELAND.

Dear Dr. Johannesson:

I enclose a copy of my confidential report on Iceland, which I hope you will agree is as accurate as I can make it. You are the only person in Iceland to whom I am sending a copy, and you may want to show the enclosed to Bjarni Benediktsson.

I have given a copy to Martin Maddan (and conveyed your greetings to him) and to a few British friends who are influential in all three political parties here. They have all promised to do their best to promote a settlement. I am also sending it to friends in N.A.T.O.

Yesterday I had over an hour's talk with the Icelandic Ambassador Kristan Gudmundsson and his Councillor. The Ambassador felt that nothing much could be done until the U.N. Assembly had finished with the question. He reproached me for not having talked to any member of the Progressive Party in Iceland. Gudmundsson was cordial and appreciative but I felt he was not as able as Ambassador Andersson or Thors.

Mrs. Moore and I are most appreciative and grateful for the kindness and hospitality shown us by you and Mrs. Johannesson. My wife is writing to you and others who helped to make our visit such a very enjoyable one.

With all best wishes, I am,

Faithfully yours,

Enc: European Report No.1. (Iceland).