

## ICELAND SITUATION REPORT

## Comments of Estimates Group

Although in many respects this first draft is above the average, present needs call for an especially well reasoned and written report of the SR type on Iceland. This report, as it stands, does not measure up to the standards that ought to be met for Situation Reports in general, particularly for Iceland.

It seems reasonable to assume that no report of any kind on Iceland would be called for at this time were it not for the facts that (a) the island is exactly where it is, (b) a world power with interests in the Atlantic (which means the US-UK and the USSR at the moment) must have control of it to control the Atlantic satisfactorily or possibly to control it at all, and (c) the Icelandic people are averse to great-power or any other outside control. With these basic points in mind, it would appear that the SR should treat (a) the political situation with particular attention to factors that will make it relatively harder or easier to deal successfully with Iceland in the matter of bases; (b) the economic probably with particular reference to ways in which <sup>either</sup> the US or USSR could to take advantage of it to improve its position; (c) foreign relations including all factors that have influenced or will influence Iceland's presumed strategy in avoiding outside control or other countries in attempting to gain it; (d) the military, paying attention to any potential the country may possess; (e) the present and future strategic considerations with all the coverage and thought they obviously deserve.

Because Iceland is in so many ways different from any other country, it requires different treatment. For example, where in other countries you'd confine all such matters as population statistics to the appendices, I think you'd discuss them for Iceland to the extent of at least showing how many people there are;

and what from the paper appears to be a clan basis for the personalism of Icelandic politics. Also there are related matters of institutions: the church isn't discussed at all in this paper, for instance. There must be many more points of a similar nature that wouldn't fit in other papers but in one on Iceland would be significant and revealing in that they should give one a better insight into politics -- better for example, in this case, than the patient description of four political parties which in their outlook are just like dozens of others elsewhere.

Merely as a piece of writing, the piece suffers from many faults -- largely of sentence and paragraph construction, all of which, in sum, give the paper a drab and laborious monotony. What the paper needs is more thought, more relevant detail, and, stylistically, something to make it less grim.

In short, alas, the paper needs to be entirely rewritten approximately from P. I-1 to P. VI-1.

DETAILED COMMENTS

1. This is what the middle paragraph on p. 1-6 would seem to amount to:

a. "The Althing through its power over finances, can control the administrative work of the government." (This would be if you believed this, though I can't see how it would follow necessarily.)

b. "The Althing has power to amend (?) the Constitution, but on condition that (a) the amending Althing is dissolved and a new one is elected, (b) the new legislature approves the changes, and (c) the president approves the final result."

The paragraph, in other words, was two "paragraphs" one of which wasn't really a paragraph at all, but a sentence that belonged elsewhere in the paper. This paragraph was picked at random but is fairly typical of the way the paper is written.

2. (pp. 1-9 - 17). The discussion of the parties -- always a tedious business -- is especially so here. The Conservative and Communist parties are just like their counterparts the world over, and the other two have such clear facsimiles elsewhere that a quick reference would allow quicker treatment of them. There are almost five pages on the Communists alone; yet (though the paper doesn't say so) the Communists as such seem not to be a serious factor in Icelandic life. It would appear rather that the almost paranoiac parochialism of the people allows the few Communists to make loud and effective noises. In other words, US difficulties in getting Icelandic bases would be virtually the same if there were no Communist Party.

3. (pp. 1-17 - 19). The only current issues in Iceland seem to be (a) how to get rid of inflation, and (b) how to get rid of the US. Wouldn't this seem pretty issueless even for Iceland?

Issue (a) isn't made too clear. Might be well to recapitulate some points in Section II here.

4. (pp. I-19 - 23). Something leads me to believe that the labor matters discussed here are really simple but have been made unnecessarily complicated. Have a suspicion that if you'd take the last sentence (on p. I-23) (which is manifestly the key to the problem and sounds like something of marked importance) put it first, and go on from there, you'd improve this discussion vastly.
5. (pp. I-23 - 27). "Stability of the Present Administration." There are over four pages of this, and I still don't know at the end of <sup>it</sup> whether or not the present administration is stable. What I get are two pages of narrative history which, if it belongs anywhere, belongs under history; two pages of further discussion of the personalism of Icelandic politics; and a paragraph which allows that "should the situation deteriorate further" something terrible might happen, the inevitable Communists being in the usual woodpile.
6. (pp. II-1 ff.). For any comments, see Economics Group. Needs improvement in writing. Unnecessarily long.
7. (pp. III-2 ff.) Section 2a.). The sentences are pure drudgery to read, but beyond that, I can't help feeling that it doesn't even tell the story exactly. The text reads something like this:

a. Iceland "requested" US occupation (in which the paper seems to take an empty diplomatic formality at its face value).

b. But during the war (most of this I read by inference) the Icelanders had an opportunity to observe exactly how helpless they were; to perceive how important their island had become as a great-power base; to see that continued occupation might well and probably would lead by natural steps to loss of independence, and to find out from bitter experience that foreign troops in residence are not always an addition to the community.

g. The uneasiness that all these factors occasioned heightened the age-old Icelandic fears of being liquidated by man or nature. Hence, the moment of emergency had passed, they were all for getting the US out at once. The US couldn't do it right then and didn't.

g. As I remember it, we got the Meeks Field agreement by a combination of pressure and diplomacy (which wasn't gone into here and I suppose shouldn't be in a thing like this except that it might remind some people of how you have to deal with Icelanders).

g. Then the paper comes to the payoff -- what to do about it. Well, in the first place, the Communists are astonishing everybody by using the Meeks Field situation for guess what? Propaganda! Then there's a nice man named Benediktsson, who is very cooperative, but whether or not he's anything but another feller named Benediktsson, I don't know. And finally, there's fish. My recollection is that this fish business is important in our negotiations. If so, it isn't discussed enough.

8. As to Iceland's foreign relations in general, I find that they are limited to the US, Scandinavia, and the USSR. The discussion of Scandinavia seems unconvincing, while treatment of international organizations is, to say the least, cursory. It might be held, however, that these matters do not deserve extensive discussion.

As to the USSR, however, the subject would seem to<sup>be</sup> very important indeed, and it's certainly not exhausted. It must be axiomatic that the USSR would like either to have bases in Iceland or to get us out of them or both. They have used fish as bait and have done it in a rather surprisingly unsubtle way even for them: They offer lots of fish money so long as they've got some Communists in the cabinet and withdraw the offer the minute their friends are out. Inasmuch as fish-buying must have been ostensibly for the feeding of Russia, this seems an unusually frank admission of the real purpose of the offer.

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Furthermore, since Iceland for purposes of intelligence, is nothing more or less than a geographic point in the north Atlantic, and since, even as a geographic point, Iceland wouldn't mean a great deal right now, if it weren't for the USSR, there ought to be a broader discussion of foreign relations from this angle. One of the two ways in which the USSR can get Iceland or keep us out of it is through diplomacy. Hence, a very thorough discussion of Icelandic-USSR relations would be in order which would, I should think, involve, among other things, matters relating to Greenland, Spitsbergen, Jan Mayen, the Faeroes, and possibly the Azores, which would in turn involve the Scandinavian countries (and possibly Portugal), which in turn would involve the relations of Iceland with the USSR, the US, and the UK which is an interested party, as well as possibly Canada, Spain, and others.

Finally, the whole discussion of Icelandic foreign relations ought to be clearly predicated on the fact that Iceland, xenophobic partly for that reason, and averse to alliances, must conduct its foreign relations without the support of armed force, which in turn means that its only protection is international conscience or mutual fear of consequences among great powers. With even that much in view, it would not be hard, as alleged on page III-1, to predict the general course of Iceland's future foreign policy. In general terms, at least, nothing could be easier.

9. As to Sections V and VI, a glance is sufficient to show that they are inadequate. Inasmuch as the rest of the SR is written merely to support what we have to say about strategic considerations, a complete and closely reasoned treatment of the subject is in order. What appears in the paper seems like a casual glance, not a reasoned study.

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