

Sympathy and Self-Interest

Norway and the Anglo-Icelandic
Cod Wars

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Chapter 1

Introduction

A few years ago, Norway's Ambassador to the United States declared to the *Washington Diplomat* that his country's "tradition of good deeds" reflected its "enlightened self-interest." Approvingly, the paper's writer commented that Norway "has been widely regarded as one of a handful of countries that consistently acts with generosity and broadmindedness in international affairs." Indeed, if the international community were to award a "good citizenship award" each year, then Norway would rake in the medals.¹ Historians and other commentators have also spoken of Norway's "ethical foreign policy" or "missionary impulse" which is seen to lie behind an altruistic desire to be of assistance and do the right thing in the world. However, it has been pointed out as well that self-centred concerns have influenced Norwegian policy more than most of the country's statesmen would like to admit.² In other words, the self-interest may have been just as egocentric as enlightened.

The history of Norway's actions and attitudes during the Cod Wars – Iceland's fishing disputes with Britain after the Second World War – will be examined here in light of these

¹ John Shaw, "Norway, the International Citizen," *The Washington Diplomat*, [http://www.washdiplomat.com/01-08/a4_08_01.html], accessed January 3, 2005.

² For a summary, see Olav Riste, *Norway's Foreign Relations – A History* (Oslo, 2001), 254–73.

two possible determinants of sympathy and self-interest. At first sight, sympathy and compassion would seem more likely to have guided Norway's policy on Iceland than the selfish protection of purely Norwegian interests. After all, a close bond is often said to exist between the two countries. In the summer of 1970, for instance, Iceland's President, Kristján Eldjárn, wrote in his diary that the Icelanders and the Norwegians were so close and so similar in nature that it was impossible to distinguish between them.³ Countless declarations on the friendship between the two nations could also be quoted and both commonly refer to each other as "our cousins."

Nonetheless, the relationship between Iceland and Norway has also, at times and in certain areas, seemed somewhat touchy and sensitive. The cousins have then become competitors, or even antagonists, and the smaller Icelanders have appeared resentful or suspicious towards the much bigger Norwegians. Common origins have even accentuated such tension. In 1965 – to name one piece of anecdotal evidence – an Icelandic university student openly charged Norwegian academics and politicians with systematic and blatant "theft" by claiming that famous Icelandic men from the age of the Vikings and the Sagas were in fact Norwegian. In this way, the charge went, the ruthless Norwegians tried to deprive the Icelanders of their glorious past and make it their own. In Reykjavik, Norwegian diplomats were amused for a while but had almost forgotten the accusations when the Icelandic Foreign Ministry firmly asked for Norway's official position in the case.⁴

Admittedly, on closer inspection the Icelandic authorities decided to let the matter rest. Yet, the underlying distrust

³ The National Library of Iceland, Manuscript Department. Papers of Kristján Eldjárn, diary for July 1, 1970.

⁴ See Archives of the Foreign Ministry (Oslo) [UD], 34.4/60/III, Norwegian Embassy (Reykjavik), to Foreign Ministry, October 29, 1965, and January 28, 1966.

remained and a decade later the Icelanders made a formal complaint again. This time the United States was accused of co-conspiracy with Norway, as it were. Since 1964, October 9 has been celebrated in the U.S. as “Leif Erikson Day,” to commemorate the European discovery of the land which was later known as America. On the eve of this day in 1975, the Icelandic Ambassador in Washington noticed that the U.S. administration described “Erikson” as a “Norwegian”. He swiftly lodged a formal protest against this hurtful interpretation. On the contrary, he insisted, the explorer was indisputably an Icelander and while the Ambassador realised that the damage had already been done, he asked “that measures be taken immediately to see to it that any proclamations being made by state governments this year avoid the same error.” The innocent officials in the State Department could only assure the Ambassador that “although it could give no guarantees, it would do what was possible to meet his request.”⁵

Twenty years later, the Icelanders had seemingly won custody over the Nordic hero in the United States: proclaiming “Leif Erikson Day” in his tenure, President George W. Bush has habitually – and diplomatically – spoken of “the courageous son of Iceland and grandson of Norway.”⁶ Presumably, the rulers in Reykjavík will next campaign for the Icelandic spelling of his name, Leifur (or Leifr) Eiríksson, instead of the Scandinavian version. On the one hand, debates or disputes over the nationality of the Nordic voyager seem petty and misguided, especially since the Norse settlers of Iceland did not consider themselves as “Icelanders” in contrast

⁵ Gerald R. Ford Library, Ann Arbor, Michigan, USA [GRFL], National Security Adviser. NSC Europe, Canada and Ocean Affairs Staff: Files. Box 11. Iceland, 1975 (1), George S. Springsteen Memorandum for Brent Scowcroft, September 23, 1975.

⁶ See for instance “Leif Erikson Day, 2004,” Proclamation by the President of the United States, [<http://www.whitehouse.gov/news/releases/2004/10/print/200410/print/20041007-7.html>], accessed January 3, 2005.

to “Norwegians”.⁷ On the other hand, concrete tourist and promotional interests have been at stake. And there have certainly been other cases where more fundamental national interests of Iceland and Norway have clashed and no love has been lost between these two neighbours in the North Atlantic.

Usually, the ocean itself and its riches have been to blame. In the late 19th century, Norwegian herring fishermen and whale hunters began to operate in the waters off Iceland. Although they introduced new skills and at least indirect wealth to the poor island, the locals tended to dislike the foreign exploitation. In the interwar years, the Icelanders also felt that Norway always drove a hard bargain when it came to tariffs on Icelandic products and the continuation of Norwegian fishing privileges in Iceland. During the Second World War, the Icelanders wholeheartedly sympathised with the Norwegians in their struggle against Nazi Germany but in the post-war period, Norway and Iceland were keen competitors on the world’s fish markets, especially in the United States.⁸ And in the late 1970s and early 1980s, the two countries even managed to embroil themselves in a “border dispute” as disagreements rose over the delimitation of exclusive economic and fishery zones between Iceland and Jan Mayen, the small Norwegian island far north off Iceland.⁹ Finally, since the 1990s the Icelanders and the Norwegians have almost constantly quarrelled over fishing rights around Svalbard and elsewhere in the northernmost parts of the North Atlantic. Icelandic statesmen and fishermen have

⁷ See for instance Sverrir Jakobsson, “Defining a Nation: Popular and Public Identity in the Middle Ages,” *Scandinavian Journal of History*, Vol. 24, No. 1, 1999, 91–101.

⁸ See for instance Ólafur Hannibalsson and Jón Hjaltason, *Söllumidstöð bradfrystiúsanna II. Saga SH 1942–1996* [History of the Icelandic Seafood Company] (Reykjavik, 1997), 151–61.

⁹ For a summary, see Rolf Tamnes, “Military Buildup and Nordic Stability in the 1970s,” unpublished paper presented to the conference, “The Nordic States and the Cold War,” of CWIHP, London School of Economics and Political Science, and University of Iceland, Reykjavík, June 24–27, 1998.

complained bitterly over Norwegian “ocean imperialism” and compared it to the drive to lay claim to Arctic regions in the first decades of the 20th century. Conversely, Norwegian commentators have remarked that when fish is involved, the Icelanders are certainly tough and unscrupulous customers.¹⁰ Some cousins, it could be said!

Like the conflict between sympathy and self-interest, this friction must be kept in mind when examining Norwegian policy towards Iceland during its fishing disputes with Britain. Moreover, the strategic importance of Iceland in the Cold War must be taken into account. Cod War and Cold War were intrinsically linked and that connection could not but affect considerations on Iceland in Oslo. It will be seen here how Norwegian policymakers nervously criticised the Icelanders for their repeated threats to expel U.S. forces from Iceland and leave NATO, thus upsetting the whole “Nordic balance.” At least some Icelanders were apt to counter that they did not want to serve as an outpost for the defence of Norway. “Why don’t they offer to take the [U.S.] base and put it up near Oslo”? a leading Socialist in Iceland asked in the mid 1970s.¹¹ Similarly, a veteran Icelandic diplomat later spoke of the Norwegians during the Cold Wars (off the record, it should be noted) as “you ... wimps. You don’t want U.S. bases but then you try to tell us that we must have the Yankees here for our own security when in fact you are just thinking about yourselves.”¹²

¹⁰ For a summary, see Tony Samstag, “Cod Wars: Showdown Between Iceland and Norway”, *Scandinavian Review*, spring/summer 1995, 37–40. See also Yngve Kristensen, “Nabokrangel om fisk. Striden mellom Norge og Island om retten til å fiske i Fiskevernsonen ved Svalbard i perioden 1993–2003.” [Neighbours’ fight over fish. The conflict between Iceland and Norway over the right to fish in the Fishery Protection Zone off Svalbard, 1993–2003] MA-thesis in history, University of Bergen, 2004.

¹¹ Magnús Kjartansson, *Elds er thörf. Rædur og greinar frá 1947 til 1979*. [Fire is needed. Speeches and articles, 1947–79] (Reykjavík, 1979), 232–37.

¹² Author’s interview with an anonymous Icelandic diplomat, June 22, 2004.

The work is divided into seven main chapters. After a brief historical introduction, chapter two discusses the period from 1944 to 1952 when Norway and Iceland made moves to increase their jurisdiction on the oceans, encouraged by the development of the law of the sea in favour of coastal states. Norway declared its determination to enforce fully its long-standing four mile limit of territorial waters off North Norway, including fjords and waters inside the Norwegian *skjærgård*. Britain protested but in 1951, the International Court of Justice gave its verdict in the dispute, completely in Norway's favour. Almost at once, the Icelanders decided to follow suit. In doing so, however, they not only enraged the British trawling industry but they also closed good herring grounds to Norwegian fishermen who had worked there since the late 19th century. This created a dilemma for the authorities in Oslo: should they sympathise with Iceland, which after all was only following the same course as the Norwegians, or should they defend the interests of Norway's herring fishermen?

Chapter three covers the years from 1952 to 1956. It is mainly concerned with Britain's harsh reaction to Iceland's four mile limit extension. On the one hand, the Icelanders were astonished that the rulers in London did not accept the Icelandic action, based as it was on the ruling at The Hague. On the other hand, they clearly expected Norway to side with them in the ensuing conflict, as Britain imposed a ban on the landings of iced fish from Iceland, thus closing its most important market. Norwegian sympathies clearly lay with the Icelanders but would that translate into unqualified support?

Chapter four then discusses the Norwegian response to the crisis in Iceland's relationship with its NATO partners in 1956-57, when it looked as if a new left-wing government in Reykjavík might expel the U.S. forces in Iceland, stationed there since 1951. Iceland, a founding member of NATO, was a vital strategic link in Western defences in the North Atlantic

and the defence interests of Norway would be seriously hit if the alliance did not have adequate installations on the island. Thus, the Norwegians had to be concerned and, furthermore, were they not most likely to be able to influence the Icelanders?

Chapter five focuses on the eventful years from 1958 to 1961. In these years, the United Nations convened two conferences to discuss the law of the sea and the width of fishing limits and territorial waters. Most significantly, however, the first Cod War broke out at the beginning of the period when the left-wing government in Iceland extended the country's fishing limits to 12 miles. Again, Iceland's allegiance within NATO came under threat, causing considerable anxiety in Oslo and long deliberations on how best to secure the most satisfactory solution for Norway, yet without giving the appearance of hard-nosed selfishness. Before the Cod War came to an end, the Norwegians had extended their own limits to 12 miles, which gave rise to some complaints in Iceland that the Nordic neighbours had decided to let the Icelanders fight at the Cod War front and then sail leisurely in their wake when Britain had all but surrendered.

Unusually, the 1960s passed peacefully in the waters off Iceland. Then, however, trouble erupted once more. Chapter six describes the Norwegian reaction to the events of 1971–73 in Iceland which were in many ways a repetition of the tumultuous years of the late 1950s. As before, a left-wing government in Reykjavík declared its intention to expel the U.S. forces from the island. Moreover, it extended the fishing limits from 12 to 50 miles in 1972, a move which infuriated the British authorities and the trawling industry (although the Royal Navy was initially kept at bay). A fresh concern for Norway was the effect which decisions and developments in Iceland would have on the question of Norwegian membership of the European Economic Communities. Yet, the strategic ramifications were uppermost in the minds of

decision makers in Oslo, especially after May 1973 when British warships intervened and the second Cod War began in earnest, with collisions at sea and threats in Reykjavík about the rupture of diplomatic relations with Britain. Chapter seven describes the discussions in Oslo about the possible consequences of such action and the ways in which Norway could mediate or work towards a solution of the conflict.

Chapter eight is about the last Cod War in 1975-76, when Iceland extended its fishing limits to 200 miles. This time, Britain almost immediately sent in the navy and serious clashes occurred in the disputed waters, with considerable damage to both warships and coast guard vessels. Although a left-wing government was not in power in Reykjavík during this dispute, the U.S. presence and Iceland's membership in NATO came under threat and the Icelandic authorities even contemplated charging Britain with violent aggression before the United Nations Security Council. In Oslo, all this led to the same concerns and the same search for solutions which had been apparent in the earlier Cod War of the 1970s. Foreign Minister Knut Frydenlund took more interest in Icelandic affairs than his predecessors had done and continually offered Norway's good offices. Nonetheless, Iceland took an unprecedented step in relations between two NATO states and broke diplomatic relations with Britain. At that stage, in February 1976, no obvious end to the dispute seemed in sight.

Lastly, chapter nine deals with the tense final months of the third Cod War when Frydenlund continued his mediating efforts. In May, after a series of serious collisions at sea which almost miraculously did not lead to the loss of life, the Norwegian Foreign Minister facilitated meetings between British and Icelandic ministers in Oslo which then led to an agreement to end hostilities, signed in the Norwegian capital on June 1, 1976. The last Cod War was over but was it really

true, which some claimed afterwards, that “Frydenlund solved it”?

The work is primarily based on archival research in Iceland, Norway, Britain and the United States. Thanks are due to the Norwegian Institute for Defence Studies for assistance during research in Oslo, and also to the Gerald R. Ford Foundation for support in connection with research at the Ford Presidential Library in Ann Arbor, Michigan.

Chapter 2

“We are in the same boat” Historical Background and Four-Mile Fishing Limits off Iceland and Norway, 1944–52

The Cod Wars broke out because Iceland and Britain disagreed about the right to fish in the waters off Iceland. Obviously, the disputes involved the law of the sea, an ancient and fluctuating concept.¹³ In the 13th and 14th centuries, the Norwegian Kingdom claimed the waters north of the British Isles all the way to Greenland as the “King’s Seas.” When Iceland and Norway came under Danish rule, the rulers in Copenhagen continued to uphold this claim. However, they had to retreat as other states refused to accept their sovereignty on the oceans. By the 17th century, the Danish King instead proclaimed a wide limit of territorial waters off his dependencies in the North Atlantic. In the Icelandic case, the limit initially equalled 32 nautical miles (one nautical mile is 1852 metres) but in the 19th century the Danish authorities only laid claim to a four-mile limit, measured from baselines between the outermost headlands and skerries. So did the authorities in Stockholm on behalf of their Norwegian

¹³ For an overview, see Sayre Swarztrauber, *The Three-Mile Limit of Territorial Seas* (Annapolis, 1972), and R.R. Churchill and A.V. Lowe, *The Law of the Sea* (Manchester, 2nd ed., 1988), 59–68.

subjects. By this stage, however, Great Britain championed the doctrine of the freedom of the high seas and the three-mile limit of territorial waters (measured from the low-water mark and only allowing for the inclusion of fjords less than ten miles wide). In 1882, all states but one lying on the North Sea agreed on this narrow limit in those waters. Only the Kingdom of Sweden and Norway refused and continued to maintain the historic Nordic claim to the baseline-measured four mile limit. Furthermore the agreement did not apply to Greenland, Iceland or the Faroe Islands, all under Danish rule.¹⁴

Around 1890, British trawlers began to fish in the rich waters off Iceland and in the first decade of the 20th century they also discovered the fishing grounds off North Norway. In both countries, the coastal fishermen still used small boats with line and nets, and strongly resented the competition, for when the trawl was drawn along the seabed, other gear could be wrecked and the increased fishing effort led to depletion in some old and well-established fishing grounds.¹⁵ In Iceland, the local parliament, the *Althing*, tried to ban trawling close the island's shores but it almost goes without saying that, at the height of *Pax Britannica*, Great Britain would have none of that. In 1901, Britain and Denmark signed a treaty on the three-mile limit around the Danish dependencies of Iceland

¹⁴ For a summary, see for instance Hannes Jónsson, *Friends in Conflict. The Anglo-Icelandic Cod Wars and the Law of the Sea* (London, 1982), 31–37. See also Gudni Jóhannesson, “En fælles konflikt? Kampen om fiskerigrænser i Nordatlanten fra middelalder til nutid.” [A common conflict? Fishery limits disputes in the North Atlantic from the Middle Ages to the present day]. Daniel Thorleifsen (ed.), *De vestnordiske landes fælleshistorie. Udvalg af indledende betragninger over dele af den vestnordiske fælleshistorie* (Nuuk, 2003), 63–72.

¹⁵ For the origins of British trawling off Iceland, see Jón Th. Thór, “The Beginnings of British-Steam Trawling in Icelandic Waters,” *Mariner's Mirror*, Vol. 74, No. 3, 1988, 267–72. For Norway, see Brit Fløistad, “Hovedlinjene i utforming av norsk sjøgrensepolitikk etter 1945” [Main developments in Norwegian policy on fishing limits and territorial waters after 1945], (MA thesis, University of Oslo, 1982), 42–45.

and the Faroe Islands. At first, the Icelanders were fairly content with this development since they hoped that the waters inside the line would at least be protected. The British proved to be incessant "poachers", however, and resentment over the narrow jurisdiction grew steadily.¹⁶ Meanwhile, having gained independence from Sweden in 1905, the Norwegians continued to maintain the wider four-mile limit and in 1911 they even arrested a British trawler for illegal fishing inside that line, but outside a three-mile line from the low-water mark. The British authorities were enraged. As Foreign Secretary Sir Edward Grey told the Norwegian Ambassador in London, the three-mile rule had become a vital national interest, "a principle on which we might be prepared to go to war with the strongest power in the world."¹⁷

Afterwards, the Norwegians did not enforce assiduously the four-mile limit. Still, they never renounced their legal claim to it and in 1935 they issued a new Royal Decree on that line, a move which Britain protested so strongly that they backed down, while reserving their legal rights. A temporary compromise limit came into being but the matter was unresolved when war broke out in 1939.¹⁸ In many ways, therefore, the Icelanders and the Norwegians were in the same boat after the Second World War, when they began to secure their jurisdiction over the fishing grounds off their coasts. In theory and law, both could refer to old claims of wide territorial waters and both had to fight a British side, apparently determined to defend the principle of narrow limits. Apparently, the "cousins" had every reason to stick together.

¹⁶ See Jón Th. Thór, *British Trawlers and Iceland 1919-1976* (Esbjerg, 1995), 45-50.

¹⁷ The National Archives, London, [TNA], PRO MAF41/674, Sir Edward Grey to Findlay, June 26, 1911.

¹⁸ For the Anglo-Norwegian conflict over territorial waters in the first half of the twentieth century, see Floistad, "Hovedlinjene", 42-53. See also Olav Riste, *Norway's Foreign Relation*, 124-26.

On June 17, 1944, Iceland became an independent republic. The country had amassed relatively great wealth during the war, both by selling fish to Britain and through services to the British troops who occupied Iceland in 1940 and to the U.S. forces that took over the protection of the island the following year. In late 1944, a coalition of the conservative Independence Party (the largest party in Iceland throughout the post-war period), the Social Democratic Party and the pro-Moscow Socialist Unity Party came to power in Reykjavík. It aimed to extend the fishing limits and considered the three-mile treaty from 1901 to be a relic from the days of Danish rule. No immediate change took place but right after the end of the Second World War, a watershed occurred in Iceland's favour. In September 1945, President Harry S. Truman issued two Declarations on U.S. rights in its adjoining waters. Firstly, the United States claimed jurisdiction over all resources on its continental shelf, which in some areas stretched hundreds of miles from shore. Secondly, the United States reserved the right to regulate fisheries in the waters above the shelf. Yet, it did not intend to discriminate against foreign fishermen, for the United States was still a convinced "three miler". Even so, some Latin-American states were quick to interpret the declarations as they wished, proclaiming territorial waters or exclusive fishery jurisdiction of up to 200 miles.¹⁹

The U.S. move was of course also noticed in Norway and Iceland.²⁰ In particular, the Icelanders seemed interested in this possible precedent for an extension of their fishing limits. Furthermore, they were keen to know if and when Norway was going to reopen the dispute with Britain over the four-mile limit.²¹ The Icelanders clearly wanted to follow suit,

¹⁹ Swarztrauber, *Three mile Limit*, 155–69.

²⁰ See RA, 11000, 31.6.3/I, Per Prebensen to Department of Commerce (Oslo), December 29, 1945, and Papers of Davíð Ólafsson [DÓP], Áki Jakobsson to Foreign Ministry (Reykjavík), February 11, 1946.

²¹ RA, 11000, 31.6.3/I, Rolf Andersen to Norwegian Legation (Stockholm), November 6, 1946.

should the Norwegians be successful on that front. At a fisheries conference in Reykjavík in early 1947, Icelandic officials suggested that Iceland and Norway recognise each other's right to a four-mile limit. The Norwegian representatives had no mandate to make such pledges and the authorities in Oslo did not seem to be in a hurry to confirm its four-mile claim off North-Norway.²² In the winter of 1947–48, however, British trawlers reappeared in those waters. The locals immediately condemned the “trawler plague” and their MPs protested in Oslo.²³ Something had to be done. In a closed session on June 26, 1948, the *Storting* resolved that the 1935 Royal Decree of a baseline-measured four-mile limit would be fully enforced.²⁴ In mid-September, when the winter fishing season was nearer, Foreign Minister Halvard Lange informed the British Ambassador to Norway, Laurence Collier, that the coast guard service was to prevent all trawling inside the Norwegian line.²⁵ Britain condemned the move and suggested fresh negotiations or referral to the International Court of Justice at The Hague.²⁶ Conflict lay ahead.

In 1948, Iceland acted as well. The year before, a new government had come into power (a coalition of the Independence Party, the Social Democrats and the centre-left Progressive Party). It was intent to make a move on the issue of fishing limits and on April 5 the *Althing* unanimously passed a law, strongly influenced by the Truman Declarations, which gave Iceland the right to have all fisheries above its

²² RA, 11002, 31.6.3/I, Minute on Icelandic territorial waters, May 2, 1947. See also UD, 31.11/60/II, Erik Dons Minute, May 26, 1950.

²³ *Stortingstidende 1948* (Oslo, 1949), debates May, 29, 1948, 1258–65.

²⁴ Parliamentary Archives, Oslo [SA]: closed parliamentary session, June 26, 1948.

²⁵ TNA, PRO FO371/71488/N10065/128/30, Laurence Collier, British Embassy (Oslo), to Foreign Office, September 16, 1948.

²⁶ TNA, PRO FO371/71488/N10569/128/30, interdepartmental meeting, September 24, 1948, and FO371/71488/N10065/128/30, Foreign Office to British Embassy (Oslo), September 25, 1948.

continental shelf “subject to Icelandic rules and control.”²⁷ Needless to say, Britain did not like this potential encroachment on the high seas. And Norway also had cause for concern. Were Iceland to extend its fishing limits, the Norwegian herring fishery off the country’s north coast might be seriously hit. Thus, both the herring fishermen and some legal experts urged the Oslo government to oppose the law. It was unacceptable, as one of the jurists put it, that a state could “unilaterally extend its fishing limits to cover waters which previously belonged to the high seas.”²⁸ In Stockholm, officials also indicated that Sweden was prepared to take part in a joint Scandinavian protest against the Icelandic move.²⁹

On the other hand, Norway had ample reason to stay put, at least for the time being. To begin with, when Foreign Minister Bjarni Benediktsson notified the Norwegian Minister in Reykjavík, Torgeir Anderssen-Rysst, about the law on the continental shelf, he underlined that its aim was primarily to prevent new nations from entering the fisheries off Iceland. He added as well that an extension was not imminent and that the Icelanders would proceed with the “utmost caution.”³⁰ Furthermore, the Norwegian authorities had to view the Icelandic law in relation to the situation off North-Norway. The legal objections sounded uncomfortably like the British protests to Norway’s baseline-measured limit and if the Anglo-Norwegian dispute was to be referred to the International Court, Norway would probably damage its case

²⁷ See *Fisheries Jurisdiction in Iceland* (Reykjavík, 1972), 25.

²⁸ RA, 11002, 31.6.3/I, Erik Colban Minute, October 22, 1948.

²⁹ RA, 11002, 31.6.3/I, R.B. Skylstad to Ministry of Fisheries (Oslo), October 30, 1948. See also Archives of the Foreign Ministry, National Archives, Copenhagen [RAD], 55.NORGE.1/IV, Schön, Danish Embassy (Oslo), to Collin, Foreign Ministry (Copenhagen), October 21, 1948.

³⁰ RA, 11002, 31.6.3/I, Torgeir Anderssen-Rysst, Norwegian Legation (Reykjavík), to Foreign Ministry (Oslo), April 3, 1948.

by lodging formal protests against the Icelanders who relied just as much on fisheries as the fishermen of North-Norway.³¹

In the following years, however, decisions needed to be made. In July 1949, the *Storting* rejected a compromise line which British and Norwegian officials had drawn up after a series of negotiations in Oslo and London. The British side replied by calling for a joint submission of the dispute to the International Court. When that failed as well, Britain did so unilaterally, requesting the Court to rule on the validity of Norway's baseline method (but not the four-mile limit which was considered a lost cause). Shortly thereafter, the Icelanders also began to act. In October 1949, they denounced the three-mile treaty with Britain from 1901, with the stipulated two years' notice, and in April next year, Iceland extended the fishing limits off its north coast to four miles, drawn the "Norwegian way" from baselines across fjords and bays. All foreigners were banned from fishing inside the new limit, with the exception that the 1901 treaty would apply to British subjects until its expiry in October 1951.³² Now Norwegian interests were directly involved. In late March 1950, when news of the proposed extension reached Anderssen-Rysst, he was quick to point out that the herring industry would be hurt. In a conversation with Foreign Minister Benediktsson a few weeks later, the Norwegian envoy reiterated that Norway's fishermen had started the herring fishery off Iceland some 50–60 years before and should therefore be given special consideration.³³

Again, such arguments sounded much like the British claims which the Norwegians were trying to counter at The Hague. In Reykjavík, Benediktsson pointed out that Iceland was only claiming the same line as Norway, and in Oslo the Foreign

³¹ RAD, 55.NORGE.1/IV, Schön, Danish Embassy (Oslo), to Collin, Foreign Ministry (Copenhagen), October 21, 1948.

³² Jónsson, *Friends*, 54–58.

³³ UD, 31.11/60/II, Anderssen-Rysst Minutes, March 27, 1950 and April 24, 1950.

Ministry told Anderssen-Rysst to wait with possible protests.³⁴ Yet, in Haugesund, Ålesund and other herring ports on the west-coast of Norway, the fishermen were angry and upset. Most of the best grounds lay inside the new limit and they urged the Norwegian government to defend with vigour their established interests on the high seas around Iceland.³⁵ Appeals of this kind demonstrated the differing aspects of the national interest in the southern and northern parts of Norway, between inshore and distant-water fishermen. For a while, the government in Oslo tried to satisfy both sides, to the chagrin of the Icelanders and possibly at the risk of undermining the Norwegian case at The Hague.

On the whole, most Icelandic politicians were convinced that Norway would sympathise with Iceland and the declared need to prevent overfishing in its waters. In April 1950, when the four-mile extension was under discussion in Iceland, Stefán Jóhann Stefánsson, the leader of the Social Democrats and a true believer in Nordic cooperation, stated that the Norwegians were bound to support such a move since it would aid them in their own conflict with Britain.³⁶ Thus, the disappointment was great when it became clear that they were in fact against the Icelandic action, because of their own interests in Icelandic waters. In June, a Nordic fisheries conference was held in Sweden and Klaus Sunnanå, the Norwegian Director of Fisheries, used the occasion to condemn the extension off Iceland.³⁷ Even worse, as some

³⁴ UD, 31.11/60/II, Anderssen-Rysst Minutes, March 27, 1950 and March 28, 1950, and Foreign Ministry to Norwegian Legation (Reykjavík), April 5, 1950.

³⁵ See *Summøre Arbeideravis* [Norwegian daily], April 28, 1950, *Morgunblaðið* [Icelandic daily], May 5, 1950, and UD, 31.11/60/II, Islandssildfiskernes Forening [Norwegian association of Iceland-herring fishermen] to Director of Fisheries (Bergen), May 26, 1950 (copy).

³⁶ Parliamentary Archives, Reykjavík, Foreign Affairs Committee meeting, April 13, 1950.

³⁷ Archives of the Foreign Ministry, National Archives, Reykjavík [URN], 1996, B/63-1, Hans G. Andersen Memorandum, June 21, 1950.

Icelanders felt, the Norwegian daily *Verdens Gang* published a damning article on the country's fishing limits policy. It was "a malicious and hypocritical piece", wrote the socialist organ *Thjóðviljinn* on its front page.³⁸ Moreover, Ólafur Thors, Minister of Fisheries and the leader of the Independence Party, condemned the Norwegian attitude, as it appeared to him. "We have decided to enforce a regulation on our territorial waters," Thors told Anderssen-Rysst "which is identical to that which the Norwegians are now defending at The Hague. ... But when others follow suit the Norwegians want to protest. If this is Nordic cooperation then that cooperation has no value and no future." Thors was an avowed "friend of Norway," Anderssen-Rysst pointed out, so the displeasure was quite strong.³⁹

The newly independent Icelanders were still insecure in the international arena, sometimes naïve about the willingness of other nations to support their point of view and apt to exaggerate foreign criticism out of proportion. Near the end of June, the Icelandic Minister in Oslo, Gísli Sveinsson, reported home that although the "Iceland-fishermen" on the west-coast had voiced their displeasure in the local press, very little had been written on the new Icelandic fishing limits in the national newspapers, apart from that one article in *Verdens Gang*, and in any case the writer was considered "impetuous and silly."⁴⁰ In public, renowned sympathisers with Iceland also came to the defence of the old "Saga-island".⁴¹ Furthermore, the Norwegian authorities were still of the opinion that a formal protest was not helpful. Sunnaná's utterances at the fisheries meeting in Sweden had not at all been intended to convey a policy of the Oslo government.

³⁸ *Thjóðviljinn* [Icelandic daily], June 21, 1950. To make matters worse, the article appeared on June 17, Iceland's independence day. See also *Verdens Gang* [Norwegian daily], June 17, 1950.

³⁹ UD, 31.11/60/II, Anderssen-Rysst to Foreign Ministry, June 29, 1950.

⁴⁰ URN, 1996, B/63-1, Gísli Sveinsson to Foreign Ministry, June 29, 1950.

⁴¹ *Verdens Gang*, June 27, 1950.

Then again, the official decision not to complain over the new Icelandic law was based on the rather cynical calculation that while Norwegians herring interests were hit – and should be defended under normal circumstances – the proceedings at The Hague over Norway’s own baseline limit had to take precedence.⁴² In addition, although no protest was made the Norwegian Legation in Reykjavík did deliver a Memorandum to the Icelandic government which stated that there was no scientific evidence to suggest that the herring stocks were in danger of depletion, that the Norwegian fishermen had sailed to Iceland to catch herring for over three quarters of a century and that the new fishing limit was therefore somewhat unjust.⁴³ This was as far as the authorities in Norway would go, held back as they were by their own case before the International Court.

A selfish approach should not have surprised the Icelanders, no paragons of altruism in the opinion of others. In the preceding years, Iceland, as a pro-Western nation and a founding member of NATO, had greatly benefited from Marshall Aid and other economic assistance which was based on the contention that richer states had to support their smallest ally. There were officials in Western capitals who complained bitterly that the Icelanders were only thinking about themselves and determined to make the most of their strategic importance. They were “living in an unreal world and enjoying a standard of living far beyond their means,” Anderssen-Rysst asserted in mid-1948.⁴⁴ “They are wholly unreliable as friends and there is no end to their greed,” one

⁴² UD, 31.11/60/II, Erik Colban Minute, May 8, 1950, and Director of Fisheries to Foreign Ministry, May 26, 1950.

⁴³ URN, 1996, B/63-1, and UD, 31.11/60/II, Norwegian Legation Memorandum, July 11, 1950.

⁴⁴ National Archives and Records Administration, College Park, Maryland, USA [NA], RG59 Records of the Office of British Commonwealth and Northern European Affairs, 1941-1953. Subject Files, 1941-53. Box 15, Lot 54D224 “Iceland. Mr. Butrick (US Minister) 1948-49,” Richard Butrick to H. Francis Cunningham, Jr, August 16, 1948.

British official later maintained.⁴⁵ The Icelanders, however, simply felt that they had to fend for themselves. Iceland was small but *Realpolitik* – “foreign policy based on calculations of power and the national interest,” to use Henry Kissinger’s definition – was the underlying tenet of the country’s foreign affairs.⁴⁶ The same was essentially the case for Norway. “We are in the same boat,” Gísli Sveinsson had tried to argue in a discussion about fishing limits with Erik Colban at the Norwegian Ministry for Foreign Affairs in late June 1950.⁴⁷ But that was only true as far as it went. When national interests coincided, Iceland and Norway had a common cause and could live up to the ideals of Nordic unity and friendship. When they clashed, however, it was everyone for themselves.⁴⁸

Naturally, Britain showed the same self-interest. Although the British trawling industry was concerned that valuable grounds off Norway might be lost after a decision at The Hague, they were nowhere near as important as the waters off Iceland. “Up Iceland way,” as the trawlermen put it, few traditional trawling grounds had been affected by the partial extension off Iceland’s north coast in 1950, but the true fight would commence when the three-mile treaty with Britain was gone and a baseline-measured four-mile limit would take effect around the whole of Iceland. In October 1951, when the treaty had expired, the Icelandic government (now a new coalition of the Progressives and the Independence Party) decided to wait with further steps on the limit issue until the International Court of Justice had delivered its ruling in the

⁴⁵ TNA, PRO MAF209/230, P.D.H. Dunn Minute, January 7, 1950.

⁴⁶ See Henry Kissinger, *Diplomacy* (New York, 1994), 137. On Iceland’s foreign policy, see for instance Thór Whitehead, *The Ally Who Came in from the Cold. A Survey of Icelandic Foreign Policy, 1946–1956* (Reykjavík, 1998), 85–87.

⁴⁷ URN, 1996, B/63-1, Gísli Sveinsson to Foreign Ministry, June 29, 1950.

⁴⁸ On the complexities of the “national interest,” see Joseph Frankel, *The National Interest* (London, 1970), 15. For a recent summary, see H.W. Brands, “The Idea of the National Interest,” *Diplomatic History*, Vol. 23, No. 2, 1999, 239–61.

Anglo-Norwegian case. That verdict came in December and it was completely in Norway's favour. The Court sanctioned the use of baselines and stated that the coastal population's dependency on fisheries was one of the factors which determined their decision.⁴⁹ Unsurprisingly, the Icelanders celebrated this outcome, not only because they sympathised with Nordic friends but because they could now sail in their wake. Foreign Minister Bjarni Benediktsson immediately suggested to John Dee Greenway, the British Minister in Reykjavik, that conversations be held "to dispose of our differences."⁵⁰ As for Britain, officials and legal experts lamented that the ruling at The Hague was the worst possible outcome, fraught with adverse consequences.⁵¹ Sir Eric Beckett, the Legal Adviser in the British Foreign Office, had already confirmed to Hans G. Andersen, his counterpart in the Icelandic Ministry for Foreign Affairs, that if the result were in Norway's favour the Icelanders could certainly use the same method to delimit their fishing limit.⁵² Furthermore, the judges had emphasised the geographical and socio-economic situation in North Norway. That applied just as well to Iceland where fish and fish products made up more than 90 per cent of the nation's exports. "I think we all realise how poor a legal case we have," S.J. Whitwell confirmed in the Foreign Office in January 1952.⁵³

⁴⁹ For a detailed discussion on the ruling, see C.H.M. Waldock, "The Anglo-Norwegian Fisheries Case," *British Yearbook of International Law*, Vol. 28, 1951, 114–71, and Jens Evensen, "The Anglo-Norwegian Fisheries Case and its Legal Consequences," *American Journal of International Law*, Vol. 46, No. 4, 1952, 609–30.

⁵⁰ TNA, PRO FO371/94658/NL1351/61, John Dee Greenway to Foreign Office, December 19, 1951.

⁵¹ TNA, PRO FO371/94694/NN1351/128, Sir P. Nicholls to Foreign Office, December 18, 1951. See also FO371/100628/NL1351/4, Minutes from interdepartmental meeting, January 3, 1952.

⁵² TNA, PRO FO371/94683/NN1351/24, Sir Eric Beckett Minute, June 5, 1951.

⁵³ TNA, PRO FO371/100628/NL1351/10, S.J. Whitwell Minute, January 21, 1952.

That month, Anglo-Icelandic talks took place in London. The Icelanders, led by Fisheries Minister Thors, admitted that they intended to follow the Norwegians and widen the fishing limit to four miles. But despite recent developments, the British side maintained that Norway had enjoyed a stronger legal claim to the use of baselines than Iceland did. Moreover, the Icelanders were led to understand that the British trawlermen simply would not tolerate an extension in the Norwegian manner. They would ban all imports of fish from Iceland and the authorities in London could do nothing about it. The trawling industry was concentrated in Grimsby, Hull, Fleetwood and Aberdeen and controlled all landing gear there. In the years after the war, the Icelanders had sold around a quarter of their iced fish catches to these ports so a ban of this kind seemed bound to hurt. Yet, the threat of economic coercion only hardened the resolve of the Icelandic representatives. On the one hand, they did not believe that the British authorities would actually allow the trawling industry to wield its muscle against an important ally in NATO, and on the other they remained convinced about the legal strength of their case. After the unsuccessful discussions in London, the legal expert Hans G. Andersen conferred with Norway's principal advocates at The Hague, Sven Arntzen of the Norwegian Bar and Professor Maurice Bourquin of the University of Geneva. The Icelandic government also hired Jens Evensen, one of the Norwegian counsels at The Hague, as its temporary adviser on fishing limits. These three jurists all endorsed that Iceland was fully in the right against Britain although they warned that some of the baselines, which the Icelanders were contemplating, were far longer than the longest ones off North-Norway.⁵⁴

⁵⁴ DÓP, Pétur Sigurdsson Memorandum (undated), URN, 1996 B/63-2, Hans G. Andersen to Maurice Bourquin, March 26, 1952, and 1996-B/63-3, Icelandic Legation (Washington) to Foreign Ministry, April 30, 1952.

Thus, Iceland went ahead. On March 19, 1952, the Icelandic government announced a four-mile fishing limit around the whole island, measured by the use of "Norwegian" baselines. This new line would come into force on May 15. As expected, Britain lodged a formal protest, in particular against the extension from three miles to four and the longest baseline across the rich Faxa-Bay in the southwest.⁵⁵ Three other states, France, Belgium and the Netherlands, protested the new limit and despite the recent dispute before the International Court, British officials vaguely suggested that Norway join in as well. Soon after the ruling at The Hague, Foreign Minister Lange had remarked to Sir Michael Wright, Britain's Ambassador in Oslo, that unfortunately it could have adverse effects for Norway off Iceland, and Legal Adviser Beckett could not but comment that in this sense the Norwegians had won more than they wished for.⁵⁶ Norwegian officials did indeed confirm that they would like to see the new Icelandic limit withdrawn or modified. Still, they realised that if they made such a request in public, they would open themselves to accusations of hypocrisy and selfishness, not to mention the obvious damage they would do to relations with Iceland.⁵⁷ Thus, the interest in a "good name" on the international scene and a good rapport with a Nordic ally was stronger than the interest of defending localised fishing rights. Furthermore, this evaluation of national interests was slightly influenced by the near total collapse of the herring fishery in the early 1950s, both inside and outside the new limit. Fortunately for Icelandic-

⁵⁵ See TNA, PRO FO371/100629/NL1351/31, A.J. Whitwell Minute, March 19, 1952, and FO371/100629/NL1351/34, Harry Hohler Minute, March 26, 1952. See also Jónsson, *Friends in Conflict*, 60–64.

⁵⁶ TNA, PRO FO371/100664/NN1351/1, Sir Michael Wright to Anthony Eden, January 2, 1952, and UD, 31.6/10/XII, Finn Seyersted Minute, March 3, 1952.

⁵⁷ UD, 31.11/60/III, Erick Colban Minute, May 27, 1952, and handwritten note, May 30, 1952, and TNA, PRO FO371/100632/NL1351/101, British Embassy (Oslo), to Foreign Office, June 3, 1952.

Norwegian relations, there simply was no herring to worry about anyway.

Chapter 3

The Anglo-Icelandic Four-Mile Dispute

Appeals for Norwegian Support, 1952–56

In the early 1950s, the government in Oslo could not determine whether Norway's national interest ultimately lay in the advancement of wider fishing limits or the protection of narrow territorial waters. Since 1949, the International Law Commission of the United Nations had been discussing the law of the sea and in 1952, states were asked to comment on draft articles on the matter. At that time, the balance seemed to lie with the interests of Norwegian inshore fishermen and the authorities in Oslo did not object to the recommendation that coastal states should be entitled to impose restrictions on fishing as far as 200 miles outwards. "Unfortunately", wrote a legal officer in the Foreign Office in London, "the Norwegian government still seem obsessed by a negative, parochial outlook on this question."⁵⁸ For the next few years, no decisions were taken on limits at an international level, but the current was flowing in favour of those who advocated an extension of exclusive national jurisdiction. Hence, in Norway the advocates of narrow limits reiterated that they expected the rulers in Oslo to defend their interests. Whaling was a big

⁵⁸ TNA, PRO FO371/99821/GW15, D.H.N. Johnson Minute, March 29, 1952.

industry in the country, for instance, and its representatives made their views clear. Likewise, the merchant marine fleet, another big interest, feared that wider limits would infringe on the principle of free passage on the oceans.⁵⁹ In 1954, Norway formally protested the claims of Peru, Ecuador and Chile to a 200-mile limit and in the privacy of the Foreign Affairs Committee, the Conservative Carl Joachim Hambro condemned them as "piracy". (It may perhaps be added that he felt that the South-American attitude was perfectly comparable to the days of only some hundred years ago when villains from the "underdeveloped but now well-respected barbarian states of Morocco and Tunisia" captured Norwegian sailors on the high seas and sold them into slavery).⁶⁰

This conflict of inshore and distant water interests continued to confuse Norwegian policy towards fishing limits off Iceland. In late 1952, British displeasure with the new four-mile limit there led to action against the Icelanders. The British trawling industry, with tacit blessing in London, imposed its ban on the landings of all iced fish from Iceland. Britain was not going to lose another fishing dispute at The Hague; instead the battle would be waged on the docks on Humberside, Fleetwood and Aberdeen. All knowledgeable officials in Whitehall continued to admit that the law was essentially on Iceland's side. The British government also accepted that the coercion could have adverse political effects: in 1951, U.S. troops had returned to Iceland after a break since 1946, but the Icelanders were at best lukewarm over their presence. Iceland was a reluctant member of western defence cooperation, with a deep-rooted inclination towards

⁵⁹ See *UD*, 26.11/23/II, Norwegian Whaling Association to Ministry of Industry, March 8, 1955, and *UD*, 26.11/23/IV, Norwegian Whaling Association, February 10, 1956. See also Fløistad, "Hovedlinjene i utformingene av norsk sjøgrensepolitikk etter 1945," 57-64.

⁶⁰ *Storting Archives*, Oslo [SA], Foreign Affairs Committee meeting, September 6, 1954.

neutrality and a strong socialist party which regularly polled up to a fifth of the vote in parliamentary elections. Yet, in London the ability to use economic force in order to protect an established definition of the national interest proved stronger than respect for these realities. Political and strategic considerations were overruled, as was respect for international law and the result at The Hague. Power mattered most; a banker, who handled Icelandic affairs at the Bank of England, would later write how “disagreeable” it was to think that Britain’s unwillingness “to take up the case, as they did with Norway, is due to Iceland’s being so small and so very vulnerable.”⁶¹

As expected, the Icelanders condemned the imposition of the landing ban. Foreign Minister Benediktsson claimed that “short of a declaration of war by Great Britain he could conceive no more unfriendly act than that Her Majesty’s Government should stand by while such a ban was imposed.”⁶² While neither he nor other Icelandic spokesmen would show British officials any signs of weakness, the ban looked to have the desired effect of hurting the Icelanders. From London, Norwegian Ambassador Hersleb Vogt conveyed the common perception that it would soon force them to negotiate and in Reykjavík, Hans G. Andersen confessed to Anderssen-Rysst that the government was deeply pessimistic about the whole situation.⁶³ After all, in the first nine months of 1952, over 80 per cent of iced fish exports from Iceland went to Britain.⁶⁴ Iceland needed help from friends in this struggle against the might of Great Britain. And help came. In 1953, the Soviet Union offered to buy the lion’s

⁶¹ Bank of England Archives, London [BEA]: OV35/9, H.A. Siepmann Minute, January 22, 1953.

⁶² TNA, PRO FO371/100635/NL1351/195, John Dee Greenway, British Legation (Reykjavík), to Foreign Office, November 6, 1952.

⁶³ UD, 31.11/60/III, Hersleb Vogt to Foreign Ministry, November 18, 1952, and Anderssen-Rysst to Foreign Ministry, November 24, 1952.

⁶⁴ BEA: OV35/9, H.A. Siepmann Minute, January 22, 1953.

share of the country's catches in return for oil and other commodities. The authorities in Reykjavík were only too glad to accept this break from the British blockade and no longer worried too much about it, especially since other markets were found as well, including the United States where the purchase of Icelandic fish products increased in the mid-1950s, against the will of its own fishing industry. At one stage, President Dwight Eisenhower even suggested that the United States acquire all of Iceland's fish production and thus end the country's disturbing trade with the Soviet Union.⁶⁵ In Washington, the landing ban was much disliked (although the aversion was not strong enough to attempt to force the British authorities to have it lifted) and as has been observed, the U.S. National Security Council spent a "remarkable" amount of time searching for alternative markets for Icelandic fish in non-Communist countries.⁶⁶

Despite those efforts, the landing ban was a nuisance for Iceland and the dispute with Britain over the four-mile limit remained unsolved. The Icelanders looked for moral support where they felt it was most forthcoming – among their Nordic friends. During a meeting of Nordic Foreign Ministers and the presidium of the Nordic Council in early 1954, they asked the Council to declare its solidarity with Iceland in the fisheries conflict. "If we can help each other ... we should do so," said Sigurdur Bjarnason of the Icelandic delegation. Foreign Minister Lange, a man who was held in high esteem in Iceland, was the first to describe the Scandinavian response.⁶⁷ Although he underlined that the Norwegians empathised with the Icelanders, they felt that the Council ought not to take sides in a dispute between a Nordic state and another country.

⁶⁵ Dwight D. Eisenhower Presidential Library, Abilene, Kansas [DDE], Ann Whitman File, NSC Series Box 5, 207th meeting, July 22, 1954. See also Gudni Jóhannesson, "Troubled Waters," 81–97.

⁶⁶ Berdal, *The United States, Norway and the Cold War*, 144.

⁶⁷ On opinions of Lange in Iceland, see Berdal, *The United States, Norway and the Cold War*, 143.

For Denmark and Sweden, Foreign Ministers H.C. Hansen and Østen Undén spoke in a similar vein.⁶⁸

The Icelanders were undeterred, and also realised that a good publicity campaign could be made. In August 1954, the Nordic Council held its main session in Oslo. Ólafur Thors (now Prime Minister in a new coalition of the Independence and Progressive Parties) arrived in good form, as Ambassador Wright wrote to London:

M. Thors, who with his mane of hair and high-winged collar resembles in appearance a pianist of the old school rather than a Scandinavian politician, became a public figure at once, and the newspapers published long illustrated reports of interviews in which he expounded the justice of the Icelandic case and urged the Scandinavian Council to restore M. Thors' faith in cooperation between the northern countries.⁶⁹

During the Council session, the Icelanders proposed again that the Nordic Council side with them against Britain. In public, other delegates were full of sympathy but in closed sittings Prime Minister Thors and other Icelandic representatives faced the stubborn resistance of a Scandinavian bloc. As before, their proposal was said to be outside the Council's competence which led to a heated and emotional response by Thors: "if a small nation with right on its side cannot get support in the Nordic region, we can't even expect justice in heaven."⁷⁰ The Scandinavians concluded that Iceland could not be snubbed altogether. After a tense discussion, a compromise resolution was accepted:

⁶⁸ RAD, 55.ISLAND.1/III, Memorandum on meeting of Nordic Foreign Ministers and presidium of the Nordic Council, Copenhagen, May 4, 1954.

⁶⁹ TNA, PRO FO371/111348/N1352/10, Sir Michael Wright to Anthony Eden, August 27, 1954.

⁷⁰ See Erik Seidenfaden, "Island giver Nordisk Råd hovedpine" [Iceland gives the Nordic Council headache], *Information* [Danish daily], August 11, 1954.

The Nordic Council recognises that it is of interest to all countries engaged in fishing outside the Icelandic coast and of vital interest to Iceland that precautions be taken to protect the fish population in these waters.

To the extent that the legality of precautions already adopted is the object of dispute between Iceland and another country the Nordic Council is not qualified to make any statement. The right forum for an intentional law interpretation of the dispute is The Hague Court, not the Nordic Council or the Council of Europe.⁷¹

Although the Icelanders would have wished for more, they came to realise that this was all they could hope for. They accepted that outcome but it did not endear them to the ideals of Nordic cooperation or Nordic unity on the international scene. A few weeks later, a member of the British Legation in Reykjavík mentioned to Foreign Minister Kristinn Gudmundsson that Iceland was more antagonistic on the issue of Cyprus than the other Nordic states. Gudmundsson replied, or "almost snorted": "the other Scandinavian countries do not always support us in matters that we think important, and there is no reason why we should support them."⁷² For the Icelanders, their Nordic allies were failing the litmus test.

The Scandinavian reluctance to offer unequivocal support was of course understandable. The Nordic Council was not a political forum. Furthermore, Norwegian representatives did work on Iceland's behalf in other venues. The Icelanders had sought support wherever they could at the international level, for instance within NATO and at the OEEC, the Organisation for European Economic Co-operation (established in connection with the Marshall Plan in 1948). On the whole, its members thought the British landing ban unfair and probably

⁷¹ This translation of the original resolution in Swedish was made by the U.S. Embassy in Oslo. See NARA: RG59 840B.245/8-2454, U.S. Embassy (Oslo) to State Department, August 24, 1954.

⁷² TNA, PRO FO371/111533/NL1351/114, D.W. Hough, British Legation (Iceland), to Harry Hohler, Foreign Office, October 14, 1954.

illegal. All realised the complexities of the dispute, however, as well as Britain's reluctance to give in completely. Negotiations were needed to break the standstill and in November 1954, Arne Skaug, Norway's representative at the OEEC, suggested on his own initiative that a group of five members be formed to discuss the conflict and suggest a possible solution. Skaug was considered impartial in both camps and the offer was accepted.⁷³ From now on, British officials clearly hoped that the Norwegians would be able to have some bearing on the obstinate Icelanders. From Oslo, the British Ambassador, Sir Peter Scarlett, wrote in December 1955: "I understand that the Icelanders probably listen to the Norwegians more than they do to others, partly because they are conscious of a common origin and outlook and partly because they do not suspect the Norwegians of wishing to bully them."⁷⁴ In London, Harry Hohler at the Foreign Office's Northern Department agreed: "the Norwegians are the only people who have any influence at all with the Icelanders, and it is just possible that a word from them would tip the balance."⁷⁵ And similarly, U.S. officials commented that "[i]n the past we had taken the line that our best approach to Iceland was through Norway."⁷⁶ In other words, the hope was that the Norwegians would offer brotherly (or motherly) advice to the Icelanders, their immature neighbours in the North Atlantic.

Apart from Skaug, the OEEC group was comprised of W. Harpham, the British delegate, Pétur Benediktsson from Iceland (the brother of Foreign Minister Benediktsson), the Belgian Roger Ockrent, and the chairman, Gérard Bauer from

⁷³ TNA, PRO FO371/111534/NL1351/154, W. Harpham, UK delegation to OEEC, to A.J. Edden, Foreign Office, November 11, 1954.

⁷⁴ TNA, PRO FO371/122540/NL1993/1, Sir Peter Scarlett, British Embassy (Oslo), to Harry Hohler, Foreign Office, December 31, 1955.

⁷⁵ TNA, PRO FO371/122516/NL1351/7, Harry Hohler Minute, January 11, 1956.

⁷⁶ TNA, PRO FO371/122490/NL1015/16, R.F. Stretton Minute, April 4, 1956. See also Berdal, *The United States, Norway and the Cold War*, 143.

Switzerland.⁷⁷ The group immediately set to work. Initially, little progress was made and Bauer could not but remark that he felt “as if he were up against a brick wall. He was in the presence of two parties who would not meet each other.”⁷⁸ British hopes about Norway’s moderating influence were also unfounded. In Skaug’s mind, it was simply up to Britain to back down. He felt that the law was on Iceland’s side and, besides, the British coercion was not working. But most importantly, Skaug and other Norwegian officials emphasised the political effects of the landing ban.⁷⁹ Through the trade agreement with Iceland, the Soviet leadership aimed to increase support for the Icelandic Socialists and drive a wedge between Iceland and the Atlantic Alliance.⁸⁰ The “peaceful Soviets,” as Thyne Henderson, the British Minister in Reykjavík, told Harry Hohler in November 1953, had rescued the Icelanders from British clutches and accumulated a large share of Iceland’s foreign trade.⁸¹ At the same time in Reykjavík, the Soviet envoy Igor Sysoev wrote to Moscow that the trade agreement “should increase both the popularity

⁷⁷ For an overview of the group’s work, see Einar Benediktsson, *Iceland and European Development: A Historical Review from a Personal Perspective* (Reykjavík, 2003), and Ketill Sigurjónsson, “Skjölin í Flórens” [The documents in Florence]. Einar Benediktsson (ed.), *Upphaf Evrópusamvinnu Íslands* [The origins of Iceland’s integration in Europe] (Reykjavík, 1994), 61–102 (esp. 82–87).

⁷⁸ TNA, PRO FO371/116441/NL1351/90, Minute on OEEC Iceland group meeting, March 10–11, 1955.

⁷⁹ UD, 31.11/60/V, Gustav Heiberg Minute, January 3, 1955.

⁸⁰ See Jón Ólafsson, *Kæru félagar* [Dear comrades] (Reykjavík, 1999), 165–172. Ólafsson researched Soviet documents in Moscow and his conclusions are undoubtedly sounder than those of Icelandic officials who were involved in the Soviet negotiations. They have downplayed the political aspect and argued that business reasons mattered most in Moscow. See Thorsteinsson, *Utánríkisthjóntasta I*, 490, and Davíð Ólafsson, *Saga landbelgismálsins* [History of the fishing limits case] (Reykjavík, 1999), 87. Also Jóhannesson, “Troubled Waters,” 91–97.

⁸¹ TNA, PRO FO371/106341/NL11338/8, Thyne Henderson, British Legation (Reykjavík) to Harry Hohler, Foreign Office, November 27, 1953.

of the Soviet Union and negative feelings over the American occupation."⁸²

By early 1956, the talks within the OEEC had almost led to the lifting of the landing ban and British officials got the impression that it was mainly due to the persistence of the OEEC team and "Norwegian intervention" with the Icelandic authorities.⁸³ While Arne Skaug's efforts should not be underestimated, the influence of Norway was not decisive. The apparent solution involved a *de facto* acceptance of the four-mile limit in return for a quota on Icelandic landings in Britain; an outcome which was heavily balanced in Iceland's favour. Ultimately, therefore, the British trawling industry stalled. It could not be persuaded to remove an embargo which gave it some clear advantages on the British fish market. At this stage, the authorities in London were not willing to put pressure on the industry and risk political trouble on Humberside or the other fishing ports.

Meanwhile, the Icelanders remained as firm as ever and Western unease grew. In March 1956, the Progressive Party announced that it was going to leave the governing coalition with the Independence Party and work with the Social Democrats in parliamentary elections which would be held in the summer. Moreover, the two parties joined hands with the pro-Moscow Socialists and passed a resolution in the *Althing* calling for an end to the U.S. presence, with Iceland assuming responsibility on behalf of NATO for the maintenance of defence installations at Keflavík and elsewhere on the island.⁸⁴

⁸² Arkhiv vneshnei politiki Rossiskoi Federatsii. Foreign Policy Archive of the Russian Federation, Moscow [AVPRF]: 96/10/29, Igor Sysoev, Soviet Legation (Reykjavík), to Foreign Ministry, December 16, 1953.

⁸³ TNA, PRO FO371/122518/NL1351/54, Jack Ward Minute, January 30, 1956.

⁸⁴ On the crisis in Iceland's relations with its Western allies in 1956, see Ingimundarson, *The Struggle for Western Integration*, 46–55, Valur Ingimundarson, "Buttressing the West in the North: The Atlantic Alliance, Economic Warfare, and the Soviet Challenge in Iceland, 1956–1959," *International History Review*, Vol. 21, No. 1, 1999, 80–103, Whitehead,

In general, foreign affairs would obviously have much significance in the electoral campaign. Although the dispute with Britain was not directly connected with the larger issue of the U.S. presence in Iceland, the opponents of the military base could use the embargo to claim that in reality the “allies” in NATO thought first of themselves and were unwilling to respect the country’s vital interests. Thus, the American dislike of the landing ban naturally intensified.⁸⁵ The United States aimed to influence the outcome at the polls and a significant part of that strategy involved a demonstration of the economic benefits of Western cooperation.⁸⁶ In Washington, President Eisenhower reportedly came back to the idea of a wholesale purchase of Iceland’s annual fish catches and in early June, when the Icelandic elections were only a few weeks away, the U.S. Embassy in London made an “urgent plea” to have the ban immediately removed. British officials fended off sudden action by pointing out—accurately—that it would only arouse suspicions so late in the day and that the ban was not the main reason behind the developments in Iceland.⁸⁷ Yet, it had to be acknowledged, as the British Fisheries Secretary, Roland Wall, readily admitted, that “the future of the American base at Keflavik is getting mixed up with the fisheries dispute.”⁸⁸

The Ally Who Came in from the Cold, 67–83, and Berdal, *The United States, Norway and the Cold War*, 144–47.

⁸⁵ DDE, White House Office, NSC Staff: Papers, 1948–61. OCB Central File Series, Box 36, OCB 091. Iceland (File#4) (4), Memorandum, June 26, 1956, and NARA, RG59 840B.245/4-2556, John J. Muccio, U.S. Embassy (Reykjavik), to Secretary of State, April 25, 1956.

⁸⁶ DDE: White House Office, NSC Staff: Papers, 1948–61. OCB Central File Series, Box 36, OCB 091. Iceland (File#3) (10), Memorandum, April 4, 1956. See also Berdal, *The United States, Norway and the Cold War*, 144–45, Ingimundarson, *The Struggle for Western Integration*, 46–47, Ingimundarson, “Buttressing the West in the North,” 90–92, and Whitehead, *The Ally Who Came in from the Cold*, 71–76.

⁸⁷ For Eisenhower, see *The New York Times*, June 25, 1956. For the U.S. plea in London, see NARA, RG59 840B.245/5-2556, Herbert Hoover to U.S. Embassy (London), May 25, 1956, and TNA, PRO FO371/122491/NL1015/37, Jack Ward Minute, June 11, 1956.

⁸⁸ TNA PRO: MAF209/1492, Roland Wall Minute, June 14 1956.

Predictably, Norwegian officials also began to emphasise with more force than before that the damaging landing ban simply had to be lifted. Within the OEEC, Skaug was “particularly insistent on the importance for NATO of an early settlement ...”⁸⁹ At the NATO headquarters in Paris, Norway’s permanent representative, Jens Boyesen, suggested in similar manner that a removal of the landing ban would “help the situation in Iceland.”⁹⁰ Put simply, the relatively moderate concerns of the Norwegians about events in Iceland were developing into a full-fledged fright about their own interests.

⁸⁹ TNA, PRO FO371/122520/NL1351/124, E.R. Warner, British delegation to OEEC (Paris), to Foreign Office, April 9, 1956.

⁹⁰ TNA, PRO FO371/122490/NL1015/13, Sir Christopher Steel, British delegation to NATO, to Foreign Office, April 11, 1956.

Chapter 4

Conflicting Concerns

The National Interests of Security in the North Atlantic, No Foreign Bases in Norway and Fish Markets in the West, 1956–57

The Norwegian efforts within the OEEC had mostly been based on a sincere wish to seek a solution to a dispute which was not of direct concern to the country. But as Foreign Minister Lange observed in May 1956, if the U.S. had to close down its facilities in Iceland, no NATO state would be hit as hard as Norway, and as the British Minister Henderson predicted in Reykjavík, if the U.S. left Iceland, “Norway would be faced with insistent requests for bases from NATO.”⁹¹ The fundamental principle of no foreign bases on Norwegian soil was based on the premise of Western assistance in case of Soviet aggression. That precondition, in turn, was highly dependent on adequate facilities in the North Atlantic, primarily in Iceland. After the *Althing* resolution in March 1956, Norwegian representatives within NATO thus asked whether the military consequences of U.S. withdrawal

⁹¹ SA, Foreign Affairs Committee meeting, May 25, 1956, and TNA, PRO FO371/122490/NL1015/26, Thyne Henderson, British Legation (Reykjavík) to Harry Hohler, Foreign Office, May 1, 1956. For sources on the crisis in U.S.-Icelandic relations in 1956, see footnote 84.

were as severe as they thought. After all, the Icelanders were not going to leave NATO, they wanted to keep the Keflavík base and other installations in working order, and they argued that the world was now much safer than at the height of the Korean War in 1951 when the U.S. forces had returned to Iceland. That reasoning cut little ice with U.S. and NATO strategists, however, who insisted that the consequences of a U.S. retreat from the country would indeed be “serious”.⁹² Thus, the Norwegian authorities could possibly find themselves in the disingenuous position of pressing the Icelanders to act in a way which Norway would not. At a meeting of the *Storting's* Foreign Affairs Committee on April 16, its chairman, the Social Democrat Finn Moe, summarised the problem:

I am quite certain about what can be said, that is, that if the Americans leave Iceland then Iceland will have no forces to defend its important strategic position. But I think we must be absolutely clear that this is exactly the same argument which our allies use when it comes to Norway. We have our own forces, to be sure, but our allies maintain that they are quite incapable of providing a credible defence of Norway. And that is why they claim within NATO that we should accept foreign bases here. In that sense there is only a slight difference – and no fundamental difference – between our position and Iceland's position, and should we really maintain with great emphasis that Iceland must have a U.S. base then I

⁹² NARA, RG59, Bureau of European Affairs. Office of European Regional Affairs. Political-Military Numeric Files, 1953–62, Box 10, Leon Johnson Memorandum for the Assistant Secretary of State for European Affairs, “Meeting of the [NATO] Standing Group with the Norwegian Military Representative [Rear Admiral Skule Storheill],” undated but early April 1956. See also NATO Archives, Brussels [NATO], AC/100-VR/6, IS-AC-0370, “The Strategic consequences of the withdrawal of United States forces from Iceland”. Report by the Military Committee to the North Atlantic Council, June 28, 1956, and C-R(56)38, North Atlantic Council Meeting, July 11, 1956.

do not think it would be that easy for us to defend our own base policy.⁹³

Although another committee member (Erling Wikborg of the Christian People's Party) objected that the difference between the two countries was greater than Moe maintained, the underlying logic in the argument was fair. Furthermore, as Moe and others pointed out, the Norwegians could be accused of interference in Iceland's own affairs if they voiced their opinions with great force.⁹⁴ That could have the opposite effect of what was intended. Still, Norway was unquestionably an interested party and right from the start of the crisis in March, American officials hoped that the Norwegians would use their "special relationship" with the Icelanders to urge them to reconsider their position.⁹⁵ Such a plea was not really needed, for Foreign Minister Lange and Norwegian diplomats had immediately sounded out their Icelandic colleagues. The response was reasonably encouraging. From Reykjavík, Anderssen-Rysst reported that he was "continually being reassured off the record." Lange sensed this as well and told the British Ambassador in Oslo that although he was concerned about the situation in Iceland, he thought that the *Althing* resolution "should not be taken too tragically." Lange was also convinced that apart from the pro-Moscow Socialists, Icelandic politicians would in the end accept that a U.S. departure was "a strategic impossibility."⁹⁶ This was a fairly safe assumption. The Progressives and the Social Democrats were far from determined to "kick out" the Americans and the parliamentary resolution was more for use

⁹³ *Storting* Archives, Oslo [SA], Foreign Affairs Committee meeting, April 16, 1956.

⁹⁴ SA, Foreign Affairs Committee meeting, April 16, 1956, and TNA, PRO FO371/122490/NL1018/19, Stewart Crawford, British Embassy (Oslo), to Harry Hohler, Foreign Office, April 10, 1956.

⁹⁵ Berdal, *The United States, Norway and the Cold War*, 145.

⁹⁶ TNA, PRO FO371/122490/NL1018/19, Stewart Crawford, British Embassy (Oslo), to Harry Hohler, Foreign Office, April 10, 1956.

in domestic politics. For instance, Stefán Jóhann Stefánsson, former leader of the Social Democratic Party, told a Norwegian colleague, Torstein Selvik, that it had been put forward so that the “communists” would not monopolise the base question and things would quieten down after the elections.⁹⁷

It was a risky business, however. Initially, the administration in Washington responded harshly to the envisaged departure of U.S. forces and some officials even suggested that Iceland might have to be expelled from NATO.⁹⁸ And all construction at the base in Keflavík was halted, a move which would inevitably hurt the Icelandic authorities since revenues from the base made up almost 10 per cent of the national income and 20 per cent of foreign currency receipts. Understandably, as has been pointed out, “this type of economic warfare did not sit well with the Progressives and Social Democrats.”⁹⁹ The coercion might only make them more obstinate and aid the opponents of Western cooperation in Iceland. When it came to Norwegian influence, therefore, Halvard Lange and other Norwegians tried more to restrain the United States than win over the Icelanders. At a NATO ministerial meeting in May, Lange apparently urged John Foster Dulles, the U.S. Secretary of State, not to “overreact”. Afterwards, Dulles declared that Lange had had a “very positive influence” on his assessment of the Icelandic problem.¹⁰⁰

But then the crisis seemed to deepen. On June 28, 1956, parliamentary elections were held in Iceland. Neither the

⁹⁷ SA, Foreign Affairs Committee meeting, May 25, 1956

⁹⁸ DDE, White House Office, National Security Council Staff: Papers, 1948–61. Operations Coordinating Board (OCB) Central File Series, Box 36, OCB 091. Iceland (File#3) (10), Draft Memorandum, “Recommendations of OCB Working Group on Iceland Regarding U.S. Strategy and Courses of Action in Iceland,” April 10, 1956.

⁹⁹ Ingimundarson, *The Struggle for Western Integration*, 46–47.

¹⁰⁰ Berdal, *The United States, Norway and the Cold War*, 145.

Independence Party nor the electoral bloc of the Progressives and the Social Democrats achieved a majority in the *Althing*. The participation of the People's Alliance, a new union of the pro-Moscow Socialist Unity Party and a leftist splinter group from the Social Democrats, seemed likely in any new government. That possibility created a stir in Washington, to say the least. As before, direct intervention in Iceland's domestic politics was thought to be double-edged but U.S. officials urged other NATO states – Norway in particular – to convey, as the U.S. instructions had it, “to appropriate political leaders [in Iceland the] extreme undesirability from [the] NATO view point of Communist Front participation in [a] new government [in] Iceland.”¹⁰¹ Nonetheless, on July 24 the fear came true: the Progressives, the Social Democrats and the People's Alliance formed a new coalition.

This regime claimed to be committed to the departure of U.S. troops, as foreseen in the *Althing* resolution from March. Each of the three parties had two ministers, so for the first time in the history of NATO, a member state had “communists” in power. The administration in Washington responded with even more force to these developments than the *Althing* resolution in March. As Norwegian officials learned, the United States had taken the position that no talks were possible with a “communist” coalition. Furthermore, all economic assistance or cooperation with Iceland would have to cease and the country's representatives in NATO would have to be excluded from confidential meetings and denied access to sensitive documents.¹⁰² At the end of July, the U.S. Ambassador in Oslo, Corrin Strong, went so far as to suggest that “in Washington the possibility of forcing through a

¹⁰¹ UD, 33.6/11/III, U.S. Embassy (Oslo) to Foreign Ministry, July 11, 1956.

¹⁰² UD, 33.6/11/III, J.G. Ræder, Norwegian delegation to NATO, to Foreign Ministry, July 27, 1956, and 33.6/11/IV, Frithjof Jacobsen Memorandum, September 6, 1956.

change of regime in Iceland was being considered.”¹⁰³ Never before had the United States been so willing to interfere in Iceland’s domestic affairs as in the spring and summer of 1956.

The Americans also wanted the Norwegians to plead with the Icelanders, because of the perceived relationship of trust and guidance between the two countries.¹⁰⁴ Ambassador Strong asked, for instance, that Norway deliver to the Icelanders the message of no economic or military cooperation since there would then be more hope that they would reconsider their policy instead of expressing indignation over American “bullying”.¹⁰⁵ U.S. officials also wanted the Norwegians to impress upon the non-“communist” ministers in the Icelandic coalition that their imprecise ideas about Icelandic management of the Keflavík base and other installations in peacetime were utterly unrealistic.¹⁰⁶ Foreign Minister Lange was certain, as he emphasised at the time, that Norway could take no formal action in the matter “without risking accusation of interference in Iceland’s internal problems.” Still, he agreed that “influence through personal channels” could be useful.¹⁰⁷ During these tense weeks, Lange met with his new Icelandic colleague, the pro-Western Social Democrat, Gudmundur Í. Gudmundsson. The Icelandic Minister indicated that personally he would wish to maintain an “active” base at Keflavík with a limited number of fighter jets but he was unsure whether other cabinet members would be able to accept such a high level of U.S. presence. Lange did not appear to press Gudmundsson on this or other points,

¹⁰³ UD, 33.6/11/IV, R.B. Skylstad Minute, August 1, 1956. See also Ingimundarson, *The Struggle for Western Integration*, 49–50.

¹⁰⁴ For a summary, see Berdal, *The United States, Norway and the Cold War*, 145–46.

¹⁰⁵ UD, 33.6/11/IV, R.B. Skylstad Minute, August 24, 1956.

¹⁰⁶ UD, 33.6/11/IV, Frithjof Jacobsen Memorandum, September 6, 1956.

¹⁰⁷ National Archives, Ottawa [NAC], RG25 6113/50373-1.1, Canadian Embassy (Oslo) to Department of External Affairs, July 23, 1956.

aware as he was of the thin line between friendly guidance and undue intimidation.¹⁰⁸ And just as in the previous spring, Lange and other Norwegians were mostly anxious to restrain the United States. In Oslo, U.S. demands for no dealings with the new Icelandic regime, economic pressure and restrictions within NATO were deemed to be so drastic that they might easily “drive Iceland out of NATO.”¹⁰⁹ That assessment made sense and was supported in other Western capitals.¹¹⁰ In Reykjavík, moreover, Prime Minister Hermann Jónasson of the Progressive Party angrily declared that if Iceland was given inferior treatment within the Alliance, “we shall withdraw from NATO in one hour.”¹¹¹ Besides, top secret information had never been sent to Iceland and at the beginning of September, all classified NATO documents in Reykjavík were destroyed.¹¹² The fear of a strategic leak was unfounded but the political ramifications of the stringent U.S. attitude were obvious. Norwegian diplomats expressed that view on various occasions and they also pointed out that pro-Moscow Socialists were in a clear minority in the new coalition in Iceland. This educated advice undoubtedly carried some weight in Washington.¹¹³

¹⁰⁸ UD, 33.6/11/III, Foreign Ministry to Norwegian Delegation to NATO, July 27, 1956.

¹⁰⁹ UD, 33.6/11/III, Foreign Ministry to Norwegian Delegation to NATO, August 13, 1956.

¹¹⁰ See NAC, RG25 6113/50373-40-1.1, Lester Pearson to Canadian Delegation to NATO, July 24, 1956, TNA, PRO FO371/122522/NL1351/164, E.G. Harman, British Embassy (Reykjavík), to J. Given, Foreign Office, August 2, 1956, and Politisches Archiv des Auswärtiges Amtes, Berlin [PAAA], B23/17, van Scherpenberg Minute, August 28, 1956.

¹¹¹ NAC, RG25 6113/50373-1.1, Canadian Embassy (London) to Department of External Affairs, September 21, 1956.

¹¹² NATO, AC/100-VR/6, IS-AC-0370, SGLO (Paris) to SGN (Washington), September 12, 1956.

¹¹³ UD, 33.6/11/IV, Knut Aars Minute, August 9, 1956, and R.B. Skylstad Minute, August 16, 1956.

U.S. officials gradually realised that the situation in Iceland was not as dire as they had feared at first. The Progressives and the Social Democrats excluded the People's Alliance from discussions on defence policy and in October, U.S.-Icelandic negotiations began on the continued presence of U.S. troops on the island. In stark contrast to the thinly veiled threats from a few months before, the administration in Washington now seemed willing to offer Iceland favourable loans and economic assistance, but only if the base remained intact. Inflation was high in the country and the Icelandic government desperately needed Western goodwill. Hence, the talks were proceeding well when the Soviet invasion of Hungary ensured that the Progressives and Social Democrats sincerely agreed on Iceland's need for U.S. protection on a permanent basis.¹¹⁴ The crisis was solved.

Norway's soothing voice had done Iceland good at a time when the administration in Washington was angry and aggressive (referring to Norway's efforts within NATO, the Canadian Foreign Minister, Lester Pearson, once told Icelandic representatives that "you had a good friend.")¹¹⁵ Still, the sympathy for Iceland's cause was not merely altruistic or based on sheer goodwill towards the small neighbouring nation. Norwegian attitudes towards events in Iceland in 1956 were marked by a clear self-interest in the continued operation of the U.S. base on the island. It may be recalled that although most Progressives and Social Democrats would probably have wished to see a marked curtailment of the U.S. presence in Iceland, they never wanted to leave the Western defence system altogether. In that sense, Norwegian

¹¹⁴ Observers disagree slightly on the main reason behind the Icelandic decision. For the view that the offer of U.S. economic assistance had a relatively minor effect on the outcome, see Whitehead, *The Ally Who Came in from the Cold*, 82–83. For the argument that it played a larger role, see Ingimundarson, *The Struggle for Western Integration*, 50–51.

¹¹⁵ UD, 33.6/11/IV, W. Morgenstjerne, Norwegian Embassy (Washington), to Foreign Ministry, October 5, 1956.

and Icelandic interests coincided. In the following months, however, the clash between sympathy and self-interest reappeared as the United States and other NATO members began to debate how Iceland could be fully entrenched in the Western camp.

In November 1956, the landing ban in Britain was lifted at last. It had long lost its economic value and become a political embarrassment in London.¹¹⁶ Furthermore, when U.S. and Icelandic representatives were discussing the arrangements at Keflavík and economic assistance to Iceland, the notion of loans to purchase fishing vessels emerged. But this would only be sensible, it was pointed out in Washington, if an increasing portion of the catches was sold "in Free World markets."¹¹⁷ In other words, the world's non-communist population had to buy more Icelandic fish. A transformation of that kind could be difficult to achieve, however. To begin with, the Icelanders were getting satisfactory prices for their fish products in the Soviet Union so the West would have to offer a better deal, probably above what was on offer on the world market. That, in turn, could impede the fight against inflation in Iceland. Before the 1956 elections, when American officials were thinking of means to satisfy the Icelanders rather than intimidate them, they had tentatively suggested that, in the last resort, the United States purchase enough of Iceland's fish to put an end to the country's trade with the Soviet Union. The problems involved in such a program would be "particularly thorny," it was pointed out:

Most difficult of all would be the problem of what to do with the fish. The U.S. fishing industry would strenuously object to importation of the fish products into the U.S. To destroy the

¹¹⁶ Jóhannesson, "Troubled Waters," 121-24, and Jónsson, *Friends in Conflict*, 60-68.

¹¹⁷ DDE, White House Office, NSC Staff: Papers, 1948-61. OCB Central File Series, Box 36, OCB 091. Iceland (File#5) (1), OCB Memorandum, November 9, 1956.

fish products would give the Communists a potent propaganda weapon against the U.S. in Asia and other areas having large numbers of undernourished people. To attempt to sell them would cause Canada, Norway and other fish-exporting countries to protest strongly. To give them away would be feasible only to a limited extent ... [and] here again great care would have to be taken not to disrupt normal marketing of these products.¹¹⁸

Overall, Iceland and Norway were competitors on the world market for fish.¹¹⁹ Thus, in November 1956, when the United States seemed prepared to help the Icelanders to sell more fish in the West, the Foreign Ministry in Oslo immediately warned – as U.S. officials had indeed predicted earlier in the year – that actions on Iceland’s behalf must not “have discriminating effects on a third country (i.e. Norway).”¹²⁰ Still, something had to be done to ease Iceland’s economic troubles and the rulers in Moscow were clearly willing to pose again as a friend in need. In the summer of 1956, the Soviets had indicated their willingness to provide Iceland with a huge loan and the following spring that offer was confirmed: a \$25 million loan was on the table, with low interest rates and repayable in fish and fish products.¹²¹

The Icelandic government was not eager to tie itself so substantially to the Soviet Union. On the other hand, Iceland needed the money, as the country’s representatives pointed out in Western capitals. In an unprecedented move, NATO therefore stepped in. In the summer of 1957, Secretary General Paul-Henri Spaak called on the member states to offer

¹¹⁸ DDE, White House Office, National Security Council Staff: Papers, 1948–61. Operations Coordinating Board (OCB) Central File Series, Box 36, ‘OCB 091. Iceland (File#4) (4), OCB Memorandum, June 26, 1956.

¹¹⁹ See Hannibalsson and Hjaltason, *Söllumidstöð bradfrystibúsanna II* [History of the Icelandic Seafood Company] (Reykjavik, 1997), 151–61.

¹²⁰ UD, 33.6/11/V, Knut Sverre Minute, November 30, 1956. The point was reiterated a short while later. See 33.6/11/V, Chr. Sommerfelt Minute, December 12, 1956.

¹²¹ Ingimundarson, *The Struggle for Western Integration*, 52–53.

Iceland a favourable \$9 million loan. Britain was utterly against the idea and West Germany was at best lukewarm. Both states cited setting a risky precedent and the fact that, in economic terms, the Icelanders were living beyond their means and would simply have to put their own house in order.¹²² In Washington, resentment also arose over the Icelandic negotiating tactics. "Is Iceland blackmailing us?" asked an exasperated National Security Council official in August 1957.¹²³ Although "blackmail" was too strong a word to describe Icelandic attitudes toward the base, the Icelanders were obviously using their strategic importance to secure help from their allies.¹²⁴

The Icelanders were out to care for themselves. The Norwegians also wanted to do so, but how? In early September, Arne Skaug revisited the "Icelandic problem", this time as acting Foreign Minister at a meeting of the *Storting's* Foreign Affairs Committee. He was anxious because of the Soviet advances to the Icelanders, underlining that Iceland was of tremendous importance for Norwegian defences and that it was "easy to imagine how catastrophic the consequences would be for all of us if the Soviet Union ... simply bought Iceland, so to speak." In Skaug's mind there was no doubt, therefore, that NATO would have to step in with its financial offer. Having said that, he also acknowledged that the Icelanders would use a substantial part of the loan to modernise their fishing industry and that would hurt Norwegian export interests. This dilemma only deepened as other members of the committee voiced their opinions.

¹²² See for instance TNA, PRO FO371/128755/NL10338/15, Foreign Office to British Embassy (Washington), July 5, 1957, and *Die Kabinettsprotokolle der Bundesregierung*, Vol. 10 (Munich, 2000), 335.

¹²³ DDE, White House Office, NSC Staff, Papers, 1948–61, Special Staff File series, box 3, Iceland, George Weber Memorandum, August 20, 1957.

¹²⁴ On this point, see Gudni Jóhannesson, "To the Edge of Nowhere? U.S.-Icelandic Defense Relations during and after the Cold War", *Naval War College Review*, Vol. 57, Nos. 3–4, 2004, 115–37.

Chairman Finn Moe used the expression “no-win situation” while Erling Wikborg justified a possible Norwegian contribution to a NATO loan as “defence expenditure.” The Conservative Ole Bergesen wondered, nonetheless, whether Norway should really have to aid a competitor on the international scene:

The no-win situation is of course obvious and Wikberg’s description ... has a lot to it. It must be added, though, that these defence expenditures will hit a certain part of our population. They will hit our fishing exports and the construction of a competitive fishing fleet. This is a drawback which we are not used to when we divide the defence costs here, and it is precisely this which makes me so concerned and makes this case so difficult. Clearly, the fishing interests will raise a number of questions. They will say, with some justification: well, this is a no-win situation and these are defence expenditures but should they be divided so unfairly? Should they just fall on us?¹²⁵

Near the end of the discussion, Arne Skaug admitted that he could agree with Bergesen’s doubts and other words of caution. Then again, the NATO loan would almost certainly be offered, with or without Norwegian participation. Hence, the government concluded that Norway would have to chip in, but it would be a modest amount which could not make much difference either way. A maximum of around \$500,000 was suggested.¹²⁶ As it happened, the Icelanders became concerned that if too many nations participated in the loan they would be perceived as the beggars of NATO.¹²⁷ Only the United States and West Germany provided funding, altogether \$7 million.¹²⁸ (Canada was to join in as well but the

¹²⁵ SA, Foreign Affairs Committee meeting, September 6, 1957.

¹²⁶ SA, Foreign Affairs Committee meeting, September 6, 1957.

¹²⁷ Foreign Minister Gudmundsson raised this point in discussions with Secretary General Spaak. See UD, 33.6/11/V, Jens Boyesen, Norwegian Delegation to NATO, to Foreign Ministry, September 17, 1957.

¹²⁸ Ingimundarson, *The Struggle for Western Integration*, 54–55.

government in Ottawa complained that the Icelandic request for money “was a form of blackmail” and only offered \$500,000, for the specific purchase of Canadian wheat, flour, dry milk, and cheese. Iceland needed none of these products and the offer was not accepted).¹²⁹ But although the Icelanders had not got what they had originally set out for, they were reasonably satisfied. Also, the Norwegians received more or less what they wanted: financial assistance to Iceland which staved off the threat to Norway of increased Soviet influence in the North Atlantic, yet without the irritation of directly assisting a rival on the world’s fish markets.

¹²⁹ NAC, RG2/A-5-a/1893, Privy Council Office Minutes, October 29, 1957.

Chapter 5

Intensification Cod War, Law of the Sea Conferences and the Norwegian Extension of Fishing Limits, 1958–61

While one problem had been solved, another loomed. The leftist coalition, which took power in Iceland, had not only declared its intention to drive out the U.S. troops but was also determined to extend the country's fishing limits, probably to 12 miles. In late 1956, the Socialists had most grudgingly given in on the U.S. withdrawal but they vowed never to accept a retreat when it came to the limits issue. Moreover, the Progressives and the Social Democrats agreed that action was necessary. As in 1952, the Icelandic authorities felt that right was on their side. In May 1956, Britain and the Soviet Union had signed a five-year agreement which permitted British trawlers to fish up to three miles in certain pockets off the Soviet coastline in the Barents Sea. In general, however, the trawlers would stay outside the 12 mile limit of territorial waters which Moscow maintained. In private, the Foreign Office in London could not but admit that, despite a clause on non-prejudice with regard to the general view on territorial waters, Britain had "gone a long way towards accepting the

Soviet jurisdiction over a 12-mile limit.”¹³⁰ The Icelanders could – and would – of course point to that concession when they followed the Soviet precedent.¹³¹

The development of the law of the sea aided the Icelanders as well. In the summer of 1956, the International Law Commission delivered a final report on this complicated matter. It noted that “international law” did not permit an extension of territorial waters beyond 12 miles and in Icelandic eyes this conclusion meant that from now on all extensions up to that line were permissible.¹³² Still, the Commission acknowledged that many states only recognised three miles as the maximum limit and it recommended that an international conference be held to seek an agreement on the law of the sea. In 1957, the United Nations decided to hold the conference in Geneva early next year. In Iceland, the Progressives and the Social Democrats therefore decided to wait with all action on the fishing limits and the Socialists accepted the delay, but only on condition that moves were made right after the international conference.¹³³

Trouble lay ahead in the North Atlantic and the Norwegians would be involved once more; either as a selfish party out to guard its own interests, as a Nordic sympathiser, or as the perceived neutral intermediary. To begin with, Norway’s position was made more difficult by the still unsolved conflict over its national interests. Should Norway support wide national jurisdiction or side with maritime powers like Britain and the United States?¹³⁴ The distant water herring fishermen in the south were still at odds with the local

¹³⁰ TNA, PRO FO371/122902/NS1351/38, Jack Ward Minute, May 3, 1956. See also Jóhannesson, “Troubled Waters,” 104–07.

¹³¹ See *British Aggression in Icelandic Waters* (Reykjavik, 1959), 22.

¹³² TNA, PRO FO371/121209/GW1/163, British Delegation to the United Nations to Foreign Office, December 17, 1956.

¹³³ For a summary, see Morris Davis, *Iceland Extends its Fisheries Limits* (Oslo, 1963).

¹³⁴ See Carl August Fleischer, “Norway’s Policy on Fisheries, 1958–1964.” *Developments in the Law of the Sea 1958-1964* (London, 1965).

fishermen in North Norway and the shipping and whaling industries continued to make their views known. In addition, the Norwegian Navy did not relish a 12-mile fishing limit since it would be much harder to patrol and its resources were strained enough as things stood.¹³⁵ In the summer of 1957, the Fisheries Ministry in Oslo observed – tongue-in-cheek – that the best solution would be a 12-mile line off Norway but narrower limits elsewhere.¹³⁶ At the Geneva Conference, Canada was going to put forward a proposal for three-mile territorial waters and a 12-mile fishing limit. In late January 1958, Fisheries Minister Nils Lysö argued that, all things considered, such a solution was acceptable and that if Denmark and Iceland supported the Canadian initiative, then so must Norway.¹³⁷ A decision in favour of either the *status quo* or wider fishing limits would always be condemned in some circles, however, so the Norwegian government decided to follow a passive policy to begin with and see how the winds would blow at Geneva.¹³⁸

Similarly, the Norwegians did not want to get involved in a campaign of sorts to urge restraint on the Icelanders. On the eve of the conference, Bredo Stabell, head of the legal department at the Foreign Ministry, concurred with the British view that unilateral action off Iceland was most unwelcome and that the Icelanders were “in a very obstinate mood.” But as in the past, there was nothing which Norway could do and pressure would in fact only be detrimental. Like Norway, Britain could only hope that a settlement would be reached at Geneva and that the Icelanders would feel

¹³⁵ NARA, RG59 399.731/12-2057, W. Stratton Anderson, Jr., U.S. Embassy (Oslo), to State Department, December 20, 1957.

¹³⁶ UD, 26.11/23/VII, Ministry of Fisheries Memorandum, June 4, 1957. See also 26.11/23/VIII, Bredo Stabell Minutes, January 10 and 13, 1958.

¹³⁷ UD, 26.11/23/IX, Nils Lysö to Foreign Ministry, January 21, 1958. See also RA, Cabinet Minutes, February 18, 1958.

¹³⁸ SA, Foreign Affairs Committee meeting, February 19, 1958. For a detailed examination of Norway's position at the conference, see Søndena, ‘Bakgrunnen’, 65–85.

themselves bound by it.¹³⁹ In late February, the conference began and it quickly became clear that the old three-mile principle would not be confirmed. Canada's "3+9" proposition gathered considerable support, much to the pleasure of the Icelanders. This solution would never get the required two-thirds majority, however, and in mid-April the United States intervened by proposing six-mile territorial waters and an additional six-mile fishing limit, but with the provision that states which enjoyed "historical rights" could still fish in the outer zone.

Norway and Denmark were among those that had been prepared to support the "3+9" proposal but now decided to back the American initiative. Conversely, Iceland was still for the Canadian proposal. If accepted, the U.S. "6+6" solution would allow fishing vessels from Britain, Norway and other nations with a history of fishing in Icelandic waters to continue their efforts up to six miles from shore. Thus, the Icelanders roundly condemned the U.S. proposal as a "stab in the back."¹⁴⁰ American diplomats in Reykjavík immediately worried about the adverse effects on attitudes towards NATO and the U.S. base and Foreign Minister Gudmundsson was indeed quick to warn Western representatives that such a hostile policy at Geneva could have "the most serious consequences for Iceland's foreign policy."¹⁴¹ Although the anger was mostly aimed at the Americans, the Icelanders were

¹³⁹ TNA, PRO FO371/134956/NL1351/25, Sir Peter Scarlett, British Embassy (Oslo), to Foreign Office, January 28, 1958. Also see FO371/134955/NL1351/9, Sir William Hayter, Foreign Office, to Sir Roderick Barclay, British Embassy (Copenhagen), January 20, 1958, and UD, 26.11/23/IX, Bredo Stabell Minute, January 28, 1958.

¹⁴⁰ NARA, RG59 399.731/4-1658, Theodore Olson, U.S. Embassy (Reykjavík), to Secretary of State, April 16, 1958.

¹⁴¹ UD, 26.11/23/XIII, Norwegian Embassy (Reykjavík) to Foreign Ministry, April 18, 1958, PAAA, B80/244, Hans-Richard Hirschfeld, West German Embassy (Reykjavík) to Bonn, April 17, 1958, TNA, PRO: FO371/134958/NL1351/74, Andrew Gilchrist to Foreign Office, April 17, 1958, and NARA, RG59 399.731/4-1858, Theodore Olson, U.S. Embassy (Reykjavík), to Secretary of State, April 18, 1958.

also deeply disappointed with the Danish and Norwegian position. In a leading article called "Friends who betray," the organ of the Progressive Party asked what could possibly have brought these Nordic friends to stab the Icelanders in the back, as the United States had done.¹⁴² True to tradition, the authorities in Iceland seemed to expect almost unconditional support for their policies in Norway and elsewhere in the Nordic region.

In the final vote at the United Nations Conference on April 25, no proposal received a two-thirds majority (the American proposal came closest, with 45 states in favour, 33 against and seven abstentions). In Iceland, the Socialist Fisheries Minister, Lúdvík Jósefsson, at once demanded an extension of the country's fishing limits, as the coalition partners had promised before the conference. It was now the turn of British officials to seek backing in Norway. They still clung to the old hope that, firstly, the Icelanders paid "more attention to the Norwegians than anyone else" and, secondly, that the Norwegians would be ready to speak on Britain's behalf in Reykjavík. Right after the inconclusive outcome at Geneva the British government therefore formally asked the authorities in Oslo "to make immediate representations to the Icelandic government ..."¹⁴³ In Reykjavík, meanwhile, the British Ambassador, Andrew Gilchrist, warned that his government "would not tolerate unilateral measures by Iceland on what Britain regards as the high seas."¹⁴⁴

¹⁴² *Tíminn*, April 23, 1958 (leading article). See also UD, 26.11/23/XIII, Sven Knudsen, Norwegian Embassy (Reykjavík), to Foreign Ministry, April 23, 1958.

¹⁴³ UD, 26.11/23/XIII, British Embassy (Oslo) Aide Memoire, April 26, 1958. See also TNA, PRO FO371/134959/NL1351/91, British Delegation to Geneva Conference to Foreign Office, April 25, 1958.

¹⁴⁴ *Times*, May 1, 1958. See also TNA, PRO FO371/134960/NL1351/112, Andrew Gilchrist to Gudmundur Í Gudmundsson, April 29, 1958. In the mid 1950s, Foreign Legations in Iceland and Iceland's Legations abroad were upgraded to Embassies and the position of a Minister changed to that of an Ambassador.

At the end of April, the Icelanders eased the tension slightly by agreeing to postpone a decision beyond a scheduled meeting of NATO Foreign Ministers in the first week of May. Both Britain and Iceland used that occasion to insist that they could not budge on an inch on this vital matter (let alone a mile) and conflict seemed inevitable. Again, Iceland promised to wait for a week or so but as Prime Minister Hermann Jónasson told Anderssen-Rysst, his government would then act. After that, Iceland would have to rely on Norway and other allies within NATO in the dispute with Britain, "and if we do not get support from NATO we must turn in that direction where we can find help in need. We only claim the right of our people to live on the land which fate granted us."¹⁴⁵ Fish still accounted for almost all of Iceland's exports so the emotional argument had its logic. The ill-disguised reference to the Soviet Union underlined the strategic connotations.

Norway now had to decide how to react. At a meeting in the Foreign Ministry on May 14, Bredo Stabell argued that while the Norwegian authorities could not make a formal *démarche* in Reykjavík, they should try to urge caution on the Icelanders. On the other hand, O.C. Gundersen, the leader of the Norwegian delegation at Geneva, insisted that there was absolutely nothing which Norway could do to make the Icelanders abandon their intention to extend their fishing limits. Hoping against hope, it was still decided to ask the Icelandic government to postpone all action until a new international conference, which would probably convene in early 1959, had tried again to lay down the law of the sea.¹⁴⁶ That was what the Norwegian government wanted to do. Iceland would not wait for so long, however. Later in May,

¹⁴⁵ UD, 31.11/60/V, Anderssen-Rysst to Foreign Ministry, May 8, 1958.

¹⁴⁶ UD, 31.2/8/1, Foreign Ministry Minute, May 14, 1958. See also PAAA, B116/13193, Kurt Oppler, West German Embassy (Oslo), to Foreign Ministry, May 14, 1958.

after tense talks at the NATO headquarters, the Progressives and the Social Democrats offered that in return for a recognition of Iceland's 12-mile limit, measured from new baselines, "historic rights" would be respected up to six miles for the next three years. Britain refused the offer and other states were not convinced either. Even in Oslo, the government warned that acquiescence in such an outcome, which would be detrimental to Norwegian fishing interests, required the *Storting's* approval, by no means a foregone conclusion.¹⁴⁷ In Paris, Secretary General Spaak urged the Icelanders to reconsider and went so far as to threaten economic reprisals. Yet they would go no further and the pressure only caused resentment.¹⁴⁸ The coalition with the Socialists was on the verge of collapse and neither the Progressives nor the Social Democrats wanted to fight a parliamentary election where they would have to face accusations of subservience to Britain and NATO and a total disregard for Iceland's vital interests. As things had developed, no political party in the country could advocate moderation or respect for foreign wishes on fishing limits. On May 24, it was announced in Reykjavík that on June 30, new regulations on a 12-mile fishing limit would be issued, taking effect on September 1. The time until then would be used to "work for understanding and acceptance of the right and necessity for the extension."¹⁴⁹

Despite a series of disappointments over the Norwegian attitude towards Iceland's fishing limits, the Icelanders felt that no nation seemed as likely to offer a sympathetic view as

¹⁴⁷ UD, 31.11/60/V, Foreign Ministry Minute, undated but from May 23–26, 1958.

¹⁴⁸ Foreign Ministry History Collection, National Archives, Reykjavík [SÖ], 1993-3-1, Icelandic Delegation to NATO to Foreign Ministry, May 20, 1958. In a letter to Prime Minister Jónasson, Secretary General Spaak wrote that "unfortunate effects for Iceland would thus probably be produced at a time when OEEC partners show willingness to open up markets for Icelandic fish."

¹⁴⁹ See Jónsson, *Friends in Conflict*, 72.

Norway. Indeed, Foreign Minister Lange declared in the *Storting* that “we Norwegians, as close friends and cousins of the Icelandic people, have a great understanding for their troubles in this matter.”¹⁵⁰ During the summer, Norwegian officials did assist the government in Iceland. For a while, the Danish authorities recommended that the Icelanders should be persuaded to put the fishing limits issue for a regional conference; almost as a “family affair,” as Ambassador Hansen put it in Oslo.¹⁵¹ The Norwegians were quick to point out that it simply was too late to expect Iceland to back away from its declared policy, and that the Icelandic authorities would hold strong suspicions about such a concerted front against them.¹⁵² This could in fact be seen as news of the idea leaked in Reykjavík, and formal protests over Iceland’s intentions by a number of states had no effect whatsoever.¹⁵³

Moreover, as the Norwegians did not tire to mention, too much pressure would at best be useless, at worst counter-productive. The British government asserted that it would prevent all attempts to interfere with trawlers “on the high seas,” and behind the scenes, plans were made to send the Royal Navy to the disputed waters after the deadline of September 1.¹⁵⁴ Within NATO, other representatives urged

¹⁵⁰ *Stortingstidende 1958* (Oslo, 1959), debate on June 18, 1958, 2324–25.

¹⁵¹ *UD*, 31.11/60/VI, Bredo Stabell Minute, June 9, 1958. See also *RAD*, 55.ISLAND.1/IV, Foreign Ministry to Danish Embassy (Reykjavík), June 9, 1958.

¹⁵² *UD*, 26.11/23/XIV, Halvard Lange Memorandum for Norwegian Government, June 17, 1958, *RAD*, 55.DAN.31/VII, Foreign Ministry Minute, June 15, 1958, *TNA*, FO371/134970/NL1351/423, British Embassy (Oslo), to Foreign Office, June 11, 1958, and Federal Archives of Germany, Koblenz [BA], B116/42636, Gerhard Meseck Minute, June 13, 1958.

¹⁵³ See for instance *Thjóðviljinn* (The Nation’s Will, Socialist Party organ), June 10, 1958. Apart from Britain, France, Belgium, West Germany, Sweden, Spain and the Netherlands protested the planned 12-mile limit. See Jónsson, *Friends in Conflict*, 84.

¹⁵⁴ *TNA*, PRO FO371/134968/NL1351/364, British Government Declaration, June 4, 1958, PRO ADM306/7, Admiralty to Captain Fishery Protection Squadron, May 22, 1958, and PRO ADM306/6, “Operation

Britain to show restraint and some Norwegian officials complained that the use of force might “drive the Icelanders into the arms of the Communists.”¹⁵⁵ Of course the self-interested approach was apparent here. The Norwegians readily admitted that the U.S. facilities in Iceland remained “primordial to their security.”¹⁵⁶ Still, they never gave Iceland their full, unconditional support. For one thing, the government in Oslo was fundamentally opposed to unilateral extensions of fishing limits, especially as another conference on the law of the sea was being planned.¹⁵⁷ The close relations with Britain also mattered. Norway had no desire to anger a traditional ally by siding completely with Iceland. Lange, in particular, had gained trust and goodwill in London. He was “extremely reasonable and saw our point of view,” said Foreign Secretary Selwyn Lloyd at one stage, and in early 1958 Prime Minister Harold Macmillan described him as “an old friend + a very wise + reliable man.”¹⁵⁸ Halvard Lange was not going to fight Iceland’s battles against his trusted associates in Britain.

Domestic concerns continued to work against an alliance with Iceland as well. When the intentions of the Icelandic government were clear, the herring fishermen reiterated their opposition to a 12-mile limit off Iceland.¹⁵⁹ Since the aim of the new line was primarily to restrict trawling for cod and other demersal fish, representatives of the herring interests in

Whippet,” Captain Fishery Protection Squadron “OP-Order 1-58,” August 1, 1958.

¹⁵⁵ PAAA, B80/244, Meyer-Lindenberg Minute, July 8, 1958. See also SA, Foreign Affairs Committee meeting, June 18, 1958.

¹⁵⁶ NAC, RG25 8352/10600-F-40-1.1, R.A. MacKay, Canadian Embassy (Oslo), to Foreign Ministry, June 17, 1958.

¹⁵⁷ SA, Foreign Affairs Committee meeting, May 28, 1958.

¹⁵⁸ TNA, FO371/111561/NN1351/15, Selwyn Lloyd Minute, March 19, 1954, and Department of Special Collections and Western Manuscripts, Bodleian Library, University of Oxford [BOD], MSS. Macmillan, Harold Macmillan Diary, March 6, 1958.

¹⁵⁹ UD, 31.11/60/V, Director of Fisheries (Bergen) to Fisheries Ministry, May 29, 1958.

the *Storting* called on the government to work for a compromise with Iceland which would allow the Norwegians to continue their traditional herring fishery, especially since the herring stocks seemed to be recovering after a dearth at the start of the decade. However, complaints about Norwegian selfishness would probably have been loud in both Reykjavík and London if the suggestion had been made and the government never gave it serious thought.¹⁶⁰ Then the situation in North Norway had to be taken into account. Were Norway to side unreservedly with Iceland, the fishermen there would have every reason to maintain that the same limit should be imposed in their waters as well, not only because of the precedence of Iceland but because of the assumption that if British and West German trawlers were excluded from the Icelandic fishing grounds they might sail *en masse* to Norway. In public, the Norwegian government therefore acknowledged that if such fears came true it might unfortunately become necessary to follow the Icelandic lead.¹⁶¹

In August 1958, a ray of hope appeared as the Icelandic Progressives and the Social Democrats again agreed to hold secret talks in NATO on the looming extension. Although the discussions continued right up to the end of the month, no compromise was reached. Ultimately, the Icelanders would only offer the same as in May (a 12-mile limit but a three-year transition period in the outer six miles) and the British also stuck to their guns. Norway's various conflicting interests meant that the Norwegians tried little to influence either side and turned down late in the day U.S. appeals for one last friendly pressure on the Icelanders.¹⁶² Yet, Norwegian officials did not detach themselves completely from the NATO talks. They always emphasised that Norway could never accept a

¹⁶⁰ SA, Foreign Affairs Committee meetings, June 18 and July 31, 1958.

¹⁶¹ *Stortingstidende 1958*, debate on June 18, 1958, 2324–25. See also RA, Cabinet Minutes, June 24 and July 30, 1958.

¹⁶² UD, 33.12/39/II, Finn Seyersted Minute, August 29, 1958.

solution which was based on Iceland's unique reliance on fisheries. Whatever the outcome, the fishermen of North Norway would have to be granted the same rights as the Icelanders.¹⁶³ This emphasis on parity got so strong that Bredo Stabell warned that Norway must avoid appearing to be negative and insistent on its own rights at the NATO talks.¹⁶⁴ According to the U.S. delegation in Paris, French officials who closely watched the developments within NATO even began to fear that the Norwegians were trying to "sabotage" an agreement in order not to prejudice their own right to claim a 12-mile limit.¹⁶⁵ That was an overstatement and as Lange underlined, if Britain and Iceland had been able to reach an agreement then Norway would never have tried to block it because of its own concerns.¹⁶⁶ Furthermore, the Norwegian regard for domestic issues was perfectly understandable. To compare, the Danes also took the same line with regard to the Faroe Islands, just as dependent on fisheries as the Icelanders.¹⁶⁷ But while these Nordic reservations probably had little or no effect on the eventual failure of the talks they certainly did not make it easier for Britain to consider surrender in the struggle with Iceland; a defeat in those waters would be that worse to accept since it would reverberate through the whole North Atlantic.

¹⁶³ UD, 33.12/39/II, Finn Seyersted Minute, August 3, 1958, Bredo Stabell Minute, August 6, 1958, and Foreign Ministry to Norwegian Embassy (Oslo), August 8, 1958. See also RA, Cabinet Minutes, August 7, 1958.

¹⁶⁴ UD, 33.12/39/II, Nils Lysø to Foreign Ministry, August 20, 1958. See also NARA, RG59 740B.022/8-2158, Nolting, U.S. Embassy (Paris), to Secretary of State, August 28, 1958.

¹⁶⁵ NARA, RG59 740B.022/8-2858, Houghton, U.S. Embassy (Paris), to Secretary of State, August 28, 1958.

¹⁶⁶ SA, Foreign Affairs Committee meeting, September 4, 1958.

¹⁶⁷ RAD, 55.ISLAND.1/VI, Troels Oldenburg, Danish Delegation to NATO, to Foreign Ministry, August 11 and August 28, 1958, and TNA, PRO CAB 129/94, C(58)174, "Icelandic Fishery Limits. Memorandum by the Minister of State for Foreign Affairs," August 27, 1958.

On September 1, the Cod War began (the term was coined by British journalists at the start of the dispute).¹⁶⁸ Iceland extended its fishing limits to 12 miles and the tiny coast guard fleet was determined to prevent foreign fishing inside the new line. All nations respected the change except Britain which sent Royal Navy frigates to protect its trawlers from harassment or arrest. Tempers ran high as the warring sides tested each others' strength and resolve. At sea, the coast guard vessels tried but failed to capture trawlers as they fished in small "boxes" under naval protection. On land, the Icelanders were enraged over the British "invasion". In Reykjavík, protesters gathered outside the British Ambassador's residence, shouting that "Vikings never give up," and at one of the largest meetings in the nation's history, the Socialist Magnús Kjartansson delivered the war cry which summed up the Icelanders' determination: "we don't deal with the Brits, we beat them."¹⁶⁹

After a while, the tension decreased but of course the standoff could not last forever. Britain and Iceland would have to negotiate and Norway seemed the obvious candidate for the role of a mediator. Indeed, Foreign Minister Lange had offered his services right after the outbreak of "hostilities" on September 1.¹⁷⁰ Some time had to pass, however, before a compromise solution could be contemplated. The rulers in London were willing to talk but the Icelanders insisted on a withdrawal of the warships before they would even consider negotiations. And in this diplomatic and political struggle, they felt the strength of the "NATO-weapon". Iceland's

¹⁶⁸ For works in English on the Cod War, see Andrew Gilchrist, *Cod Wars and How to Lose Them* (Edinburgh, 1978), Davis, *Iceland Extends its Fisheries Limits*, Gudni Jóhannesson, "How Cod War came: The origins of the Anglo-Icelandic fisheries dispute, 1958-61," *Historical Research*, Vol. 77, No. 198 (2004), 543-74, Jónsson, *Friends in Conflict*, 69-108, and Thór, *British Trawlers and Iceland*, 170-94.

¹⁶⁹ See Jóhannesson, "How Cod War Came," 567-70.

¹⁷⁰ RA, Cabinet Minutes, September 4, 1958, and SA, Foreign Affairs Committee meeting, September 4, 1958.

strategic importance was of course one of the strongest tools in its armoury. In early October 1958, for instance, Prime Minister Jónasson warned U.S. Ambassador Muccio that “[h]ostile feelings towards the British might reach such intensity that we might have to break off diplomatic relations with Britain and even withdraw from the North Atlantic Treaty Organisation.”¹⁷¹

But would it have happened? Lange, for one, appeared unconvinced or willing to call Iceland’s bluff. In an informal talk at the United Nations in mid-September, he insisted that “no matter what happens, Iceland will not ... leave NATO.”¹⁷² Lange knew perfectly well how much the Icelanders relied on economic goodwill and assistance from the West, and the crisis in 1956, when they looked ready to expel the American forces from Keflavík, had demonstrated how angrily the United States might respond to a charge against its perceived vital interests in the North Atlantic. Iceland could not wield the “NATO-weapon” unless the stakes were raised in the conflict, for instance if a fatal incident occurred at sea. However, the Royal Navy presence could always lead to a calamity of that kind and the Norwegian government thus felt it was more up to Britain than Iceland to give in. At a meeting of the NATO Foreign Ministers in December 1958, Lange complained about the British use of warships against the smallest and only unarmed member of the Alliance. After all, Britain had not despatched a fleet of frigates to the Barents Sea to protest the Soviet 12-mile limit. Lange accurately pointed out that in Norway, the general public found it hard to accept this duplicity and was full of sympathy for their small Nordic friends in the uneven struggle against Great

¹⁷¹ Archives of the Prime Minister’s Office, National Archives, Reykjavík [FRN], 1989-B/555, Hermann Jónasson to John J. Muccio, October 3, 1958.

¹⁷² NAC, RG25 8352/10600-F-40-1.1, Canadian Permanent Mission to the United Nations to Foreign Ministry, September 17, 1958.

Britain.¹⁷³ Yet, Lange did not feel that Britain would have to do all the giving; at the ministerial meeting he agreed with the British argument that Iceland would also have to show some good faith, for instance by patrolling only six miles out in return for a withdrawal of warships during the period of negotiations.¹⁷⁴

In Reykjavík, new rulers would have to ponder that possibility. At the end of 1958, the left-wing coalition in Iceland collapsed after disputes over economic reforms. The Social Democrats formed a minority government with support from the conservative Independence Party. Guðmundur Í. Guðmundsson kept his post at the Foreign Ministry and Emil Jónsson became Prime Minister. Jónsson swiftly emphasised that no policy changes should be expected as it would be “suicidal for any government to give in.”¹⁷⁵ If confirmation was needed it came on May 5, 1959, when the *Althing* unanimously reaffirmed Iceland’s right to the whole continental shelf and stated that “fishery limits of less than 12 miles from baselines around the country are out of the question.”¹⁷⁶ But neither would the authorities in London back down. A new conference on the law of the sea was now to be held at Geneva in early 1960 and Britain would not prejudice its position there by a retreat around Iceland. Apparently, the standoff would therefore continue up to the conference, at least. Meanwhile, the Icelanders tried to solicit formal support in the Cod War. In the summer of 1959, the Nordic Foreign Ministers met in Reykjavík and as had happened during the

¹⁷³ UD, 33.12/39/III, Norwegian Delegation to NATO to Foreign Ministry, December 18, 1958, TNA, PRO FO371/135005/NL1351/1249, British Delegation to NATO to Foreign Office, December 18, 1958, and NATO, C-R(58)66, IS-0008, North Atlantic Council meeting, December 18, 1958.

¹⁷⁴ TNA, PRO FO371/135004/NL1351/1237, Selwyn Lloyd to Foreign Office, December 17, 1958, and SÓ, 1993-3-1, Icelandic Embassy (Paris) to Foreign Ministry, December 19, 1958.

¹⁷⁵ NAC, 55.ISLAND.1/IX, Birger Kronmann, Danish Embassy (Reykjavík), to Troels Oldenburg, January 13, 1959.

¹⁷⁶ See Jónsson, *Friends in Conflict*, 106.

landing ban five years before, the Icelandic government called on Iceland's most reliable friends to condemn the British aggression. Predictably, however, the other Nordic representatives rejected those pleas and could only be persuaded to declare the hope that the international community would soon reach an agreement on the law of the sea and that until then no tragic incidents would take place in the waters off Iceland. "This we all agreed on," Lange reported home, "and the Icelanders felt it was slightly better than just sticking the tongue out at them, but not much."¹⁷⁷

Despite the disappointment, Icelandic officials and statesmen saw in Lange a trusted friend and possibly a successful intermediary. At the end of 1959, weak hopes of an end to the dispute appeared at long last. It was generally accepted that if an international agreement on the width of territorial waters was to be reached, the second effort at Geneva must not fail. The Western powers, in particular Britain and the United States, feared that a breakdown would lead to "chaos" on the oceans and great damage to traditional naval and fishing interests. An end to hostilities off Iceland would naturally improve the atmosphere before and during the conference. Thus, Britain suggested that NATO should intervene to "find some *modus vivendi* which would avoid the danger of incidents."¹⁷⁸ With both British and Icelandic blessing, this took the form of secret mediation efforts by Secretary General Spaak and Halvard Lange. Spaak, who had been deeply disappointed by Icelandic "intransigence" in the spring and summer of 1958, doubted whether the Icelanders would be willing to accept any meaningful compromise. Lange was mostly responsible for the proposal which they produced on January 22, 1960: in return for a withdrawal of warships and the end to British fishing within the 12 mile limit, Iceland

¹⁷⁷ SA, Foreign Affairs Committee meeting, September 7, 1959.

¹⁷⁸ TNA, PRO FO371/143114/NL1351/248, Sir Frank Roberts, British Delegation to NATO, to Selwyn Lloyd, December 23, 1959.

would promise to cancel permanently all charges for poaching, and nothing in the agreement could be said to prejudice the views of the two parties at the forthcoming conference.¹⁷⁹ Although the formula was heavily in favour of the Icelanders, the authorities in Reykjavík felt they could not accept the idea of clemency for all “poaching” and thus risk charges of betrayal and weakness.¹⁸⁰ In the words of legal expert Andersen, the 12-mile limit had assumed an “almost religious importance” in Iceland. He admitted, moreover, that actually the Icelanders were not that keen to see the British warships leave since their menacing presence would give Iceland good propaganda material at Geneva.¹⁸¹ So, if there were to be a “compromise”, it would have to involve a complete British retreat without any Icelandic commitments.

Undeterred, in mid-February Lange suggested that Britain and Iceland accept him and Spaak as arbitrators to determine “a reasonable and just *modus vivendi*” which would take immediate effect and last during the Geneva conference. While both the British and the Icelandic sides respected Lange’s endeavours and completely accepted his impartiality, they dared not put the future of the dispute in the hands of outsiders, not even for the short-term.¹⁸² Lange felt let down and probably found more fault with the Icelanders, especially when the British government decided on the eve of the

¹⁷⁹ SÖ, 1993-2-1, Hans G. Andersen, Icelandic Embassy (Paris) to Foreign Ministry, January 23, 1960, and TNA, PRO FO371/151669/NL1351/14, Sir Frank Roberts, British Delegation to NATO, to Foreign Office, January 23, 1960.

¹⁸⁰ Private papers of Gudmundur Í. Gudmundsson, Reykjavík [GÍG], Gudmundur Í. Gudmundsson to Halvard Lange, January 26, 1960.

¹⁸¹ UD, 33.12/39/IV, Bredo Stabell Minute, January 25, 1960. See also TNA, PRO FO371/151669/NL1351/20, Charles Stewart, British Embassy (Reykjavík), to Christopher McAlpine, Foreign Office, February 5, 1960. Other diplomats also got the impression that the Icelanders did not really desire an end to the naval presence. See NAC, RG25 8352/10600-E-40-1.2, N.A. Robertson Memorandum, January 29, 1960.

¹⁸² UD, 33.12/39/IV, Halvard Lange to Paul-Henri Spaak, February 17, 1960, and Bredo Stabell Minute, February 19, 1960.

conference that the advantages of leaving the disputed waters outweighed the disadvantages. Not only did the Royal Navy sail away but the trawler owners agreed to keep their vessels away from Iceland for the duration of the conference.¹⁸³ Lange could not take credit for that move which surprised almost all concerned. Nevertheless, his efforts had contributed to the feeling in Britain that the British side had to take the first step towards a solution, even if the Icelanders still stuck stubbornly to their ground.

The second law of the sea conference at Geneva began. The United States and Canada joined hands there and tabled a proposal of six-mile territorial waters and an additional six-mile fishing limit with a phase-out period of ten years for "historic rights" in the outer zone. Most grudgingly, Britain also supported this compromise since it looked as if it might just achieve the required two-thirds majority at the conference. Likewise, the government in Oslo backed this improved "6+6" solution, while underlining at the same time that if the conference was unsuccessful, Norway would be compelled to take unilateral action on its fishing limits.¹⁸⁴ Danish support was also secured, but only after Britain agreed to exercise its "historic rights" off the Faroe Islands for five years, not ten.¹⁸⁵ Furthermore, the Danish authorities insisted that if the Icelanders were to be given a better deal than the Faroese would have to enjoy that solution as well, and the Norwegians pointed out that they could not accept a worse

¹⁸³ TNA, PRO CAB128/34, CC(60)5, Cabinet Minutes, February 3, 1960, and CAB129/100, C(60)32, "Law of the Sea: Iceland. Memorandum by the Minister of Agriculture, Fisheries and Food," February 19, 1960.

¹⁸⁴ NARA, RG59 399.731/3-1660, Williamson Memorandum, March 16, 1960, RA, Cabinet Minutes, February 25, 1960, and SA, Foreign Affairs Committee meeting, March 3, 1960. For an overview of Norway's position before and at the second conference, see Søndena, "Bakgrunnen", 105-26, and Fleischer, "Norway's Policy on Fisheries, 1958-1964," 94-96.

¹⁸⁵ TNA, PRO FO371/150821/GW11/67, Sir Roderick Barclay, British Embassy (Copenhagen) to Foreign Office, April 9 and April 12, 1960.

outcome for North Norway than the Faroe Islands.¹⁸⁶ For Britain, the most substantive concessions – off Iceland – would by necessity determine the terms of retreat elsewhere.

In London, once again, this defence of local interests in Oslo and Copenhagen made the thought of complete surrender to the Icelanders that much more distasteful. At Geneva, the British delegation therefore tried to get the Icelandic representatives to accept a five-year compromise solution on Faroese lines. In November 1959, the Independence Party and the Social Democrats had formed a centre-right coalition and its members, in particular Bjarni Benediktsson, the influential Minister of Justice from the Independence Party, would probably have liked to support such a solution. In the end, however, the governing parties calculated that the general public would condemn a deviation from the 12-miles limit.¹⁸⁷ That limit was, as one Icelandic diplomat put it, “holier than ever.” No amount of pressure, even from friends in Norway, could change that.¹⁸⁸ Hence, Iceland decided to oppose the “6+6” solution at Geneva and as it happened, it failed by only one vote to get the stipulated two-thirds majority. “Chaos” continued on the high seas.

After the failed conference, the British trawlers returned to the fishing grounds off Iceland, yet without naval protection for the time being and supposedly outside the 12-mile limit (in fact, they often stayed inside the line). In Oslo, meanwhile, the government decided to act. On May 13, 1960, Foreign Minister Lange declared that Norway would extend its fishing limits to 12 miles. The herring fishermen still grumbled that their interests would not be served by such action, especially

¹⁸⁶ TNA, PRO MAF209/1665, Viggo Kampmann to John Hare, April 20, 1960, and UD, 31.2/8/XIV, Hans Engen Minute, May 5, 1960.

¹⁸⁷ TNA, PRO FO371/150825/GW11/121, British Delegation at Geneva, to Foreign Office, April 23, 1960. See also Jóhannesson, “Troubled Waters,” 199–208.

¹⁸⁸ UD, 31.11/60/IX, Finn Sandberg, Norwegian Embassy (Reykjavík), to Foreign Ministry, May 24, 1960.

since the herring appeared to be swimming up to Iceland's shores again.¹⁸⁹ Lange argued, however, that Iceland would never deviate from its 12-mile limit anyway and he also emphasised that the Norwegian authorities would naturally hold talks with interested parties (first and foremost Britain) about phase-out rights and other aspects of the extension.¹⁹⁰ This was not really "unilateral action" *à la* Iceland, much more an invitation to enter honest negotiations. British officials felt that they would then hold a few strong cards. At the end of the 1950s, Britain was still Norway's largest single trading partner and the two countries seemed set to work together in a free trade area, outside the recently formed Common Market on the continent.¹⁹¹ Fish appeared to be the strongest sticking point in talks between Britain and Norway because the Norwegians wanted as many fish products as possible to come under a free trade agreement. As Harold Macmillan agonised in the summer of 1959, when the Danes had hammered through a "bacon" compromise, "[w]e seem to have settled the Danish question with *pigs*—at what political cost to ourselves I cannot tell. We have now a Norwegian problem on *fish*. I doubt if we can risk this as well."¹⁹²

A compromise solution was found on the amount of toll-free imports to Britain of frozen fish from Norway.¹⁹³ In late September 1960, the two sides also reached agreement on fishing limits, as expected. Britain would not have jurisdiction in the outer six miles but neither would the Norwegian coast guard vessels have authority to arrest British trawlers. They

¹⁸⁹ SA, Foreign Affairs Committee meeting, May 11, 1960.

¹⁹⁰ Søndena, "Bakgrunnen", 127-29, and Eriksen and Pharo, *Kald krig*, 363-66.

¹⁹¹ For the most detailed examination on Norway's accession to EFTA, see Svein Olav Hansen, "Det norske EFTA-sporet i 1950-åra. En studie av Norges Europa-politikk, med særlig vekt på perioden 1956-1960," (MA thesis, University of Oslo 1990). For a summary, see Eriksen and Pharo, *Kald krig*, 312-18.

¹⁹² BOD, MSS, Macmillan, Harold Macmillan Diary, July 15, 1959.

¹⁹³ Eriksen and Pharo, *Kald krig*, 316.

could only report alleged infringements which would then be investigated in Britain. The phase-out clause for fishing in the outer zone would run for a decade, not five years as the Norwegians had wanted, but instead they got four trawler-free areas there. The six-mile extension took effect in April 1961, the extension to 12 miles in September that same year.¹⁹⁴ In Oslo and London, the negotiations and the agreement itself were hailed as the correct way to solve disagreements on the international scene. Unsurprisingly, British officials argued that the Cod War would end if only the Icelanders could be as accommodating as the Norwegians, and the Norwegian authorities readily acknowledged that Britain would try to use the agreement as leverage against Iceland.¹⁹⁵

In Reykjavík the Anglo-Norwegian agreement was not celebrated, therefore. For one thing, the complaint could always be heard that the Norwegians were using the Icelanders as “icebreakers” by having them do all the fighting on the Cod War front. Then the Norwegians would calmly sail in their wake and receive the same rewards.¹⁹⁶ At best, as the conservative *Morgunbladid* wrote on May 17, 1960, the Icelanders accepted that the Norwegians were not in the same boat as they themselves since fishing interests were not as vital for Norway and other concerns had to be considered.¹⁹⁷ On the other hand, many Icelanders were obviously disappointed with the “weak” Norwegians who were damaging Iceland’s resistance against Britain.¹⁹⁸ In Oslo the Icelandic Ambassador,

¹⁹⁴ Söndenå, “Bakgrunnen”, 139–45.

¹⁹⁵ RAD, 55.NORGE.1/V, Birger Kronmann, Danish Embassy (London), to Janus Paludan, June 15, 1960, TNA, PRO FO371/151743/NN1351/37, Heath Mason Minute, August 18, 1960, and FO371/151745/NN1351/61, Christopher McAlpine to S.J. Rose, British Delegation to NATO, October 18, 1960. See also Eriksen and Pharo, *Kald krig*, 364.

¹⁹⁶ See for instance UD, 31.2/8/VI, V. Ansteensen Minute, November 11, 1958.

¹⁹⁷ See *Morgunbladid*, May 17, 1960 (leading article).

¹⁹⁸ See *Vísir*, May 14, 1960 (leading article).

Haraldur Gudmundsson, implied that his government had been surprised and hurt by this unfriendly act and he got the impression that at least some Norwegians were a bit ashamed to have signed the agreement with Britain when Iceland was still fighting the Cod War.¹⁹⁹

While that may have been the case in some quarters, it was clearly in Norway's national interest to reach an agreement with Britain. As Arne Skaug stressed in the *Storting* when the charge was made that the government in Oslo had made life harder for the Icelanders, the two nations were not in the same boat.²⁰⁰ The Icelandic discontent was another example of the tendency to expect near unconditional support in the Nordic area. And the weak hopes of Iceland being influenced by the Anglo-Norwegian precedent quickly vanished. Already during the Geneva conference, Foreign Minister Gudmundsson had told Halvard Lange that the Icelandic government could never accept a ten-year phase-out period for Britain off Iceland. Using the "NATO-weapon" once more, Gudmundsson argued that a retreat of that kind would "lead to such strengthening of communist support that Iceland's membership in NATO would be seriously jeopardised."²⁰¹ The Icelandic authorities stuck to this line in talks with Britain which began in October 1960. Failure seemed inescapable until the rulers in Reykjavík accepted that Britain would never back down from the demand for a short phase-out period. In March 1961, the first Cod War finally came to an end as Iceland agreed to respect Britain's "historic rights" up to six miles for another three years. Britain accepted new, wider baselines around Iceland but also obtained the assurance from the Icelandic government that disputes about limits extensions

¹⁹⁹ *GÍG*, Haraldur Gudmundsson, Icelandic Embassy (Oslo), to Gudmundur Í. Gudmundsson, October 1, 1960.

²⁰⁰ *Stortingstidende 1960-61* (Oslo, 1961), debate on November 17, 1960, 2271-72.

²⁰¹ *UD*, 31.2/8/XIV, Norwegian Delegation at Geneva to Foreign Ministry, April 12, 1960.

in the future could be referred to the International Court of Justice.²⁰²

Norway had very little to do with the final outcome but the end to the Cod War was of course welcomed in Oslo. The danger of U.S. expulsion from Iceland and even the country's resignation from NATO had subsided. The security of the Western world, including Norway, was enhanced and that was of course in line with Norway's national interest. Phase-out rights in Icelandic waters had not been obtained, however, and the Norwegians felt that they, as a Nordic friend, should at least get the same privileges as the Cod War foe.²⁰³ Moreover, West-Germany, which had considerable trawling interests off Iceland, was given the same three-year adaptation period as Britain so why not Norway as well, with its old tradition of herring fishing off Iceland? But the Icelandic authorities were not impressed. They had only reluctantly given the West-Germans the same trawling rights as Britain, and the opposition had condemned both concessions most ferociously. One more retreat would add to the criticism and as the Norwegian Embassy in Reykjavík reported, the Icelandic ministers and officials did not expect such difficult requests from "cousins".²⁰⁴ Despite an obvious desire to test the Icelandic waters, the Norwegian authorities never made a formal appeal in this case.²⁰⁵ The 1960s then passed peacefully off Iceland. The country also enjoyed unprecedented political stability as the coalition of the Independence Party and the Social Democrats stayed in power until the parliamentary elections of 1971. Then, however, a crisis arose again.

²⁰² Thór, *British Trawlers and Iceland*, 191-94, and Jóhannesson, "Troubled Waters," 214-35.

²⁰³ UD, 31.11/60/IX, Bredo Stabell Minute, May 10, 1961.

²⁰⁴ UD, 31.11/60/X, Bjarne Solheim, Norwegian Embassy (Reykjavík), to E.F. Ofstad, October 17, 1961.

²⁰⁵ UD, 31.11/60/X, E.F. Ofstad to Jens Boyesen, Norwegian Delegation to NATO, December 15, 1961, and UD, 31.11/60/XI, Jens Boyesen, Norwegian Delegation to NATO, to Jens Evensen, January 12, 1962.

Chapter 6

A Cold Chill Down the Backbone

Norwegian Concerns in a New Cod War and a Keflavík Crisis, 1971–73

Throughout the 1960s, the Icelandic regime was on the whole content with the law of the sea and Iceland's fishing limits. A temporary boom in the herring fishery put off pressure for further extensions and for most of the decade the international community was against any fresh attempts to reach an agreement on the width of territorial waters, having already failed twice. Nonetheless, Icelandic officials pointed out that Iceland still aimed to control its whole continental shelf and would at some stage make moves in that regard. In 1964, Hans G. Andersen (still the country's chief adviser on the law of the sea) suggested to Halvard Lange that action could be expected in five years or so.²⁰⁶ Even so, nothing would be done unilaterally. Bjarni Benediktsson, who led the coalition from 1963 until his tragic death in a house fire in 1970, emphasised that Iceland would of course honour the proviso in the Anglo-Icelandic agreement from 1961 about a possible reference of disputes to the International Court of Justice.²⁰⁷ His successor,

²⁰⁶ SA, Foreign Affairs Committee meeting, January 7, 1964.

²⁰⁷ See Thór, *British Trawlers and Iceland*, 194–97.

Jóhann Hafstein, followed the same line and in talks with Nordic diplomats in early 1971, Emil Jónsson, the Social Democratic Foreign Minister, insisted that the government remained committed to the principle of negotiations and respect for international law.²⁰⁸ By this stage, a new law of the sea conference was scheduled for 1973 and the Icelandic authorities indicated that they would wait for the outcome there.

Conversely, the opposition in Iceland was determined to extend the country's fishing limits when they had the chance to do so. In 1961, the People's Alliance and the Progressive Party had harshly condemned the agreement with Britain, especially the terms about a reference to the International Court. In the *Althing* the Socialist Lúdvík Jósepsson thundered that the "treachery" would only last as long as the government which committed it.²⁰⁹ In the summer of 1971, parliamentary elections were to be held and in the preceding campaign the opposition parties focused on the need to protect the fish stocks, Iceland's livelihood and vital interest. The election results indicated that most Icelanders agreed with them: the Independents and the Social Democrats lost their majority in the *Althing* and on July 14, the Progressive Party, the People's Alliance and a new centre-left Party, the Union of Leftists and Liberals, formed a coalition. The chairman of the Progressives, Ólafur Jóhannesson, became Prime Minister and Lúdvík Jósepsson went back to the Ministry of Fisheries. This centre-left regime was determined to extend Iceland's fishing limits to 50 miles and it also declared its intention to expel U.S. forces from Iceland before the end of its four-year term.²¹⁰

²⁰⁸ UD, 31.11/60/XII, Christian Mohr, Norwegian Embassy (Reykjavík), to Foreign Ministry, January 30, 1971.

²⁰⁹ *Althingistíðindi* 1961 D [parliamentary debates] (Reykjavík, 1962), debates, March 9, 1961, col. 479.

²¹⁰ For works in English on the defence and fisheries policies of the centre-left regime in Iceland in the early 1970s, see R.P. Barston and Hjálmar W. Hannesson, "The Anglo-Icelandic Fisheries Dispute," *International*

Some Western officials must have had a sense of *déjà vu*. It was the troubled 1950s all over again.

Just like before, Norway's fishing and defence interests were inevitably linked with developments in Iceland. This time the sensitive relationship with the Common Market (or the European Economic Communities, EEC) would also be affected.²¹¹ In 1970, a centre-right coalition in Norway had followed Britain's lead in aspiring for membership of the EEC. In March 1971, the Labour Party had come back to power and was determined to join. The EEC leadership in Brussels wanted to accept Norway, not only for economic reasons and for strengthening the union but even – as British officials noted in June 1971 – “because they are afraid that, if Norway did not accede to the Communities, it would cut loose from NATO.”²¹² Paul Koht, the Norwegian Ambassador in London, ominously agreed that if Norway were unable to join the EEC, “there would be a danger that she might be drawn into some new orbit.” The anxiety seemed excessive, to say the least. Moreover, the Norwegians appeared willing to risk this alleged upheaval for the sake of fish, as they insisted that they had to maintain a 12-mile limit off their shores with no rights for foreign fishing. Some officials even used the

Relations, Vol. 4., No. 6, 1974, 559–84, Jeffrey A. Hart, *The Anglo-Icelandic Cod War of 1972–73. A Case Study of a Fishery Dispute*, Institute of International Studies, Research Series, No. 29, University of California, Berkeley (Berkeley, 1976), Jónsson, *Friends in Conflict*, 109–54, Stephen R. Katz, “Issues arising in the Icelandic Fisheries Case,” *International and Comparative Law Quarterly*, Vol. 22, pt. 1, January 1973, 83–108, Valur Ingimundarson, “Fighting the Cod Wars in the Cold War: Iceland's Challenge to the Western Alliance in the 1970s”, *The RUSI Journal*, Vol. 148, No. 3, 2003, 88–94, and Thór, *British Trawlers and Iceland*, 198–217.

²¹¹ On Norway's application to join the EEC and the strategic connotations, see Clive Archer and Ingrid Sogner, *Norway, European Integration and Atlantic Security* (Oslo, 1998). The most detailed work on the fishing aspect of Norway's negotiations with the EEC is Bjørn Dynna, “Fiskerisektoren i de norske utvidelsesforhandlingene med EF (1970–1972)” [The fisheries sector in the Norwegian negotiations on entry into the EEC, 1970–1972], (MA thesis, University of Oslo 1973).

²¹² TNA, PRO PREM15/356, K.C. Christofas Minute, June 28, 1971.

military-political argument that overfishing by foreigners within 12 miles would depopulate further the remote regions in North Norway, "with possible strategic consequences." Britain and the EEC were undeterred, however, and called for fishing rights up to the six-mile limit off Norway. The British government was under pressure to accept foreign fishing up to its six-mile limit and did not wish to agree on that and then be denied the same right elsewhere.²¹³ In Brussels, at the same time, the complaint could be heard that the Norwegians "did not appear to understand what the Community was about, and there was a limit to what the Community should do for the sake of a few dispersed fishermen and peasants."²¹⁴

The Icelandic 50-mile decision could only increase the divide between Norway on the one hand and Britain and the EEC on the other. In October 1971, Ambassador Koht warned Sir Geoffrey Rippon, Britain's chief negotiator in the membership talks, that the fishermen in Norway were now saying that Norway ought to follow Iceland and declare a 50-mile limit instead of inviting foreign fishermen up to its shores.²¹⁵ At the beginning of 1972, after long and drawn-out negotiations with the EEC, the Norwegian government had managed to secure a promise on the preservation of the exclusive 12-mile limit for most of their coast for the next decade, and with a good chance of an extension thereafter.²¹⁶ The Norwegian voters then had to decide whether to join the Community or not, and some of them at least would continue to have the Icelandic initiative in mind.

While the Icelandic intention to extend fishing limits was bound to affect decision-making in Norway, the aim of the left-wing coalition in Reykjavík to expel U.S. forces posed a clear danger to Norwegian interests. As Tómas Á. Tómasson,

²¹³ TNA, PRO PREM15/356, C.C. Tickell to Robert Armstrong, June 30, 1971.

²¹⁴ TNA, PRO CAB170/66, C.C. Tickell Minute, July 13, 1971.

²¹⁵ TNA, PRO CAB170/66, C.C. Tickell Minute, October 21, 1971.

²¹⁶ See Dynna, "Fiskerisektoren", 152-83.

Iceland's Permanent Representative at NATO, once told his U.S. colleague, Donald Rumsfeld, if the withdrawal were to take place "[the] British would feel a cold chill on top of their head and [the] Norwegians would have [a] similar sensation along their backbone."²¹⁷ In the 1960s, the Soviet Union had embarked on a huge expansion of its blue water fleet. In the early 1970s, the Soviet Northern Fleet was thought to consist of 60 major warships and 175 submarines. In 1968, and again in 1970, the Soviet Union had conducted major ocean exercises which demonstrated its vastly improved capabilities in Northern waters.²¹⁸ During an exercise in 1971, furthermore, ships from the Northern Fleet sailed there and practised – as was widely publicised in both Iceland and Norway – invasions of the two countries.²¹⁹

What lay behind the naval build-up? At the time the Norwegian military leadership concluded that, in the event of war, the Soviet Union was mostly determined to secure operations of their SSBN's (strategic missile submarines) and to intercept NATO communications and supply lines. In peacetime, it was argued, the Soviets wanted to maintain a credible submarine nuclear deterrent and to "create and sustain an impression of Soviet power at sea, to reduce the efficacy of NATO reinforcement and support perceived within

²¹⁷ NARA, RG59 Box 1741 DEF 15 ICE-US, Donald Rumsfeld, U.S. Delegation to NATO (Brussels), to Secretary of State, May 12, 1973.

²¹⁸ Major-General Tønne Huitfeldt, "The Maritime Environment in the North Atlantic," *Power at Sea III. Competition and Conflict*. Adelphi Paper No. 122, (London, 1976), 86–87. On the Soviet naval buildup in the 1960s and 1970s, see also Christoph Bertram and Johan Jørgen Holst (eds.), *New Strategic Factors in the North Atlantic* (Oslo, 1977), Clive Archer (ed.), *The Soviet Union and Northern Waters* (London, 1988), Björn Bjarnason, *Í hita kalda stríðsins* [In the heat of the Cold War], (Reykjavík, 2001), Bradford Dismukes and James McConnell (eds.), *Soviet Naval Diplomacy* (New York, 1979), Rolf Tamnes, *The United States and the Cold War in the High North* (Oslo, 1991), and "Military Buildup and Nordic Stability in the 1970s."

²¹⁹ *Morgunbladid*, July 9, 1971. See also David Miller, *The Cold War: A Military History* (London, 1998), 178–79.

the alliance."²²⁰ Obviously, the Western powers felt that they had to respond to this escalation in the North Atlantic and it was of course as clear that the threatened departure of U.S. forces from Iceland was therefore extremely disagreeable. As for the Norwegians, they would be put under increased pressure to accept the permanent presence of NATO forces and installations in Norway.²²¹ In mid-July 1971, right after the formation of the centre-left coalition in Reykjavík, the organ of the Labour Party in Norway pointed out that the strategic importance of Iceland was greater than ever before.²²² On July 15, the day after the new regime took power, Lars Langåker, the Norwegian chargé d'affaires in Reykjavík, called on the new Foreign Minister, Einar Ágústsson, and conveyed the concerns of the Norwegian government. Ágústsson replied that the government was first going to focus on the fishing limits issue and in fact the Progressive Party would try its utmost to avoid the denunciation of the defence agreement with the United States although a clear reduction in the U.S. presence would probably be inevitable. But the gist of the message was that there was no need to panic.²²³

The Progressives had been determined to enter government after 12 years in opposition and they knew that the People's Alliance, a vital partner, would insist on a pledge to expel the "occupation" army. The leftist part of the Progressive Party was in favour but the right wing, and the majority of the party's MPs, viewed this commitment as a price which had to

²²⁰ Huitfeldt, "The Maritime Environment in the North Atlantic," 87.

²²¹ Similar concerns in the 1950s could also be mentioned here. See also Nils Örvik, "Norwegian Foreign Policy." Ronald Barston (ed.), *The Other Powers* (London, 1973), esp. 52–55. For a summary, see Albert Jónsson, "Tíunda thorskastrídid" [The tenth Cod War], *Saga*, Vol. 19, 1976, 91.

²²² *Arbeiderbladet* [Norwegian daily], July 19, 1971 (leading article).

²²³ *UD*, 31.11/60/XII, Lars Langåker, Norwegian Embassy (Reykjavík), to Foreign Ministry, July 15, 1971.

be paid to form the coalition.²²⁴ In reality, they were going to delay the matter and hope that later on the situation would somehow be “quite different,” as Ágústsson explained.²²⁵ Still, the rulers in Oslo remained worried after the initial talk with the new Foreign Minister. On July 27, Langåker spoke with him again and the following day, Ambassador Christian Mohr did so as well, having been recalled to his post during a summer vacation in Norway. Both of them reiterated the importance of U.S. facilities in Iceland to NATO, especially in light of increased Soviet activity in the North Atlantic.²²⁶ While Ágústsson stated again that the U.S. presence would have to be greatly reduced, he confirmed that no decisions were to be expected in the immediate future and that the Icelanders would never act without warning Norway first.²²⁷ Later in the year, the Norwegian defence minister, A.J. Fostervoll, confirmed with U.S. officials that “there is an understanding between the Prime Ministers of Iceland and Norway that Iceland will take no final action regarding the Keflavík base before consulting the Norwegian Prime Minister.”²²⁸ It is easy to imagine the uproar within the coalition and among the Icelandic public, had news of this assurance leaked at the time.

On the one hand, the Norwegian authorities were relieved that a drastic change was not imminent in Iceland.²²⁹ On the

²²⁴ See Valur Ingimundarson, “A Western Cold War: The Crisis in Iceland’s Relations with Britain, the United States, and NATO, 1971–74,” *Diplomacy and Statecraft*, Vol. 14, No. 4 (2003), 94–136.

²²⁵ NARA, RG59 Box 1741 DEF 15 ICE-US, Crowe, U.S. Embassy (Oslo), to Secretary of State, July 28, 1971.

²²⁶ UD, 31.11/60/XII, Lars Langåker, Norwegian Embassy (Reykjavík), to Foreign Ministry, July 27 and August 16, 1971, and NARA, RG59 Box 1741 DEF 15 ICE-US, Crowe, U.S. Embassy (Oslo), to Secretary of State, July 28, 1971.

²²⁷ UD, 31.11/60/XII, Lars Langåker, Norwegian Embassy (Reykjavík), to Foreign Ministry, July 27, 1971.

²²⁸ NARA, RG59 Box 1741 DEF 15 ICE-US, State Department to U.S. Embassy (Oslo), October 28, 1971.

²²⁹ TNA, PRO FCO33/1308, T.F. Brenchley, British Embassy (Oslo), to J.K. Drinkall, August 5, 1971.

other hand, they felt that Ágústsson's arguments were not very convincing and that the Progressives were playing a dangerous game. After the round of talks with Ágústsson in Reykjavík, Norway's Foreign Minister, Andreas Cappelen, could not but comment that "Icelandic domestic politics had no social democratic basis or tradition and ... that the position was difficult to understand." Cappelen underlined as well that Norway would feel "very isolated" if the U.S. forces left Iceland since Norway relied on the Keflavík base just as it relied on membership in NATO.²³⁰ Norwegian self-interest in Iceland had reappeared. At the UN General Assembly in New York in late 1971, one of the left-wing Norwegian delegates even admitted off the record that although he would publicly support the policy of U.S. withdrawal in Iceland, in actual fact and "for very selfish reasons" he wished that the Americans would stay, for otherwise the calls for U.S. bases in Norway would greatly increase.²³¹ In Norway the military leadership felt it necessary to wonder whether the required installations could perhaps be set up on the Norwegian island of Jan Mayen. It is small, however, practically inhabitable and was no substitute for Iceland in strategic terms.²³²

And then there was the limits extension. Norwegian and other Western officials were relieved that the Icelanders were only going to focus on the base issue when they had successfully completed the other main goal of extending Iceland's fishing limits. Then again, the first Cod War had shown how fish and security concerns had got tangled together and in 1971, Britain was certainly not going to

²³⁰ TNA, PRO FCO41/825, R.G. Sheridan, British Embassy (Oslo), to A.C. Thorpe, July 30, 1971.

²³¹ *Morgunblaðid*, January 26, 1984. The news report was based on a leaked memorandum from the Foreign Ministry about a meeting between the representatives of the three coalition parties in Iceland and three Norwegian delegates (including Arne Treholt, then active member of the Norwegian Labour Party's youth association).

²³² See Rolf Tamnes, "Military Buildup and Nordic Stability in the 1970s."

accept the impending extension without stiff resistance. A decade before, they had accepted the 12-mile limit and the new, rather excessive baselines in return for the assurance about a possible reference of further disputes to The Hague. This stance was unchanged when the new centre-left regime in Iceland declared that it would ignore the agreement and extend the limits unilaterally. Informal talks between London and Reykjavík had already begun in August 1971 but they solved nothing and once more, Iceland and Britain seemed destined to fight over fish. Although the Icelanders did not act immediately, they were determined not to back down and Prime Minister Edward Heath declared to his officials that “it should be emphasised, constantly and forcibly, to the Icelandic government that we have many cards in our hands and we will not hesitate to play them.”²³³ Over the following months, British officials discussed the various means of retaliation: persuasion at the international level, economic coercion or naval protection – passive as in the first Cod War or even aggressive up to the point of immobilizing or sinking Icelandic coast guard vessels.²³⁴

For Britain, important fishing interests were clearly at stake, as was the principle of having a binding commitment honoured. Also, the British side did not accept that the fish stocks off Iceland were in serious danger and in any case an international solution should then be sought. Furthermore, a retreat against the Icelanders could have serious repercussions,

²³³ TNA, PRO PREM15/955, Peter Moon to Nicholas Barrington, August 25, 1971. See also PRO FCO33/1312, “Record of Talks Between the Minister of State and the Icelandic Foreign Minister, 18 August 1971.” See also Edward Heath, *The Course of My Life. My Autobiography* (London, 1998), 490–91.

²³⁴ See for instance TNA, PRO CAB148/126, “Icelandic Fisheries Dispute: Naval Protection,” Foreign and Commonwealth Office Memorandum, May 10, 1972, and FCO76/538, “Fishery Protection off Iceland – Use of Military Force,” Draft Memorandum by D.A.J. West, Ministry of Defence, August 23, 1972. For a summary, see Gudni Jóhannesson, “Okkar bestu óvinir” [Our best enemies], *Morgunblaðið*, March 7, 2004.

for instance at the preparatory talks for the next law of the sea conference where Britain would again try to defend the principle of narrow limits, and of course in relation to Norway and the EEC negotiations.²³⁵ The Icelanders would have to be persuaded or forced to give in and the new set of policymakers in London was at least sometimes guilty of the same wishful thinking as their predecessors in the 1950s, namely that the Scandinavians could be expected to give Iceland a brotherly and effective counsel of moderation and understanding.²³⁶

The previous disputes had demonstrated how conflicting Norway's national interests could be when it came to Iceland's actions in the field of fish and fishing limits. What should the Norwegian authorities do now? Should they defend or oppose the Icelanders? Arguments for the former could easily be found. The herring fishery off Iceland had completely collapsed, after incessant over fishing by Icelandic, Norwegian and Soviet fishermen, so Norway had no direct fishing interest there by this stage. In general, there were worrying signs of overfishing in the North Atlantic and near Iceland, foreign vessels took more than half of the total catch (in the 1960s and up to 1972, British vessels caught around a 20–25 per cent and West German ones around 15 per cent).²³⁷ In this sense Icelandic claims about the need for conservation measures were reasonable.²³⁸ Furthermore, in a strategic context, objections to Iceland's intentions among the NATO

²³⁵ TNA, PRO CAB148/126, DOPO(S)(72)1, "Icelandic Fisheries: Talks with Icelandic Delegation in Reykjavik on 13 and 14 January, 1972," and PRO CAB148/126, DOPO(S)(72)2, "Extension of Territorial Waters. Fishery Interests. Note by the Ministry of Agriculture, Fisheries and Food," January 18, 1972.

²³⁶ See for instance TNA, PRO FCO41/825, Lord Bridges Minute, August 13, 1971. See also William Wallace, *The Foreign Policy Process in Britain* (London, 1976), 236.

²³⁷ Thór, *British Trawlers and Iceland*, 244–45.

²³⁸ See UD, 31.11/60/XII, Knut Hoem, Ministry of Fisheries, to Foreign Ministry, September 1, 1971.

member states would probably lessen Icelandic support for the alliance and the U.S. base, at a very delicate moment in the country's relations with the West. American officials told Norwegian representatives that it was for this reason that the Washington administration did not state strong opinions on the fishing limits issue (and also because U.S. fishing interests were not directly involved).²³⁹

Moreover, Iceland anticipated Nordic support. In October 1971, the European Fisheries Conference (a union of fishermen's associations) condemned the Icelandic 50-mile declaration and threatened a ban on the landings of Icelandic fish. During a meeting of Nordic fisheries officials a short while later, the Icelandic delegate harshly condemned Nordic acquiescence in the resolution: "if this is really the Nordic reaction, if Nordic representatives will in actual fact act together with others to burn us inside our own house, then we Icelanders must obviously reconsider our attitudes towards Nordic cooperation."²⁴⁰ In Iceland, as Lars Langåker wrote from Reykjavík in April 1972, "a negative position on the extension will be portrayed as a betrayal by brothers ... and a clear breach of Nordic cooperation."²⁴¹ For most of the Icelandic population, as Langåker again reported three months later, full sovereignty over the fishing grounds was simply a continuation of the struggle for independence in the 19th and early 20th centuries.²⁴² Emotions and obstinacy strongly influenced Icelandic policies on fishing limits. The Icelanders had cast themselves in the role of David against Goliath and the international media usually adopted this view as well. In Norway, therefore, the general public was on the

²³⁹ UD, 31.11/60/XIII, Knut Sverre, Norwegian Embassy (Washington), to Foreign Ministry, March 8, 1972.

²⁴⁰ UD, 31.11/60/XII, Foreign Ministry Minute, October 18, 1971.

²⁴¹ UD, 31.11/60/XII, Lars Langåker, Norwegian Embassy (Reykjavík), to Foreign Ministry, April 7, 1972.

²⁴² UD, 31.11/60/XIV, Lars Langåker, Norwegian Embassy (Reykjavík), to Foreign Ministry, August 11, 1972.

whole sympathetic towards Iceland, the distant and tiny “Saga-island” in the North Atlantic. Icelandic radical left-wing students in Norway also played a role here. They regularly protested British “imperialism” on the oceans, distributed leaflets on the Icelandic case and were in fact so vociferous that the Norwegian security service labelled them for a while as a potentially dangerous element.²⁴³

On the other hand, there were ample reasons to object to the intended extension. For instance, the herring could always recover and then the Norwegians might live to regret an acceptance of the Icelandic move.²⁴⁴ Similarly, a 50-mile limit around Iceland would probably lead to intensified fishing off Norwegian shores and calls for Norwegian action would then grow louder, at a time when the government in Oslo was still opposed to an extension of the fishing limits.²⁴⁵ Furthermore, active support for Iceland would not be well received in London, Bonn or Brussels. In March 1972, when Britain decided to refer the dispute with Iceland to the International Court, Norwegian officials commented that “the Norwegian government would privately be quite glad ... since it would have been an embarrassment to the Norwegian Government in the EEC context if Iceland had been able to take a 50-mile fishery limit without any effective challenge.”²⁴⁶ Likewise, Norwegian legal experts, the knowledgeable officials and the cabinet ministers involved all felt that right was not on Iceland’s side. In their mind, the 1961 agreement about

²⁴³ UD, 34.4/60/IV, Kjeld Vibe to Agnar Kl. Jónsson, Icelandic Embassy (Oslo), March 12, 1974. On the student activists, see also Gudmundur J. Gudmundsson, “Thorskar í köldu stríði,” [Cod in a cold war], *Ný saga*, Vol. 12, 2000, 67–81.

²⁴⁴ UD, 31.11/60/XIII, Foreign Ministry Memorandum, March 29, 1972.

²⁴⁵ UD, 31.11/60/XII, S. Remøy, Norwegian Embassy (London), to Foreign Ministry, June 15, 1971, Knut Hoem, Ministry of Fisheries, to Foreign Ministry, September 1, 1971, and UD, 31.11/60/XIII, Kjell Eliassen Minute, April 20, 1972.

²⁴⁶ TNA, PRO FCO76/515, Sir Curtis Keeble Minute, March 10, 1972. See also UD, 31.11/60/XIV, Kjell Eliassen Minute, July 28, 1972.

referral of disputes to The Hague was still in force and the Icelanders should also wait for the outcome of the forthcoming law of the sea conference.²⁴⁷

The pros and cons made a passive course seem inevitable. Notwithstanding Icelandic and British calls for support, up to the summer of 1972 the government in Oslo did not have to express a formal view on the planned 50-mile limit. On July 14, 1972, the government in Reykjavík issued a declaration on the extension of the fishing limits from 12 to 50 miles on September 1 the same year.²⁴⁸ Apparently, the point of no return had been reached and on August 3, Foreign Minister Cappelen issued a statement on the Norwegian position in the impending dispute. It emphasised Norway's "great understanding of Iceland's difficult position" and noted that, while Norway wished to have fishing disputes solved through international arrangements, the government in Oslo was not saying that Iceland should definitely follow that route.²⁴⁹ In short, the Norwegians did not want to take sides. If required, they would support the Icelanders, but with reservations. In Reykjavík, the position was accepted, but certainly not applauded.²⁵⁰ And on August 17, a more serious upset was received in Reykjavík. The International Court of Justice ruled that Iceland was not in the right to enforce the 50-mile limit against British and West-German vessels, and that as an interim measure, Britain should be allowed to catch 170,000 tons of fish off Iceland, and West Germany another 119,000 tons.²⁵¹ This verdict was deeply disappointing to the Icelandic government. Even so, it maintained that the Court did not have jurisdiction in the matter. Iceland would go ahead and

²⁴⁷ UD, 31.11/60/XIII, Foreign Ministry Minute, March 29, 1972.

²⁴⁸ See Jónsson, *Friends in Conflict*, 130.

²⁴⁹ *Aftenposten* [Norwegian daily], August 3, 1972.

²⁵⁰ UD, 31.11/60/XVI, Lars Langåker, Norwegian Embassy (Reykjavík), to Foreign Ministry, November 6, 1972.

²⁵¹ See Thór, *British Travelers and Iceland*, 203–04, and Jónsson, *Friends in Conflict*, 131–34.

last-ditch talks with Britain about a non-prejudicial and a lower provisional fishing quota for the British trawlers failed.

On September 1, 1972, Icelandic coast guard vessels began to patrol the waters off Iceland up to the 50-mile limit. Britain was anxious not to escalate the dispute and initially refrained from sending in the Royal Navy. Still, the authorities in London strongly protested this "encroachment on the high seas" and encouraged Norway, as the most likely party to have any influence in Iceland, to advise restraint and accommodation. Once more, the Norwegians pointed out that their persuading the Icelanders would do no good at all.²⁵² In addition, they were actually contemplating whether they ought to conclude a separate peace with Iceland. At the end of August, the Faroe Islanders had reached an agreement on regulated fishing within the 50-mile limit and in the first days of September, the Belgians recognised that line *de facto*, in return for limited fishing for their small and ageing trawler fleet. On reflection, Norwegian fishing interests off Iceland had become so insignificant that the government in Oslo did not consider such a trade-off advisable.²⁵³ Furthermore, while the rulers in London, Bonn and Brussels understood that the Danes could hardly have resisted the intense wishes in the Faroe Islands to reach an understanding with Iceland, they condemned the Belgian decision.²⁵⁴ The British and West German authorities felt that the EEC should stay united and, in fact, they had already secured a special clause in Iceland's trade agreement with the Community which stated that certain concessions on fish tariffs would not take effect if its member states were involved in a dispute with Iceland over its

²⁵² TNA, PRO FCO76/526, M. Elliott Minute, September 26, 1972.

²⁵³ TNA, PRO FCO76/522, British Embassy (Oslo), to Foreign Office, August 16, 1972, UD, 31.10/13/I, Foreign Ministry Minutes, September 1 and 21, 1972.

²⁵⁴ TNA, PRO FCO76/552, Alec Douglas-Home to British Embassy (Brussels), September 11, 1972, and UD, 31.11/60/XV, Paul Koht, Norwegian Embassy (London), to Foreign Ministry, September 12, 1972.

fishing limits.²⁵⁵ Norwegian “disloyalty” would have been criticised as forcefully as the Belgian “defection” and in the first phase of the Cod War, Norway still aspired to be a good European.

On September 25, those hopes were dashed. In a referendum on EEC membership, a majority of Norwegians (53,5 per cent) said no. The opposition was strongest in North Norway and other rural regions. Concerns about fishing and fishing limits had undoubtedly influenced the outcome.²⁵⁶ In early August, the Centre Party, which was resolutely opposed to membership, had proclaimed that Norway should follow Iceland and impose a 50-mile limit instead of allowing the fishing vessels from the EEC to fish in Norwegian waters.²⁵⁷ The Norwegian Socialists were also resolutely against membership and when the results of the referendum were clear, Finn Gustavsen, leader of the Socialist People’s Party, stated that the Icelandic initiative had opened the eyes of the Norwegians: “we should thank the Icelanders for having waged this battle against the might of the EEC just when we were discussing membership.”²⁵⁸ Trygve Bratteli’s Labour government resigned and was succeeded on October 18 by Lars Korvald’s centrist coalition (which included the Centre Party). Within the EEC and NATO, fears appeared immediately that the new regime would extend Norway’s fishing limits before the law of the sea conference, and thus

²⁵⁵ See Benediktsson, *Iceland and European Development*.

²⁵⁶ See TNA, PRO PREM/868, Ralph Selby, British Embassy (Oslo), to Alec Douglas-Home, October 4, 1972. Selby also mentioned that the planned introduction of the Common Fisheries Policy before the accession of Norway and Britain was “bound to excite the suspicions of a naturally suspicious people.” Moreover, Selby wrote on Kåre Willoch, one of the leading politicians who advocated membership, that “the Norwegians do not really trust the likes of Mr Willoch, who with his bald pate and pointed jaw looks as if he might almost have been the origin of the word egg-head.”

²⁵⁷ NARA, RG59 Box 2355, POL 33-4 ICE, Ausland, U.S. Embassy (Oslo), to Secretary of State, August 10, 1972.

²⁵⁸ *Þjóðviljinn*, September 27, 1972.

reduce the chances of an agreement. In Washington, the administration decided to urge its Western allies to impress on the Norwegians the "adverse consequences of unilateral extensions on Norwegian fishing, shipping, and security interests."²⁵⁹ In the event, the worries were unfounded as the new coalition was determined to await the outcome of the conference.²⁶⁰ Unilateralism was not the Norwegian way.

By this stage, the fishing dispute had intensified. In the first conflict, the Icelanders could only hope to end British "poaching" by arresting trawlers and bringing them to port. In the 1970s, however, they used to good effect a new "secret weapon." This was a "cutter" which the coast guard vessels dragged over the trawl-wires and thus severed the trawl from the British trawlers. Arrests were no longer needed to stop British fishing but the trawlermen were of course furious over this intimidating tactic and threatened retaliation. By mid-October, British officials were stressing (in conversations with Nordic diplomats in London, for example) that if the cuttings continued, lives would soon be lost in the disputed waters. While Britain respected Nordic sympathy for tiny Iceland, the officials stressed yet again that a complete surrender was out of the question and the Nordic states should try to use their moderating influence in Reykjavík.²⁶¹ Fortunately, fatal incidents were avoided but in mid-January 1973, the British trawlermen had got so frustrated over Icelandic harassment that they declared that they would all leave the Icelandic grounds unless they were offered naval protection. The authorities in London responded by sending ocean-going tugs to their assistance but they had only just arrived on the scene when Britain could enjoy a respite in the conflict. "The Devil

²⁵⁹ NARA, RG59 Box 2016, POL 33-8, State Department to U.S. Embassy (Oslo), October 26, 1972.

²⁶⁰ NARA, RG59 Box 2016, POL 33-8, U.S. Embassy (Oslo) to State Department, November 3, 1972.

²⁶¹ NAC, 55.ISLAND.1/XVII, Kristiansen, Danish Embassy (London), to Foreign Ministry, October 13, 1972.

rescued them,” as an Icelandic coast guard captain later put it, for on January 23, 1973, a volcanic eruption began on the Westman Islands, south off the Icelandic mainland. Over the next couple of months, the coast guard vessels were preoccupied with salvage efforts there.²⁶²

However, relative calm on the fishing grounds was accompanied with increased tension in the strategic arena. In early 1973, it looked increasingly likely that the government in Iceland would invoke the stipulation in the U.S.-Icelandic defence agreement from 1951 which called for consultation before the eventual withdrawal of American troops from Iceland. Foreign Minister Ágústsson emphasised in private that the action was necessary to maintain peace within the coalition. Furthermore, even if and when the decision was made, the country's allies should not presume that the Icelandic authorities were determined to expel the Americans.²⁶³ In Western circles the complaint could be heard, still, that the Progressives were playing with fire. Norwegian officials were clearly concerned and although they hesitated to exert pressure they reiterated, whether in Washington or Reykjavík, the importance of U.S. facilities in Iceland for Norway and NATO.²⁶⁴ More surprisingly, in early March 1973, the Swedish Prime Minister Olof Palme expressed his deep worries to Gylfi Gíslason, leader of the Icelandic Social Democrats (then in position). Although Palme was harshly critical of U.S. foreign policy and espoused détente and disarmament, he insisted that it was “absolutely essential” for Scandinavian security to have the U.S. forces on guard in

²⁶² For the coast guard comment, see *Síðasti valsími* [The Last Waltz], (television documentary (part II), Channel Two, Iceland, February 22, 2000).

²⁶³ See Ingimundarson, “A Western Cold War,” 107–11.

²⁶⁴ NARA, RG59 Box 1741 DEF 4 ICE US, Frederick Irving, U.S. Embassy (Reykjavík), to Secretary of State, February 22, 1973, RG59 Box 1741 DEF 15 ICE US, Frederick Irving, U.S. Embassy (Reykjavík), to Secretary of State, April 16, 1973, and RG59 Box 1741 DEF 4 ICE US, Frederick Irving, U.S. Embassy (Reykjavík), to Secretary of State, May 15, 1973.

Iceland.²⁶⁵ When it came to Iceland in Scandinavia, self-interest was not merely a Norwegian phenomenon.

In late April, it was more or less a foregone conclusion that the Icelandic government would soon initiate the formal process of consultations on U.S. withdrawal. Equally as worrying for Western interests, the situation in the disputed waters had seriously deteriorated. Duties in connection with the Westman Islands were no longer as pressing and the coast guard vessels had resumed warp-cuttings. The tugs could only offer limited protection and on April 23, lives could easily have been lost as a group of trawlers tried to ram a coast guard vessel and the crew responded by firing rifle shots at the trawlermen.²⁶⁶ In Reykjavík, Norwegian Ambassador Olav Lydvo noticed how the incident had created “extreme touchiness” which would certainly affect attitudes towards NATO and the U.S. base.²⁶⁷ British officials underlined, however, that Britain had shown “extreme patience” but could not tolerate that shots were fired at British vessels on the high seas. They accepted that the Norwegians could not be asked to press the Icelanders but argued that they must use their influence to urge upon the authorities in Reykjavík the importance of creating the correct atmosphere for talks.²⁶⁸ Yet again, Norway was caught between Scylla and Charybdis. The

²⁶⁵ NARA, RG59 Box 1741 POL ICE-NOR, Frederick Irving, U.S. Embassy (Reykjavík), to Secretary of State, March 19, 1973. In mid-May, Leif Leifland, the Swedish chargé d'affaires in Washington reiterated these concerns. See NARA, RG59 Box 2355 DEF 4 ICE-US, State Department to U.S. Embassy (Reykjavík), May 18, 1973. See also Leif Leifland, *Frostens år. Om USA:s diplomatiska utfrysning av Sverige* (Stockholm, 1997), 164–65, and Valur Ingimundarson, *Uppgjör við umheiminn. Samskipti Íslands, Bandaríkjanna og NATO 1960–1974* [A settlement with the outside world. Iceland's relations with NATO and the USA, 1960–74], (Reykjavík, 2001), 207–08.

²⁶⁶ SÖ, 1993-7-1, Icelandic Coast Guard Report, April 27, 1973.

²⁶⁷ NARA, RG59 Box 1741 DEF 4 ICE-US, Frederick Irving, U.S. Embassy (Reykjavík), to Secretary of State, April 27, 1973.

²⁶⁸ UD, 31.11/60/XVIII, R.G. Britten, British Embassy (Oslo), to Kjeld Vibe, April 25, 1973.

government in Oslo had no newfound desire to support wholeheartedly one side or another but the Icelanders confounded the problem by formally asking for the purchase or lease of Norwegian naval vessels which could be used in the Cod War.²⁶⁹ Somewhat ironically, the authorities in London had earlier made very informal soundings about the lease of civilian tugs in Norway.²⁷⁰ In Oslo, officials discouraged such cooperation and they also managed to reject the Icelandic request without causing anger in Reykjavík, where at least the government officials and more sympathetic ministers understood the Norwegian unwillingness to get directly involved in the dispute.²⁷¹

Meanwhile, Icelandic harassment continued. At the beginning of May, the fiftieth trawl was cut from British trawlers since the Cod War began.²⁷² In Reykjavík, British and Icelandic representatives failed once more to reach a temporary *modus vivendi* and by the middle of the month, the trawlermen were again determined to leave the Iceland grounds for good unless the Royal Navy came to the rescue. In London, the government was perfectly aware of the strategic implications of such a move. On the other hand, Prime Minister Edward Heath and most of his cabinet felt that Iceland's conduct had become absolutely intolerable.²⁷³ On Saturday, May 19, 1973, to the sound of "Rule Britannia" on the trawler radios, three British frigates sailed inside the 50-

²⁶⁹ UD, 31.11/60/XVIII, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, April 27, 1973.

²⁵⁰ UD, 31.11/60/XVI, Nicolai Sverre Minute, February 2, 1973.

²⁷¹ URN, 1996 B/373-1, Icelandic Embassy (Oslo), to Foreign Ministry, June 14, 1973. The Icelanders made similar soundings in Washington and got the same response. See URN, 1996 B/373-1, Icelandic Embassy (Washington), to Foreign Ministry, March 30, 1973, and Ingimundarson, "A Western Cold War," 110.

²⁷² TNA, PRO CAB129/170, CP(73)70, "Fisheries Dispute Between the United Kingdom and Iceland: Draft White Paper," June 18, 1973. Icelandic figures for the number of warp-cutting were slightly higher. See Ingimundarson, "A Western Cold War," 111.

²⁷³ TNA, PRO CAB128/52, CM(73)29, Cabinet Minutes, May 17, 1973.

mile limit and began to fend off the Icelandic coast guard vessels. Armaments were not used, only manoeuvres to keep the coast guard vessels away from the trawlers. Still, the risk of collisions was always high. The Cod War had begun in earnest.

Chapter 7

Norwegian Intervention at Land and Sea?

Cod War Climax, 1973

The rulers in Reykjavík met the British “invasion” with a vengeance. On the evening of May 19, Prime Minister Ólafur Jóhannesson declared on national television that Iceland would ask for help against the aggressor at the UN Security Council or within NATO. He also pointed out that according to the North Atlantic Treaty, “an attack on one was considered an attack on all.” Likewise, the Socialists mentioned that the U.S. forces were supposedly based in Iceland to protect the country against an invasion, so now it was time for them to react.²⁷⁴ Indeed, Jóhannesson carried a message on those lines to U.S. Ambassador Frederick Irving, requesting that the fighter jets at Keflavík fly out and “bomb” the British warships!²⁷⁵ Naturally, the Prime Minister did not expect to be taken at his word but he was demonstrating how the base issue and the fishing dispute were intrinsically linked: the Icelanders would not wish to be in a defence alliance with an enemy on the fishing grounds.

²⁷⁴ *Tíminn* and *Thjóðviljinn*, May 22, 1973.

²⁷⁵ *Síðasti valsinn* [The Last Waltz], (television documentary (part III), Channel Two, Iceland, February 29, 2000).

When news of the British interference reached Oslo in the afternoon of May 19, Norwegian officials alerted Prime Minister Korvald.²⁷⁶ The Norwegians immediately appreciated that these latest developments in the Cod War could easily escalate and create tremendous anger in Iceland towards Britain. Inevitably, the question of NATO membership and the U.S. presence would be drawn in as well. The possible consequences for Norway were in the mind of all concerned in Oslo and they also knew that the Norwegian public overwhelmingly backed the Icelanders. There were valid reasons for involvement, therefore, and on May 22, Norway formally offered its good offices to Britain and Iceland.²⁷⁷ In Oslo, Foreign Minister Dagfinn Vårvik told the British Ambassador, Ralph Selby, that a *modus vivendi* would almost certainly have to contain the removal of the British warships. While Selby did not reject that out of hand he added that the government in London would then expect a commitment from Iceland to refrain from warp-cutting during the time of negotiations.²⁷⁸ And from Reykjavík, Ambassador Lydvo warned that the Icelanders would only expect a Nordic country to sympathise fully with them, even in the role of a mediator.²⁷⁹ Although the Icelandic government was happy with the emphasis on British withdrawal, ministers would only agree to negotiations before the warships were actually gone, and they would not tolerate unimpeded British fishing within the 50-mile limit for the duration of the talks. The veteran Hans G. Andersen also remarked that the Norwegians had been clumsy and panicky since they had “insulted” Prime

²⁷⁶ UD, 31.11/60/XVIII, Leif Edwardsen Minute, May 21, 1973.

²⁷⁷ UD, 31.11/60/XVIII, Leif Edwardsen Minute, May 21, 1973, and NARA, RG59 Box 2355 POL 33-4 ICE-UK, Crowe, U.S. Embassy (Oslo), to Secretary of State, May 22, 1973.

²⁷⁸ UD, 31.11/60/XVIII, Foreign Ministry Minute, May 22, 1973, and Paul Koht, Norwegian Embassy (London), to Foreign Ministry, May 24, 1973.

²⁷⁹ UD, 31.11/60/XVIII, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, May 22, 1973.

Minister Jóhannesson by putting their proposal forward without consulting him first.²⁸⁰ Icelandic sensitivities would always have to be acknowledged.

On May 25, Foreign Secretary Sir Alec Douglas-Home reiterated the British stand on a linkage between withdrawal and warp-cutting.²⁸¹ Iceland then promptly declined the Norwegian mediation offer and emphasised once more that no talks were possible unless the Royal Navy left the waters off Iceland.²⁸² And as if to highlight the strategic environment, on the same day the chairman of NATO's Military Committee gave the North Atlantic Council an account of yet another Soviet naval exercise in the southern Norwegian Sea and the North Atlantic close to Iceland. Soviet Bear aircraft even flew less than 30 miles from Icelandic shores.²⁸³ The exercise served to demonstrate increased Soviet activity in Northern waters and the knowledge about the Bears confirmed the surveillance value of the Keflavík base. The Norwegians now turned their attention solely to the British side, knowing that the Icelanders would not budge from their warships-out demand. On May 27, Ambassador Koht visited the Foreign Office and urged Britain to withdraw the Royal Navy, for otherwise the presence of U.S. forces in Iceland would be put in jeopardy, with serious consequences for NATO in general and Britain and Norway in particular. While the British agreed *per se* with that assessment, they were not, as Foreign Secretary Sir Alec Douglas-Home put it, willing to "sign a blank cheque": a withdrawal would have to be accompanied by a promise not

²⁸⁰ NARA, RG59 Box 1741 DEF 4 ICE-US, Frederick Irving, U.S. Embassy Reykjavík, to Secretary of State, June 7, 1973.

²⁸¹ URN, 1996 B/296-2, Icelandic Embassy (London), to Foreign Ministry, May 25, 1973.

²⁸² UD, 31.11/60/XVIII, Foreign Ministry to Norwegian Embassy (London), May 26, 1973.

²⁸³ UD, 31.11/60/XVIII, Norwegian Delegation to NATO to Foreign Ministry, May 25, 1973.

to cut warps.²⁸⁴ On May 29, moreover, the British cabinet almost decided to capture with all possible means the flagship of the Icelandic coast guard which had opened fire on, and holed, a British trawler which had strayed from the protection fleet. The rulers in London were held back by the risk of fatal casualties, legal considerations – and of course the strategic ramifications.²⁸⁵ But despite the hardened British attitude, the Norwegians raised the matter within NATO and appealed to Britain to leave Icelandic waters, for the sake of the Alliance and Western security.²⁸⁶ Genuine anxiety seemed to determine policy-making in Oslo.

Within NATO, Secretary General Joseph Luns also put forward his good offices. Throughout the conflict, Luns felt that Britain simply had to sacrifice its own limited fishing interests for the sake of Western security; in private conversations with Icelanders in early June he complained as well that at least some of the British statesmen and diplomats were disillusioned by old “imperialistic” ideas.²⁸⁷ Luns’ helpfulness did not make a difference, however, and Icelandic diplomats came to warn that, as things stood now, there probably was a majority in the *Althing* for both the expulsion of the U.S. troops and resignation from NATO.²⁸⁸ It was certainly true that the Icelanders were united in their loathing of British actions. Still, they were also consciously using the “NATO-weapon” to have their way in the Cod War. “We

²⁸⁴ UD, 31.11/60/XVIII, Paul Koht, Norwegian Embassy (London) to Foreign Ministry, May 27, 1973.

²⁸⁵ Jóhannesson, “Okkar bestu óvinir” [Our best enemies], *Morgunblaðið*, March 7, 2004.

²⁸⁶ UD, 31.11/60/XIX, Norwegian Delegation to NATO to Foreign Ministry, May 30, 1973.

²⁸⁷ Private papers of Heimir Hannesson, Memorandum of conversation with Joseph Luns, June 6, 1973.

²⁸⁸ UD, 31.11/60/XIX, Norwegian Delegation to the UN to Foreign Ministry, June 5, 1973, and NARA, RG59 Box 1741 DEF 4 ICE-US, Frederick Irving, U.S. Embassy (Reykjavík), to Secretary of State, June 7, 1973.

used NATO to death,” Matthías Johannessen, the co-editor of the influential right-wing *Morgunbladid*, later recalled in connection with the Cod Wars.²⁸⁹ In the summer of 1973, British policymakers still acknowledged the strategic importance of Iceland.²⁹⁰ Yet, they were not going to succumb to such Icelandic coercion and confirmed that position once more at a meeting of NATO defence ministers on June 7. That particular confirmation had come about after a renewed urging by Norway (and Denmark) that the British frigates be withdrawn without further conditions.²⁹¹ Although the authorities in Oslo knew enough about Icelandic politics to be aware of the constant temptation to exploit the strategic importance of Iceland, they felt that risks should not be taken in this matter. The Icelanders might be unfair and obstinate, but they had to be accommodated.

In Oslo, the desire to be of assistance also turned into desperation. On June 11, the British delegation at the NATO headquarters in Brussels reported that the Norwegian Chief of Defence Staff had suggested that a Norwegian warship be sent to keep peace on the fishing grounds. The naval leadership in Britain found the idea “interesting” but did not comment further on it.²⁹² A week later, however, Tim Greve at the press department of the Norwegian Foreign Ministry prepared a detailed minute on Norwegian naval involvement for Foreign Minister Vårvik:

²⁸⁹ *Kalda stríðid* [The Cold War], (television documentary, Iceland state television, May 15, 2000). Also see Ingimundarson, “A Western Cold War”, 113–15.

²⁹⁰ See for instance TNA, PRO DEFE5/196, COS30(73), “The Importance to United Kingdom Defence Interests of NATO Military Facilities in Iceland,” Ministry of Defence Chiefs of Staff Committee Memorandum, July 5, 1973.

²⁹¹ UD, 31.11/60/XIX, Norwegian delegation to NATO to Foreign Ministry, June 7, 1973.

²⁹² TNA, PRO DEFE24/529, “Iceland. DOP Centre Sitreps,” Situation Report, June 11, 1973.

In practice, this would take the form of unarmed Norwegian vessels replacing the [British] frigates. These Norwegian inspection vessels would not take over the functions of the frigates but they would patrol the grounds in order to a) prevent the British trawlers from fishing in areas where the Icelanders have imposed a total ban on fishing, and b) prevent the Icelandic coast guard vessels from harassing British trawlers (cut trawl-wires etc.)²⁹³

Greve thought that Britain might be willing to consider the proposition but admitted that the Icelanders might find it difficult to accept. As it happened, nothing more was heard of this unrealistic idea. Instead, the Norwegian authorities continued to work for a solution. In late June, they suggested a de-escalation of the dispute whereby the British side would withdraw the warships and significantly curtail the fishing efforts, the Icelanders would "reduce harassment" and negotiations would immediately commence.²⁹⁴ Again, the notion was not realistic as the trawlermen would hardly tolerate reduced harassment and the Icelanders could not formally agree to only slightly impeded fishing by Britain inside the 50-mile limit. Still, the endeavour was laudable and made both camps aware that their allies were concerned over the conflict.

On July 4, furthermore, Norway signed an agreement with Iceland on limited line-fishing within the 50-mile limit. It was akin to the Belgian-Icelandic pact from September 1972 and strengthened the Icelandic case even if it contained a non-prejudicial clause with regard to Norway's general position on fishing limits and territorial waters.²⁹⁵ The Norwegians no longer needed to worry about dissatisfaction in London, Brussels or Bonn; by calling for the unilateral withdrawal of

²⁹³ *UD*, 31.11/60/XIX, Tim Greve Minute, June 18, 1973.

²⁹⁴ *SÖ*, 1993-5-3, Icelandic Embassy (Oslo), to Foreign Ministry, June 29, 1973.

²⁹⁵ *UD*, 31.11/60/XIX, Foreign Ministry Minute, June 28, 1973, and *UD*, 31.10/13/I, Olav Lydvo to Per Tresselt, July 4, 1973.

the Royal Navy they had sided so clearly with Iceland that the relatively trivial fishing agreement would not make much difference. Still, it increased Icelandic confidence and in late June, Foreign Minister Ágústsson also told Ambassador Lydvo in Reykjavík how much the Icelanders appreciated Norway's efforts to persuade Britain to withdraw the Royal Navy. A short while later, however, Prime Minister Jóhannesson dampened whatever feeling of satisfaction which the remark may have created in Norwegian minds by saying to Lydvo – with a sarcastic smile – that the Norwegians were primarily worried about the effects on the Keflavík base.²⁹⁶

For the following months, the burden of seeking a solution fell mostly on the shoulders of Secretary General Luns who was in regular contact with both the British and the Icelandic sides. The dispute only hardened, however. Collisions occurred between warships and coast guard vessels and on August 29, whilst welding a damaged bow after one such incident, an Icelandic mate was hit by a wave and died. Although Britain was not directly to blame for this only loss of life during the Cod Wars, the Icelanders' ire reached new heights. On the same day, before the tragic news from the fishing grounds reached Oslo, Kjeld Vibe at the Foreign Ministry thought that while there was still a majority in Iceland for the continued presence of U.S. forces and membership in NATO, support for both of these main planks in the country's defence policy was diminishing – mainly because of the Cod War. The Norwegians were therefore going to reiterate in Reykjavík the tremendous importance of the Keflavík base for the defence of Norway and the whole North Atlantic.²⁹⁷ The policymakers in Oslo must have known that such pleadings would do little but confirm in Iceland what was already known about Norwegian attitudes. In any

²⁹⁶ UD, 31.11/60/XIX, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, June 22 and July 4, 1973.

²⁹⁷ UD, 31.11/60/XIX, Foreign Ministry Minute, August 29, 1973.

event, the intensification of the fishing dispute at the end of August put an end to the planned approach. Instead, it looked as if the Icelandic government would take the dramatic step of breaking diplomatic relations with Britain. The Socialists had long called for such a step and the Progressive Party now appeared willing to support it. At the beginning of September, John McKenzie, the British Ambassador in Iceland, estimated that the risk of this step, never taken before in disputes between two NATO states, was about 50/50.²⁹⁸ Over the next fortnight, further collisions took place in the disputed waters and McKenzie must have changed his odds for the worse. Still, the Icelanders did not act yet on the diplomatic front and during this time of tension Britain suggested that a neutral commission of enquiry be established to examine each incident.²⁹⁹ Norway would almost be self-chosen for an authority of that kind. Here was another non-starter, however, and near the end of the month, the Icelandic government appeared to have made up its mind: Iceland would sever diplomatic relations with Britain.

On September 21, the Foreign Ministry in Reykjavík formally enquired if Norway was prepared to look after Icelandic interests in Britain (France would take care of British interests in Iceland).³⁰⁰ It was a foregone conclusion that Norway would not reject the request but there were many practical issues to consider. Ambassador Lydvo foresaw added work in Reykjavík and felt that a second office clerk would be needed.³⁰¹ The Norwegian Embassy in London had to go over and clarify its proper function for Iceland with the British

²⁹⁸ UD, 31.11/60/XX, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, September 1 and 4, 1973. See also *Tíminn* and *Daily Telegraph*, September 8, 1973.

²⁹⁹ SÖ, 1993-7-1, Hans G. Andersen Minute, September 9, 1973.

³⁰⁰ UD, 31.11/60/XX, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, September 21, 1973.

³⁰¹ UD, 31.11/60/XX, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, September 22, 1973.

authorities. In accordance with custom, the Icelandic Embassy would remain with its staff and would continue to run its communications with Reykjavík. However, the Norwegian Ambassador would be responsible for all conduct of the Icelandic mission and the Icelandic Embassy would have a new title on its correspondence, as well as a plaque at its entrance: "Royal Norwegian Embassy. Icelandic Interests Section." Ambassador Koht was not certain how much extra work these added responsibilities would entail but he felt that, at least to begin with, no extra manpower would be needed.³⁰²

It goes without saying that the Icelandic threat to break diplomatic relations was meant to force Britain to give in. At first, however, the British appeared to be in the same fighting mood as the Icelanders. Early in September, they showed no sign of surrender and on September 24, when the practical aspects of the Icelandic action were under discussion, Sir Alec Douglas-Home told Foreign Minister Vårvik (at the UN General Assembly in New York) that the British position remained unchanged: the British warships would only be withdrawn if the Icelanders promised not to harass the trawlers. Anything else would be a victory for the Icelandic hard-line "communists". Douglas-Home confirmed that Britain would be perfectly pleased with Norwegian care of Icelandic interests and he could not but comment, weary as he was of dealing with the Icelanders, that "Iceland would then for once be properly represented in Britain."³⁰³ Three days later, the Icelandic government declared that if the Royal Navy had not sailed outside the 50-mile limit by October 3, diplomatic relations would promptly be broken.³⁰⁴

³⁰² UD, 31.11/60/XX, Paul Koht, Norwegian Embassy (London), to Foreign Ministry, September 24, 1973.

³⁰³ UD, 31.11/60/XX, Norwegian Delegation to the United Nations to Foreign Ministry, September 24, 1973.

³⁰⁴ SÖ, 1993-5-3, Ólafur Jóhannesson to John McKenzie, September 28, 1973. See also *Daily Telegraph*, September 28, 1973.

Dread now descended on the NATO headquarters in Brussels. On September 30, Secretary General Luns met with Prime Minister Heath and almost begged him to withdraw the warships. The following day, Foreign Secretary Douglas-Home admitted to Ambassador Koht in London that the British side was naturally more concerned now, with a definite deadline hanging above their heads. Douglas-Home was no longer as defiant. He felt that the whole affair had been cleverly handled by the Icelandic "communists" and indicated that the Royal Navy would probably leave the waters off Iceland even if the Icelandic government did not pledge to stop interfering with British fishing.³⁰⁵ In Oslo, Ambassador Selby was as gloomy when Kjeld Vibe gave the well-rehearsed message that hopefully Britain would be as accommodating as possible with the Icelanders, for the sake of Western security. Selby felt that it was "high time" that Norway also asked the Icelanders to show accommodation and only the "communists" in Iceland would benefit from a British retreat. Vibe replied, as before during similar exchanges, that Norwegian pressure would merely be counterproductive. Moreover, he made the convincing point that a continuation of the conflict would benefit the left in Iceland more than an end to the conflict, however unfavourable to Britain.³⁰⁶

On October 2, Edward Heath notified Ólafur Jóhannesson that the Royal Navy would leave Icelandic waters the following day. They would return, however, if the coast guard vessels continued to harass the British trawlers, and Heath emphasised that the opportunity be used now to negotiate an interim settlement of the dispute.³⁰⁷ In the last days of September, Joseph Luns had also contacted Prime Minister Jóhannesson and stated his "assumption" that if Britain were

³⁰⁵ *UD*, 31.11/60/XX, Paul Koht, Norwegian Embassy (London), to Foreign Ministry, October 1, 1973.

³⁰⁶ *UD*, 31.11/60/XX, Kjeld Vibe Minute, 2 October 1973.

³⁰⁷ *TNA*, PRO CAB 128/53, CM(73)43, Cabinet Minutes, October 2, 1973.

to take out its warships, "your side will desist from taking measures within the 50-mile zone."³⁰⁸ Whereas Jóhannesson would not give a concrete and public guarantee to that effect, he did declare behind the scenes that "he would do all he could to ensure that there was no harassment."³⁰⁹ The Prime Minister did not want his brinkmanship to lead to Iceland taking a decisive step towards an escalation of the dispute, with unforeseen consequences for the future of the U.S. base and even Iceland's membership in NATO. Thus, Jóhannesson accepted Heath's invitation for talks. They took place in London on October 15–16 and produced a two-year agreement on fishing inside the 50-mile limit. Most importantly, Britain accepted an annual quota of 130,000 tons.³¹⁰ In Iceland, the People's Alliance condemned this settlement and threatened to break up the coalition. But Prime Minister Jóhannesson seemed to have judged the general mood in Iceland correctly; on the whole, the Icelanders agreed with his argument that a continuation of the conflict would not serve the country's interests and the "peace terms" were considered fair.³¹¹ Also, the People's Alliance decided that, despite its anger and resentment over the "capitulation" in the Cod War, it was worth staying on to fight the other big battle on the international scene, over the future of the U.S. presence in Iceland.

³⁰⁸ SÖ, 1993-5-3, Icelandic Delegation to NATO to Foreign Ministry, September 29, 1973.

³⁰⁹ TNA, PRO CAB 128/53, CM(73)42, Cabinet Minutes, September 27, 1973.

³¹⁰ FRN, DA/8-3, Memorandum on Heath-Jóhannesson meetings in London, October 15-16, 1973, and TNA, PRO CAB 128/53, CM(73)46, Cabinet Minutes, October 16, 1973.

³¹¹ See Hart, *The Anglo-Icelandic Cod War*, 45-46, Ingimundarson, "A Western Cold War," 119-120, and Jónsson, *Friends in Conflict*, 147-52.

Chapter 8

Once More Unto the Breach The Beginnings of the Final Cod War, 1975–76

Although the end of the Cod War was celebrated in Norway, the anxiety over the planned expulsion of U.S. forces from Iceland was still in place. U.S.-Icelandic talks on the future of the defence agreement continued and the government in Oslo watched developments as well as it could. In late December 1973, Prime Minister Jóhannesson warned that although the Icelanders would “take into account” the views of their Nordic neighbours, they would never accept being an “outpost” for Scandinavia. He argued, furthermore, that the Cod War had demonstrated how Iceland could not rely on help from NATO. While that was true in the purely military sense, the British side had been held back throughout the conflict by the strategic importance of Iceland and the danger of upsetting a vital ally. A neutral Iceland might not have achieved as good an outcome and U.S. Ambassador Irving used the occasion of the talk with Jóhannesson to warn him in return that, despite the strategic factor, in the long run Iceland

needed the goodwill of the United States more than the United States needed Iceland.³¹²

The authorities in Reykjavík and Washington had not finished their defence discussions when the Icelandic coalition collapsed in the spring of 1974, after fierce disagreements over economic policy. In the ensuing elections in the summer, the conservative and pro-Western Independence Party received over 40 per cent of the vote and appeared to be in a key position to form and lead the next coalition. This result caused joy in Oslo. In December 1973, the party's leader, Geir Hallgrímsson, and a few other key members had gone to Norway for talks on the strategic situation in the North Atlantic and confirmed the long-held view of the Independence Party that the U.S. facilities in Iceland were vital to the security of the Western powers. Also, they gladly acknowledged that Norway had an understandable and rightful interest in Icelandic defence policy.³¹³ Calm waters finally seemed to lie ahead, therefore, when the Independence Party formed a coalition with the Progressive Party in August 1974, with Hallgrímsson as Prime Minister. Although the middle-of-the-road Progressives remained in power, Iceland's defence policy would of course be radically different from that of the previous coalition. In October, the U.S.-Icelandic defence negotiations were formally brought to a close by an agreement on the continued presence of the U.S. forces in Iceland.³¹⁴

This was Iceland, however, and fishing issues had to intervene. The new regime stated its intention to extend the country's fishing limits to 200 miles. Within the United Nations, ongoing talks on the law of the sea were leading to a

³¹² NARA, Nixon Presidential Materials Project [NLNS], Box 693, NSC Files. Country Files. Europe. Iceland Vol. 1, Frederick Irving, U.S. Embassy (Reykjavík), to Secretary of State, December 24, 1973.

³¹³ UD, 31.11/60/XX, Foreign Ministry Memorandum, December 6, 1973.

³¹⁴ On the U.S.-Icelandic defence talks in 1973-74, see Ingimundarson, "A Western Cold War," 120-27.

broad consensus on the concept of a 200-mile exclusive economic zone. An international agreement was not in sight, still, and nations with traditional fishing interests off distant shores insisted that a phase-out period must follow such a radical change on the high seas. Prime Minister Hallgrímsson was aware of this but, as before in Iceland, domestic pressure for action on the fishing limits was stronger than concern for international opinion.³¹⁵

The Icelandic 200-mile policy could affect Norway's position on the law of the sea. The inshore fishermen had never liked the government's reluctance to declare a 50-mile limit and in the early summer of 1974, the Socialists proposed in the *Storting* that Norway this step be taken. Trygve Bratteli's Labour Party had returned to power and the motion was roundly defeated. The Norwegian authorities remained opposed to unilateralism and Jens Evensen, expert on the law of the sea, was playing a prominent role at the international level which would be harmed by such action. Apart from this, Icelandic diplomats suspected that the Norwegian government feared the wrath of Britain and West Germany, as well as the position of the International Court (in August 1974, it had belatedly – and with little effect on official or public opinion in Iceland – declared the country's 50-mile limit contrary to international law).³¹⁶ Nevertheless, the Norwegians made clear that they foresaw an extension of national jurisdiction on the oceans; they just wanted it to happen in an orderly manner through multinational or global settlements. But if that proved impossible, then Norway might have to consider going it alone and the Icelandic tendency to do so may have strengthened this caveat in Oslo: the inshore fishermen and

³¹⁵ See *UD*, 31.11/60/XXII, Arne Treholt to Knut Frydenlund, June 17, 1975.

³¹⁶ *SÖ*, 1993-4-3, Agnar Kl. Jónsson, Icelandic Embassy (Oslo), to Foreign Ministry, September 17, 1974.

the Socialists who wanted action were apt to compare Norwegian "weakness" with Icelandic firmness.³¹⁷

The two coalition parties in Reykjavík agreed to wait with the 200-mile extension until 1975. On July 15 that year, a regulation on that move was issued. The new limit was to take effect on October 15 but it would only be enforced against Britain from November 14, the expiry date of the two-year agreement which ended the second Cod War in 1973. During the summer of 1975, however, Icelandic representatives made clear to their Norwegian colleagues that the decision would definitely not be reversed and only the most minimal concessions on phase-out rights might be considered.³¹⁸ Naturally, this course was bound to cause renewed friction with Britain. It would also make a settlement with West Germany less likely. (The authorities in Bonn, while refraining from sending warships to the North Atlantic for understandable reasons, had not recognised the 50-mile extension and a solution was not in sight when the new coalition took over in Iceland.)³¹⁹

And although the Norwegians did not have significant fishing interests to worry about, the Icelandic claim to a 200-mile zone would directly hit Norway. Greenland and the Faroe Islands both lie less than 400 miles from Iceland. Most likely, both of these countries would lay claim to a 200-mile limit in the near future and the Icelandic authorities therefore decided to draw a median line between them and Iceland. On the other hand, the Icelanders were going to enforce the full

³¹⁷ See for instance *Morgunbladid*, June 1, 1974. See also Johan Jørgen Holst (ed.), *Norsk Utenrikspolitisk Årbok 1974* [Yearbook of Norwegian foreign policy] (Oslo), 224–246, and Anders C. Sjaastad (ed.) *Norsk Utenrikspolitisk Årbok 1975* [Yearbook of Norwegian foreign policy] (Oslo), 256–292.

³¹⁸ UD, 31.11/60/XXII, Arne Treholt to Knud Frydenlund, June 17, 1975.

³¹⁹ See Ingo Heidbrink, "Continue trawling and continue negotiations: The 50-mile conflict." Ingo Heidbrink and Erik Hoops (eds), *German-Icelandic Fisheries History. Aspects of the Development since 1945* (Bremerhaven, 2003), 300–07.

200-mile limit to the north, even though the Norwegian island of Jan Mayen is less than 400 miles away in that direction. In Reykjavík, the conclusion was reached that the tiny, uninhabited island could not enjoy the same right to fisheries jurisdiction as the peoples of Iceland, Greenland and the Faroe Islands. The legal expert Hans G. Andersen was against this policy and foresaw sensitive and complicated talks with Norway, hitherto a friendly influence for Iceland. The politicians, however, dared not invite accusations of leniency against Norway and asked for understanding in Oslo. At the outset, the Norwegians were noncommittal. Although Norway had no existing interests to defend to the south of Jan Mayen, rich fishing might develop there and resources on the ocean floor would have to be considered. Jens Evensen pointed out as well that Norway had to view the matter in connection with the ongoing negotiations with the Soviet Union about national jurisdiction in the Barents Sea.³²⁰ In general, Norway also wanted to prolong the fishing rights it had secured inside Iceland's fishing limits with the agreement in the summer of 1973.³²¹ Thus, some tension between Iceland and Norway seemed inevitable. With every extension of national jurisdiction in the North Atlantic, a clash of interests grew more likely.

Even so, Norwegian worries about Icelandic actions paled in comparison with British anxiety and resentment. In early October, the Labour MP for Grimsby, Anthony Crosland, declared that Britain must have continued fishing rights within the present 50-mile limit off Iceland. From Reykjavík, Ambassador Lydvo reported that Crosland's stern comments had caused great indignation and low-key talks at the start of

³²⁰ *UD*, 31.11/60/XXII, Arne Treholt to Knut Frydenlund, June 17, 1975, and Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, July 10, 1975.

³²¹ *UD*, 31.10/13/II, Knut Frydenlund Memorandum to Norwegian Government, October 14, 1975.

November did not lead to a solution.³²² On November 14, the third Cod War broke out. The Icelandic coast guard vessels sailed among the British trawlers off Iceland, demanding that they haul their gear. All obeyed for the first day but the following morning, a Hull trawler refused to stop fishing on the “high seas.” The gunboat *Thór* promptly cut both its trawl-wires. Right from the start, the Icelanders would hold no prisoners. Weak hopes in Britain about a period of standstill vanished as the trawlermen demanded naval protection or they would simply leave the Icelandic grounds. Roy Hattersley, a Minister of State in the Foreign Office, flew to Iceland for crisis talks but failed to impress the Icelanders who found him arrogant, stubborn and undiplomatic.³²³ Icelandic officials told Ambassador Lydvo that Hattersley had come with the preconceived idea of negotiations where two sides would state their case and gradually move towards a compromise. He had been advised right away, however, that the Icelanders would not move and were a “compromise” to be found, it would have to involve an almost unconditional British acceptance of the Icelandic agenda. Unsurprisingly, Lydvo concluded that however faulty Hattersley may have been in his conduct, he was not to blame for the failure of the talks.³²⁴

For the next few days, harassment and cuttings continued on the fishing grounds. Britain would have to surrender – or take to arms. On November 25, the latter option was chosen. For the third time in less than 20 years, Royal Navy frigates sailed northwards to protect British trawlers off Iceland. At

³²² UD, 31.11/60/XXIII, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, October 9 and November 7, 1975.

³²³ GRFL, National Security Adviser. NSC Europe, Canada and Ocean Affairs Staff: Files. Box 11. Iceland, 1975 (2), D. Clift to Brent Scowcroft, November 26, 1975. On Hattersley's attitudes, see also *Daily Express*, November 17, 1975, and Roy Hattersley, *Who Goes Home? Scenes from a Political Life* (London, 1995), 141–46.

³²⁴ UD, 31.11/60/XXIII, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, November 19, 1975.

the same time, Britain reconfirmed its willingness to enter negotiations with Iceland and Norway now got immediately involved. On the one hand, the memories of the second Cod War in 1972–73 were still fresh. In talks with the British side, Norwegian officials could easily mention that conflict and argue that the presence of British warships excluded all hopes for a solution.³²⁵ Moreover, Foreign Minister Knut Frydenlund was perfectly willing to get involved. Since taking office in 1973 he had gained a reputation as a solid “bridge-builder” and he possessed, in the words of Olav Riste, “a profound understanding of the complexities of international relations, and an open, analytical mind.”³²⁶ Behind the scenes, Frydenlund repeatedly urged Britain to show restraint and he also raised the seriousness of the dispute with Henry Kissinger, the U.S. Secretary of State.³²⁷ Furthermore, the Norwegian Foreign Minister offered the Icelanders to act as an official go-between. At this early stage in the dispute, however, they were not prepared to accept Norwegian mediation.³²⁸ This was probably because it could be taken as a sign of weakness but also, as Foreign Minister Ágústsson remarked, in spite of the Cod War the British and the Icelanders were still amicable enough to speak to each other face to face.³²⁹ Furthermore, the rulers in Reykjavík were buoyed by the fact that on November 28, West Germany and Iceland signed a two-year agreement on fishing in Icelandic waters.³³⁰

³²⁵ UD, 31.11/60/XXIII, Foreign Ministry to Norwegian Embassy (Paris), November 27, 1975.

³²⁶ Olav Riste, *Norway's Foreign Relation*, 263.

³²⁷ UD, 31.11/60/XXIV, Foreign Ministry Minute, January 13, 1976.

³²⁸ UD, 31.11/60/XXIII, Norwegian Embassy (Reykjavík), to Foreign Ministry, December 3, 1975, and Foreign Ministry to Norwegian Embassy (London), December 4, 1975.

³²⁹ UD, 31.11/60/XXIV, Foreign Ministry Minute, December 18, 1975.

³³⁰ The agreement gave 40 West German trawlers the right to fish 60,000 tons of fish per year (mostly saithe and ocean perch and only 5,000 tons of cod). From 1972 to the making of the agreement, Icelandic coast guard

Britain, however, was in no mood to accept Iceland's proposals, or what really amounted to diktat, on the amount of British catches. On December 11, a serious incident occurred as the *Thór* spotted three British tugboats (which were also used to protect the trawlers) inside Iceland's three-mile territorial waters, not just the 200-mile fishing limit. The British vessels were transferring water supplies under the lee of the land and did not comply with orders to leave Icelandic waters immediately. The *Thór* proceeded to fire live shots at them and numerous collisions occurred before the tugboats sailed away. The *Thór* retreated into harbour with considerable damage and the Icelanders were enraged. For the first and so far the only time in its history, Iceland brought a case to the notice the UN Security Council, protesting the British use of force inside Iceland's territorial waters. At a meeting of Nordic ambassadors in New York, Ambassador Ingvi Ingvarsson circulated a proposed resolution whereby the Security Council:

deeply deplores the exercise of force by British public vessels against the Icelandic coast guard within the territorial waters of Iceland [and]
calls upon the government of the UK to refrain from acts of force in Icelandic waters.

Both at this and similar occasions, Nordic representatives expressed deep sympathy and understanding for the Icelandic cause. They politely pointed out, however, that many nations might not view the tugboats incident as seriously as Iceland did, especially in comparison with deadly conflicts in the many war torn regions of the world. U.S. officials also asked Norway to have a quiet word with the Icelanders and explain that the episode could not be said to constitute "a threat to international peace and security," as was the custom with

vessels had cut at least 35 trawls from West German trawlers. See Heidbrink, "Continue trawling and continue negotiations," 305.

resolutions of this kind.³³¹ The soothing influence from the Nordic region contributed to the Icelandic conclusion that it would be unwise to try to force a debate on the proposed resolution. The whole idea demonstrated the extreme emotions and even irrationalism which often influenced Icelandic thinking during the Cod War.

Iceland also brought up the incident with the *Thór* and the tugboats in the North Atlantic Council in Brussels where Ágústsson warned that the British use of naval forces might be causing irreparable damage to the prestige of NATO and respect for Western defence cooperation in Iceland.³³² The festive season then passed relatively quietly but in the first week of 1976, tension increased on the fishing grounds. On January 10, fishermen and other inhabitants near the Keflavík base blocked roads to a U.S. radar station close by and threatened to prevent access to the base itself. The day after, Pétur Thorsteinsson, permanent secretary in the Icelandic Foreign Ministry, met with Knut Frydenlund and Defence Minister Fostervoll in Oslo and warned that unless the Royal Navy was withdrawn in the near future, Iceland would break diplomatic relations with Britain. Frydenlund confirmed that, as had been planned in 1973, Norway would then be willing to take care of Iceland's interests in Britain. He also underlined, however, that the Norwegians were prepared to facilitate a compromise and wondered whether a withdrawal of the warships might be met by a secret pledge by the Icelandic side to cease harassment during the period of negotiations. This idea had been mooted in 1973 and Thorsteinsson was sceptical; feelings were running so high in Iceland that he doubted whether negotiations could begin even if the Royal Navy left the disputed waters. The situation

³³¹ UD, 31.11/60/XXIV, Norwegian Delegation to United Nations to Foreign ministry, December 16, 1975, and Kjeld Vibe Minute, December 16, 1975. See also Jónsson, *Friends in Conflict*, 165–67.

³³² UD, 31.11/60/XXIV, Foreign Ministry Minute, December 18, 1975.

was very gloomy, Thorsteinsson concluded, and Iceland's future in NATO looked more precarious than ever before.

Unsurprisingly, the Norwegians were disturbed. Fostervoll could not but mention that while Iceland should of course determine its defence and foreign policy without outside interference, the Icelanders must keep in mind that the other Nordic states depended on the maintenance of the so-called "Nordic balance." Drastic changes in Iceland would upset the necessary stability in the Nordic region and the Norwegian military authorities must emphasise the need for Western solidarity. Iceland should keep this in mind.³³³

Notwithstanding Frydenlund's qualities and aptitude as a mediator, self-interest remained an important aspect of Norway's Iceland policy.

Thorsteinsson's analysis, as well as similar remarks by other Icelandic statesmen and officials, convinced the Norwegians that Britain would simply have to back down off Iceland and, in a sense, surrender fish for security. At a session of the North Atlantic Council on January 12, 1976, Norway again made such a request and other delegates more or less agreed with the assessment that, in spite of Britain's rights in the dispute, the warships would have to leave.³³⁴ In the following week, Secretary General Luns was engaged in frantic emergency diplomacy, hoping to at least postpone the Icelandic decision to break off diplomatic relations with Britain. On January 14–15, Luns held talks with Icelandic ministers in Reykjavík and found no cause for optimism, as he told Ambassador Lydvo afterwards. The Icelanders were as firm as ever, especially Ólafur Jóhannesson, now Minister of Justice, who seemed capable of overruling Prime Minister Hallgrímsson's more conciliatory attitude. Still, Luns'

³³³ UD, 31.11/60/XXIV, Foreign Ministry Minute, January 13, 1976.

³³⁴ UD, 31.11/60/XXIV, Norwegian Delegation to NATO to Foreign Ministry, January 12, 1976. See also GRFL, National Security Adviser. NSC Europe, Canada and Ocean Affairs Staff: Files. Box 11. Iceland, 1976, Clift Memoranda, January 12 and January 15, 1976.

intervention secured a short respite and on January 19, he met with the British Foreign Secretary, James Callaghan, in Brussels.³³⁵ While Callaghan was conscious of the strategic risks involved, he found Iceland's conduct infuriating.³³⁶ Most reluctantly, he agreed to withdraw the British naval forces from the fishing grounds in return for high-level negotiations in London and Luns' "personal belief" that the Icelandic coast guard would not cut trawls for the duration of the talks.³³⁷

On January 20, the Royal Navy frigates received orders to leave the Iceland area. If events took the same turn now as they had done in late 1973, subsequent negotiations would lead to a provisional settlement. Yet, this progress was almost wrecked by an Icelandic ultimatum – delivered before the British decision to withdraw the frigates had been published – to the effect that unless they had left Icelandic waters before January 24, Iceland would cut diplomatic relations with Britain. Further last-ditch talks were needed to maintain the weak momentum and although the Norwegian authorities had not been directly involved in Luns' efforts, Ambassador Lydvo was now asked to use his contacts in Reykjavík.³³⁸ During a meeting of NATO's Foreign Ministers in Brussels on January 23, Knut Frydenlund also obtained an interview with Callaghan and impressed on him the need to show conciliation, not least because of the alliance interests involved. Throughout the talk, however, Callaghan demonstrated not only his irritation over the Icelandic stand, but also a definite displeasure about Norway's support for Iceland. "There is a limit to how often one can turn the other cheek," he told Frydenlund, according to Norwegian notes of

³³⁵ UD, 31.11/60/XXIV, Norwegian Delegation to NATO to Foreign Ministry, January 19, 1976.

³³⁶ See James Callaghan, *Time and Chance* (London, 1987), 377–78.

³³⁷ UD, 31.11/60/XXIV, Norwegian Delegation to NATO to Foreign Ministry, January 20, 1976.

³³⁸ UD, 31.11/60/XXIV, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, January 20, 1976.

the meeting: “truly enough, the Bible said that one should turn the other cheek but there was nothing about the need to do it 17 times. There was a limit to the number of insults which the British cabinet could accept.” Moreover, Callaghan emphasised that for Britain, considerable economic interests were at stake. He therefore asked – no doubt rhetorically – if the Norwegians were prepared to compensate Britain for lost income, laid off trawlers and unemployment in the fishing ports?³³⁹ Frydenlund could only ask Callaghan again to show restraint and think of the wider strategic picture. The United States did so as well behind the stage and the gentle pressure undoubtedly had an effect.³⁴⁰ A few days later, the British Ambassador in Oslo, Peter Scott, implied that Britain could not view Norway as a neutral in the conflict.³⁴¹ During this stage of Cod War III, Norway was definitely a useful, if self-interested, ally of Iceland.

On January 23, Prime Minister Hallgrímsson flew to London and had talks with Foreign Secretary Callaghan and Prime Minister Harold Wilson. The wide gap between the two sides was confirmed. Most importantly, Iceland was only willing to offer Britain a quota of 65,000 tons of fish for the year, a figure which was well below British expectations. Disagreement on the number of trawlers in Icelandic waters and closed conservation zones also seemed almost insurmountable when news from the fishing grounds made certain that no deal would be reached in this round at least: as the ministers were conferring, the *Týr*, the new flagship of the Icelandic coast guard fleet, cut the warps of a British trawler. Upon hearing this, Wilson went pale but Callaghan “became as red as a redfish,” as the Icelandic delegation

³³⁹ UD, 31.11/60/XXIV, Kjeld Vibe Minute, January 27, 1976.

³⁴⁰ GRFL, National Security Adviser. Presidential Country Files for Europe and Canada. Box 15. United Kingdom (6), Clift to Brent Scowcroft, January 22, 1976.

³⁴¹ UD, 31.11/60/XXV, Kjeld Vibe Minute, February 4, 1976.

noted. The talks ended in failure.³⁴² Geir Hallgrímsson and his followers always suspected Ólafur Jóhannesson (head of the coast guard in his capacity as Minister of Justice) of having allowed action against the trawlers at this sensitive moment in order to scuttle the London talks, either because he feared that the Prime Minister would be too placatory or that he would be able to enjoy the spoils of a successful Cod War peace.³⁴³ Whether that was true or not, domestic politics continued to shape Iceland's policy in the dispute. To call for calm and conciliation was tantamount to treason and political suicide.

In the first days of February, with the frigates still at a safe distance, the Icelanders made two other successful warp-cuttings. On February 6, the Royal Navy returned to its protection duties. That very day, one of the frigates collided twice with the *Týr*. For the next few days, ill feeling reigned on the fishing grounds. The Icelandic media and public were livid and an extremely worried Geir Hallgrímsson told U.S. Ambassador Irving of his fears that within days, the Progressive Party would demand the rupture of diplomatic relations with Britain and possibly the resignation from NATO as well. There were even influential members within the Independence Party – including the Minister of Fisheries, Matthías Bjarnason – who felt that Iceland should threaten to leave NATO unless the Royal Navy left Icelandic waters at once. Hence, Hallgrímsson foresaw that his coalition could collapse and the British might have to face a much sterner regime to deal with in Reykjavík.³⁴⁴ In other words, the

³⁴² URN, 1996 B/70-1, "Skýrsla um vidrædur forsætisráðherra Íslands og Bretlands dagana 24.-27. janúar 1976 vegna fiskveidideilu Breta og Íslendinga," [Report on talks between the Prime Ministers of Iceland and Britain over the Anglo-Icelandic fishing dispute, January 24–27, 1976]. See also Gudmundsson, "Thorskar í köldu stríði," 74–75.

³⁴³ See for instance David Oddsson, "Geir Hallgrímsson," *Andvari* [Icelandic journal], Vol. 119, 1994, 59–61.

³⁴⁴ GRFL, National Security Adviser. Presidential Country Files for Europe and Canada. Box 7. Iceland–State Department Telegrams. To SECSTATE–

Progressives and some Independents were definitely ready to wield the “NATO-weapon” and Prime Minister Hallgrímsson was at least pointing to its existence by relaying his fears to Irving. In response, Secretary General Luns vacillated between the worry of losing Iceland, the “unsinkable aircraft carrier” in the North Atlantic, and the hope that the Icelanders had to be bluffing.³⁴⁵ From Reykjavík, meanwhile, Ambassador Lydvo reported that anti-British sentiments were now stronger than ever before during his tenure in Iceland.³⁴⁶

Nonetheless, cooler minds in the country continued to search for a solution. Hans G. Andersen and Foreign Minister Ágústsson worked on an interim arrangement which would permit a limited number of British trawlers to catch up to 5,000 tons a month in certain areas. The aim of this scheme was, as U.S. Ambassador Irving described it, “to avoid [the] politically explosive fish catch limit.”³⁴⁷ Governmental backing of this scheme was not secure, however, and other options had to be discussed as well. At the Foreign Ministry in Oslo, the possibility of a mediation offer was discussed once more but as Kjeld Vibe pointed out, Britain might feel that Norway had come too biased in the dispute.³⁴⁸ Still, Knut Frydenlund met James Callaghan in Brussels on February 12 and urged him once more to withdraw the Royal Navy. The British

EXDIS, Frederick Irving, U.S. Embassy (Reykjavík), to Secretary of State, February 10, 1976. See also Oddsson, “Geir Hallgrímsson,” 60.

³⁴⁵ GRFL, National Security Adviser. Memoranda of Conversations, 1973–77. Box 17, Memorandum of conversation between U.S. President Gerald Ford and NATO Secretary General Joseph Luns, February 9, 1976, and National Security Adviser. NSC Europe, Canada and Ocean Affairs Staff: Files. Box 11. Iceland, 1976, State Department Briefing Item, February 17, 1976.

³⁴⁶ UD, 31.11/60/XXV, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, February 11, 1976.

³⁴⁷ GRFL, National Security Adviser. Presidential Country Files for Europe and Canada. Box 7. Iceland–State Department Telegrams. To SECSTATE–EXDIS, Frederick Irving, U.S. Embassy (Reykjavík), to Secretary of State, February 10, 1976.

³⁴⁸ UD, 31.11/60/XXV, H.W. Freibow Minute, February 11, 1976.

Foreign Secretary was not moved, however, and countered that the presence of the warships on the high seas was “entirely lawful and justifiable.”³⁴⁹ Kjeld Vibe, who was present at the meeting, later recalled – smilingly – that he had never been as close to being thrown out of a meeting!³⁵⁰ The deadlock seemed insoluble.

In Oslo, the conclusion was reached that desperate circumstances called for desperate measures. At a meeting of the North Atlantic Council on February 18, the Norwegian Permanent Delegate, Rolf Busch, suggested that while the NATO states should urge Britain to withdraw its warships and fishing vessels during a new round of negotiations with Iceland, they should also offer to compensate the trawling industry for the time lost on the fishing grounds. The suggestion was certainly unusual but nobody wanted to reject it out of hand.³⁵¹ So, was a solution at last in sight? At first, alas, it seemed as if the novel scheme had appeared too late. The following day, the feared, and unparalleled, step was taken: Iceland declared that it had broken off diplomatic relations with Britain.

³⁴⁹ *UD*, 31.11/60/XXV, H.W. Freibow Minute, February 20, 1976.

³⁵⁰ Author's interview with Kjeld Vibe, December 4, 2001.

³⁵¹ *UD*, 31.11/60/XXV, H.W. Freibow Minute, February 20, 1976, Kjeld Vibe Minute, February 21, 1976, and Norwegian Delegation to NATO to Foreign Ministry, February 24, 1976.

Chapter 9

“Frydenlund solved it” The End of the Cod Wars, 1976

The rupture of diplomatic relations made the search for a solution even more difficult. Before the event, the Icelandic Ambassador in London, Niels Sigurdsson, had been transferred to Bonn so he did not have to be recalled but the arrival of his replacement, Sigurdur Bjarnason, was put on hold. In Iceland, however, the British Ambassador, Kenneth East, faced the awkward fact that for a few days an airline strike prevented all departures from the country. He solved the problem by lying low until the strike had come to an end.³⁵² In Iceland, France took over the care of British interests and in Britain, Norway assumed that role for Iceland. The Icelandic Embassy in London became, as had been arranged in 1973, “Royal Norwegian Embassy. Icelandic Interests Section.”

Norway now took on a much more active role in the conflict. In talks with the British chargé d'affaires in Oslo, R.G. Britten, Frydenlund reiterated the compensation offer and he also told Joseph Luns that Norway was prepared “to take upon itself more than a fair share.”³⁵³ Norway was not willing to go it alone, however, and hesitant reactions in other

³⁵² Author's interview with Kenneth East, January 28, 2000.

³⁵³ UD, 31.11/60/XXV, H.W. Freibow Minute, February 20, 1976, and Foreign Ministry Minute, February 25, 1976.

NATO capitals killed off the idea. The Washington administration would not join in, for fear that Congress would dislike this allotment of the taxpayers' money and because participation might give rise to complaints in Reykjavík that the United States was ready to aid Britain but not Iceland. That, in turn, might jeopardise the future of the Keflavík base.³⁵⁴ France and Turkey also registered their refusal to participate, mostly because of the precedent it might set.³⁵⁵ Others undoubtedly agreed and in Oslo, the Canadian Ambassador, Kenneth McIlwraith, delivered a message on those lines from the government in Ottawa. In reply, Kjeld Vibe explained how disappointed the Norwegian authorities were that the NATO states did not view the simmering conflict between Britain and Iceland seriously enough. After the breaking of diplomatic relations, there had been renewed demonstrations at roads to U.S. installations and the *Thór* had collided twice with a British frigate. Vibe emphasised, therefore, that if the conflict continued, it might have "serious strategic and political consequences for Norway and other countries in the region, and for NATO as a whole."³⁵⁶ It may be recalled that in the late 1950s, the question of Norwegian participation in a NATO-loan to Iceland had been described as "defence expenditure." The thinking behind the compensation scheme was very similar; the only difference being that Britain would now be on the receiving end.

Leaving aside the negative response inside NATO, it is doubtful whether Britain might have accepted the compensation scheme or that it would have sufficed to get the Icelanders to the negotiating table. When he was still stuck in Iceland, the expelled Ambassador East warned that NATO

³⁵⁴ UD, 31.11/60/XXV, U.S. Aide-Memoire, February 23, 1976, and Norwegian Embassy (Washington), to Foreign Ministry, February 24, 1976.

³⁵⁵ UD, 31.11/60/XXV, Norwegian Delegation to NATO to Foreign Ministry, February 27, 1976, and UD, 31.11/60/XXVI, Norwegian Embassy (Paris) to Foreign Ministry, March 3, 1976.

³⁵⁶ UD, 31.11/60/XXV, Foreign Ministry Minute, February 26, 1976.

would just be “buying itself a new setback” and tempers were still so high in the country that Prime Minister Hallgrímsson would hardly dare to negotiate unless an acceptable outcome – that is, a total Icelandic victory with extremely limited British fishing – would be secured beforehand.³⁵⁷ By this stage, the British policymakers had probably come to accept that in the end they would have to realize what the Icelanders were willing to give. But they still needed, as Frydenlund put it in discussions with Luns, “a face-saving formula.”³⁵⁸ Britain could not be expected simply to give in.

Thus, the search for a way out of the impasse continued. Within NATO, the Secretary General continued his constant efforts but he also put his hopes on Norway, for as he stated at a meeting of the North Atlantic Council on February 27, “Norway was the only country which had put forward fresh ideas and the only country which had made clear its readiness to assist in the efforts to find a solution.”³⁵⁹ That same day, moreover, a new and mysterious twist in the tale began to develop, with Norwegian involvement. In Reykjavík, Ambassador Lydvo had a secret lunch with an MP from the Progressive Party. Lydvo would not even mention his name in his despatch to Oslo and described him only as a “salmon-fishing colleague.” The MP obviously belonged to the right-wing of the party because he voiced his concern that the Cod War might have the most unfortunate consequences for the U.S. presence in Iceland and the country’s membership in NATO.³⁶⁰ In fact, this was Tómas Árnason, an influential

³⁵⁷ UD, 31.11/60/XXV, Norwegian Embassy (Reykjavík) to Foreign Ministry, February 23, 1976.

³⁵⁸ UD, 31.11/60/XXV, Norwegian Delegation to NATO to Foreign Ministry, February 27, 1976.

³⁵⁹ UD, 31.11/60/XXV, Norwegian Delegation to NATO to Foreign Ministry, February 27, 1976.

³⁶⁰ UD, 31.11/60/XXV, Olav Lydvo, Norwegian Embassy (Reykjavík) to Foreign Ministry, February 27, 1976.

member of the Progressive Party who had also been on good terms with Lydvo during the 50-mile dispute in 1972-73.³⁶¹

Árnason suggested that instead of a total catch quota, Iceland and Britain should simply agree on the number of British trawlers permitted simultaneously inside the 200-mile limit. He felt that Iceland could offer the figure of 15 and indicated that it might even be slightly higher. Some conservation zones would have to be closed to all trawling but if the agreement were to last for six months or until the end of the year, Britain would probably be able to catch 50-60,000 tons. In essence, the proposal was similar to the design which Hans G. Andersen and Einar Ágústsson had begun to work on earlier in the year. Interestingly, however, Árnason had told Ólafur Jóhannesson, the party chairman and Minister of Justice, of his wish to talk with Lydvo but he had not described his proposal to him nor had he notified Ágústsson, his other party colleague. Prime Minister Geir Hallgrímsson was also uninformed. Yet, Árnason was certain that they would be willing to "go along" and that a majority for this solution could be achieved in the *Althing*. Despite the ambiguity, Lydvo felt that the suggestion should be taken seriously. Here, perhaps, was the necessary "face saving device;" a means to "camouflage" a British retreat.³⁶²

At the Foreign Ministry in Oslo, the Ambassador's evaluation was accepted. Knut Frydenlund immediately asked Ambassador Scott to report the initiative to London.³⁶³ Of course, he did not mention where the idea had come from. In both Britain and Iceland, the chances of a positive evaluation would decrease if the powers-that-be thought that a suggested cease-fire had come from the "enemy camp." Similarly, at a Nordic ministerial meeting in Copenhagen on February 29,

³⁶¹ Author's interview with Tómas Árnason, January 4, 2001.

³⁶² UD, 31.11/60/XXV, Olav Lydvo, Norwegian Embassy (Reykjavík) to Foreign Ministry, February 27, 1976.

³⁶³ UD, 31.11/60/XXV, Per Tresselt Minute, February 27, 1976.

Frydenlund tentatively suggested the trawler-formula to Prime Minister Hallgrímsson, again without describing its origins. Hallgrímsson agreed that it was worth trying to see how Britain would react to this solution. Frydenlund spoke of 15 to 20 trawlers; the Icelandic Prime Minister felt that 15 should be the starting point. A short while later, Frydenlund also informed Foreign Minister Ágústsson about this possible way out.³⁶⁴

The ball had started to roll. At the NATO headquarters in Brussels on March 2, Ambassador Busch conveyed the message from Frydenlund that he was working on a new peace proposal but felt it untimely to describe it in detail. Joseph Luns replied that the NATO states were thankful to the Norwegians and had full faith in their efforts.³⁶⁵ Luns would gladly have taken on Frydenlund's role but since many Icelanders were apt to include the NATO leadership when they described their fury over Britain's conduct, Norway could only be a more suitable intermediary. In Reykjavík the following day, Lydvo told Árnason that Britain was considering his ideas but would probably require a more solid offer from Iceland. He agreed to inform Ólafur Jóhannesson about this and then get in touch again. He also emphasised, as Lydvo wrote to Oslo, that the chain of exchanges must be like this: "Ólafur Jóhannesson – the MP – Lydvo – Frydenlund – the British." Neither the Icelandic Prime Minister nor the Foreign Minister should be involved at this stage. Jóhannesson was said to be the "key man" and if he endorsed the proposed solution, Prime Minister Hallgrímsson could not but agree as well, although one would have to consider his "prestige".³⁶⁶

³⁶⁴ UD, 31.11/60/XXVI, Knut Frydenlund to Olav Lydvo, Norwegian Embassy (Reykjavík), March 6, 1976.

³⁶⁵ UD, 31.11/60/XXV, Norwegian Delegation to NATO to Foreign Ministry, March 2, 1976.

³⁶⁶ UD, 31.11/60/XXV, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, March 3, 1976.

While Frydenlund must have been pleased about the unexpected turn of events in Iceland, he was clearly worried that domestic politics were involved as well.³⁶⁷ It appeared as if Ólafur Jóhannesson and the Progressives wanted to be able to claim credit for having solved this Cod War, as they did with regard to the earlier conflict in the 1970s. Frydenlund therefore asked Lydvo to tell Árnason that the Norwegians felt that Prime Minister Hallgrímsson must be notified about these dealings between the two of them.³⁶⁸ This was done and at around the same time, Frydenlund learned from Foreign Secretary Callaghan that Britain would be ready to enter into negotiations with Iceland about a short-term fishery agreement, based on the principle that 30 British trawlers were permitted to work off Iceland at the same time (the Foreign Office in London reported that this number could be lowered to the absolute minimum of 25).³⁶⁹

Somehow, the gap between 15–20 and 25–30 would have to be bridged. The plan would also have to be brought into the open. Britain needed at least a semblance of official negotiations as part of the “face-saving device.” On March 8, Lydvo informed Prime Minister Hallgrímsson and Foreign Minister Ágústsson of the British reaction. Ágústsson was non-committal and Hallgrímsson as well, although he seemed a bit more positive, especially with regard to further mediation by Norway.³⁷⁰ In turn, Frydenlund claimed to be “considerably more optimistic” than he had been before.³⁷¹

³⁶⁷ UD, 31.11/60/XXVI, Knut Frydenlund to Olav Lydvo, Norwegian Embassy (Reykjavík), March 4, 1976.

³⁶⁸ UD, 31.11/60/XXVI, Olav Lydvo, Norwegian Embassy (Reykjavík), to Knut Frydenlund, March 5, 1976.

³⁶⁹ UD, 31.11/60/XXVI, Knut Frydenlund to Olav Lydvo, Norwegian Embassy (Reykjavík), March 6, 1976.

³⁷⁰ UD, 31.11/60/XXVI, Olav Lydvo, Norwegian Embassy (Reykjavík), to Knut Frydenlund, March 8, 1976.

³⁷¹ GRFL, National Security Adviser. NSC Europe, Canada and Ocean Affairs Staff: Files. Box 11. Iceland, 1976, State Department Briefing Item, March 9, 1976.

Nonetheless, Icelandic toughness and friction within the coalition in Reykjavík still looked likely to wreck this latest chance of an end to the Cod War. Since the start of the conflict, Ólafur Jóhannesson had regularly complained over the American unwillingness to lease or sell suitable vessels to Iceland.³⁷² On March 5, he publicly declared that he wanted to obtain ships from the United States, in line with the U.S.-Icelandic agreement from 1974 which had ended the three-year long discussions on the future of the American presence in Iceland. That agreement had contained a clause on increased cooperation between the U.S. forces and the Icelandic coast guard. And if the United States would not comply with Icelandic wishes, Jóhannesson suggested that Iceland might enquire about the availability of small frigates in the Soviet Union.³⁷³ Although he hardly believed that the Soviets would lend their warships to a NATO state, the Progressive leader had once more shown his readiness to use the “NATO-weapon.” Furthermore, Jóhannesson suggested that Norway might own coast guard boats which could be used in the conflict with Britain. Consequently, a spokesman for the Foreign Ministry in Oslo had to state Norway’s reluctance to give material support to one party in the Cod War, and that stance was not well received by the Icelandic public.³⁷⁴

³⁷² See for instance *GRFL*, National Security Adviser. NSC Europe, Canada and Ocean Affairs Staff: Files. Box 11. Iceland, 1976, State Department Briefing Item, January 8, 1976, and National Security Adviser. Presidential Country Files for Europe and Canada. Box 7. Iceland–State Department Telegrams. To SECSTATE–EXDIS, Frederick Irving, U.S. Embassy (Reykjavík), to Secretary of State, February 2, 1976.

³⁷³ See *Morgunbladid*, March 6, 1976, and Gudmundsson, “Thorskar í köldu stríði,” 75–76. The clause, which Jóhannesson referred to, stated that: “The two governments will study ways to further the cooperation between the Iceland Defence Force and the Icelandic coast guard, civil defence and civil aviation authorities.”

³⁷⁴ See for instance *Dagbladid* [Icelandic daily], March 10, 1976.

Hallgrímsson was extremely unhappy with Jóhannesson's utterances about the leasing of foreign vessels.³⁷⁵ They had been made without his knowledge, let alone approval, and they could only upset the new avenue for tentative talks. On a smaller scale, John Prescott, a Labour MP from Humberside, also complicated things by flying to Iceland and offering his own proposals for a solution to the conflict. This initiative was without the blessing of the British authorities and they let it be known that they preferred to stick to "the Norwegian channel."³⁷⁶ Moreover, in a four-day period from March 10 to March 13, the *Týr*, the *Thór* and a newly acquired coast guard vessel, the converted trawler *Baldur*, clashed eight times with Royal Navy frigates, causing considerable damage on both sides and yet more anger against British "aggression" in Iceland. The only positive development, at least in the minds of the rulers in Reykjavík and Oslo, was the exchange of notes on March 10 on continued line-fishing by Norwegian vessels inside the 200-mile limit. This agreement was insignificant, however, and had little or no bearing on the main conflict.³⁷⁷

Despite all the irritants, by March 19 Hallgrímsson could tell Frydenlund that his government was considering a proposal whereby "[a]n average of 20 British trawlers a day will be permitted to fish within 200 miles of Iceland, subject to a maximum of 25 trawlers on the fishing grounds at any one time." In this way, the divide between 20 and 25 trawlers a day would be bridged. Some areas would be closed and the agreement was only to last for 3-6 months. Hallgrímsson was now putting so much faith in Frydenlund's mediation that he

³⁷⁵ See for instance UD, 31.11/60/XXVI, Norwegian Embassy (Reykjavík), to Foreign Ministry, March 11, 1976.

³⁷⁶ UD, 31.11/60/XXVI, Foreign Ministry to Norwegian Embassy (Reykjavík), March 18, 1976, Olav Lydvo, Norwegian Embassy (Reykjavík), to Knut Frydenlund, March 19, 1976, and Norwegian Embassy (London) to Foreign Ministry, March 30, 1976. See also Colin Brown, *Fighting Talk. The Biography of John Prescott* (London, 1997), 121-23.

³⁷⁷ See Jónsson, *Friends in Conflict*, 178-79.

left it to him to choose whether to mention the proposal to the British side or to wait until the Icelandic government was committed to a solution of this kind. And when Frydenlund decided to inform the rulers in London right away they replied by asking him to obtain from Reykjavík “a single overall informal preview of the Icelandic offer.”³⁷⁸

This, however, proved a tough task indeed. The Progressive Party appeared at best lukewarm to the emerging solution and Geir Hallgrímsson would be in serious political trouble if he put his name to a proposal which the Progressives would then criticise. For the next three weeks or so, no progress was made behind the scenes. At the frontline, conversely, collisions between the coast guard vessels and the British frigates continued. It only seemed a matter of time until a fatal incident would happen in the disputed waters. Yet, by mid-April a consensus had apparently been reached in Reykjavík that more would be gained by a short-term compromise than an escalation at sea. The Icelandic government would accept an average of 22 British trawlers in Icelandic waters and in private, Geir Hallgrímsson indicated that he would be prepared to defend “some flexibility” in this regard if a satisfactory outcome could be reached on conservation areas and other aspects of the agreement. Frydenlund then incorporated the figure of 22 trawlers into a provisional “Memorandum of Understanding” which he put for the British side.³⁷⁹ They were not overjoyed. On April 20, Roy Hattersley visited Oslo and argued – after lengthy references to Icelandic obstinacy, unfairness and unreliability – that the figure of 25 trawlers was an absolute minimum. Overall, Hattersley also gave the impression that Frydenlund’s

³⁷⁸ UD, 31.11/60/XXVI, Foreign Ministry to Norwegian Embassy (Reykjavík), March 21, 1976. See also Olav Lydvo, Norwegian Embassy (Reykjavík), to Knut Frydenlund, March 19, 1976.

³⁷⁹ UD, 31.11/60/XXVI, Foreign Ministry Minute, April 19, 1976.

suggestions were not sufficiently “neutral”.³⁸⁰ In Reykjavík, meanwhile, Ólafur Jóhannesson declared that the Progressive Party could not make fundamental decisions before a meeting of its central committee in early May.³⁸¹

The delay was annoying and worse than that, on the evening of May 6 (before the committee meeting), the most serious clashes in the Cod Wars took place. In a few hours of frenzied activity, the *Baldur*, the *Ódinn* and the *Týr* collided eight times with three British frigates. Two of them retired with serious damage, as did the *Týr*. Throughout the Cod Wars of the 1970s, both Iceland and Britain constantly blamed each other for the collisions at sea. In two of the episodes which involved the *Týr* this evening, the British frigate deliberately and indisputably rammed the Icelandic vessel at high speed. It was truly miraculous that nobody died on board, or even that the ship stayed afloat.³⁸² A watershed had occurred. Shortly after midnight, Eric Young, First Secretary at the French Embassy’s “British Interests Section” in Reykjavík, telephoned Ambassador Lydvo and warned that there was “all hell loose on the fishing grounds.” The following day, the Icelandic media roundly condemned the British “aggression” and Fisheries Minister Bjarnason insisted that the chances of a solution to the Cod War were smaller than ever before.³⁸³

In fact, however, the shocking events served as a sobering eye-opener in both of the warring camps. Somewhat surprisingly, in London this development was helped by

³⁸⁰ UD, 31.11/60/XXVI, Bjørn Skogmo Minute, April 20, 1976, and Kjeld Vibe Minute, April 26, 1976.

³⁸¹ UD, 31.11/60/XXVI, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, April 26, 1976.

³⁸² For a detailed description, see Óttar Sveinsson, *Útkall. Týr er ad sökkuva* [Emergency. The *Týr* is sinking], (Reykjavík, 2004).

³⁸³ UD, 31.11/60/XXVI, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, May 7, 1976.

changes at the highest levels.³⁸⁴ On March 16, Prime Minister Harold Wilson had resigned and was succeeded by James Callaghan. Anthony Crosland took over at the Foreign Office and Callaghan left the fishing dispute to him, preoccupied as he now was with even greater problems facing Britain. Less than half-a-year before – as was mentioned above – Crosland the Grimsby MP had called on his government to defend forcefully Britain’s undisputable rights to fish on the “high seas.” In 1971, moreover, he had described Iceland’s claim to 50 miles as “monstrous”, so what would he think about the 200 mile limit?³⁸⁵ Once in power, however, Crosland knew well enough what could and could not be achieved off Iceland. Kenneth East, based at the Foreign Office after his expulsion from Iceland, later recalled that when the officials of the fishery department in Whitehall warned against a “sell-out” to Iceland, Crosland replied that “we had to bite the bullet.”³⁸⁶ When other Cabinet ministers heard that attitude from an MP from Grimsby, they must have worried less about the risks of condemnation there and at the other fishing ports of Britain.

From Reykjavík, Olav Lydvo also reported after the serious events on the fishing grounds that a member of the Progressive Party had notified Eric Young that the Progressive Party was prepared to settle the dispute through the “Norwegian channel.”³⁸⁷ As with Tómas Árnason a few weeks before, the contact was unnamed but this was in fact Heimir Hannesson, a lawyer who was in regular touch with Ólafur Jóhannesson and a leading member in the Atlantic Treaty Association, a civilian organisation with formal ties to NATO which had been active in the quest for Cod War peace in both this

³⁸⁴ See Peter Kellner and Christopher Hitchens, *Callaghan. The Road to Number Ten* (London, 1976), 144.

³⁸⁵ See *The Times*, June 15, 1971.

³⁸⁶ Author’s interview with Kenneth East, January 28, 2000.

³⁸⁷ UD, 31.11/60/XXVI, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, May 11, 1976.

dispute and the earlier one in the 1970s.³⁸⁸ On May 11, Foreign Minister Ágústsson also summoned Lydvo to the Foreign Ministry and confirmed that the Icelandic government was willing to accept, in principle, “the Norwegian proposal.” The average number of trawlers could be set at “22–23” in return for a satisfactory outcome in other areas, in particular closed zones and the immediate enforcement of the reductions on duties on fish imports to the EEC (such reductions, it may be recalled, had been agreed on but “frozen” ever since the outbreak of the second Cod War in 1972). Ágústsson added that he had spoken informally with the Socialist Lúdvík Jósefsson who was to have stated that the conflict could not go on, although he would certainly protest all concessions to Britain within the 200-mile limit. Ágústsson also remarked that Ólafur Jóhannesson was going to make sure that the coast guard vessels would be held at bay in the near future.³⁸⁹

Nonetheless, further incidents occurred. On May 12, the *Ægir*, a sister ship of the *Týr*, tried to arrest a British trawler. The vessel managed to escape but the *Ægir* followed and fired solid shots at her. The coast guard vessel only broke off the pursuit after a British Nimrod surveillance aircraft warned that if the gunfire continued, it would reply in kind. It goes without saying that the authorities in London were unhappy with this episode. Yet, they still expressed their desire to seek “a fair and early settlement” to the dispute.³⁹⁰ After the events of May 6, the desire to risk fatal incidents and put an end to

³⁸⁸ Author’s interview with Heimir Hannesson, September 12, 2002. See also *GRFL*, National Security Adviser. Presidential Name File, 1974–77. Box 3. Rostow, Eugene V., Eugene V. Rostow to Henry Kissinger, November 17, 1975, White House Central Files [WHCF]. Subject File. Box 12. FO 3-1/Fisheries (2), Eugene V. Rostow to Sir Frank Roberts, December 12, 1975, and Heimir Hannesson to Eugene V. Rostow, June 26, 1976.

³⁸⁹ *UD*, 31.11/60/XXVI, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, May 11, 1976.

³⁹⁰ *UD*, 31.11/60/XXVII, Foreign Office Memorandum for the North Atlantic Council, May 18, 1976.

the conflict at almost any cost had come to determine British policy.

Conversely, the public in Iceland condemned the trawler's escape on May 12 as yet another case of British disdain for Icelandic laws and regulations. Members of the coast guard, particularly angry and upset after the severe clashes earlier in the month, were convinced as well that constant harassment was the best means to force Britain to back down.³⁹¹ Ever since the outbreak of the Cod War, Prime Minister Hallgrímsson had indeed complained over some of the coast guard captains who, in his opinion, wanted to be "national heroes" and did not obey instructions to refrain from action at sensitive moments in the dispute.³⁹² After the attempted arrest by the *Ægir* on May 12, Hans G. Andersen similarly suspected that its commander had either acted on his own initiative or that Ólafur Jóhannesson had given an order to show aggression, just when a negotiated settlement seemed to be in sight. If so, Andersen felt that such behaviour was just typical, especially in light of the fateful warp-cutting in January 1976, when Geir Hallgrímsson was meeting with James Callaghan and Harold Wilson in London.³⁹³ Andersen may have been too cynical and he held long-standing sympathies for

³⁹¹ See the memoirs of four coast guard captains: Sveinn Sæmundsson, *Gudmundur skipberrá Kjærnested I-II* [Memoir of Gudmundur Kjærnested, commander of the *Týr*], (Reykjavík, 1984–85), Sigurdór Sigurdórsson, *Spaugsamí spörfuglinn* [The witty sparrow. Memoirs of Thröstur Sigtryggsson, commander of the *Óðinn*], (Reykjavík, 1987), Atli Magnússon, *Í kröppum sjó* [In troubled waters. Memoirs of Helgi Hallvardsson, commander of the *Thór*], (Reykjavík, 1992), and Höskuldur Skarphéðinsson, *Sviptingar á sjávarslóð* [Conflicts at sea. Memoirs of Höskuldur Skarphéðinsson, commander of the *Baldur*], (Reykjavík, 1999).

³⁹² UD, 31.11/60/XXIV, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, December 12, 1975, and GRFL, National Security Adviser. Presidential Country Files for Europe and Canada. Box 7. Iceland-State Department Telegrams. To SECSTATE-EXDIS, Frederick Irving, U.S. Embassy (Reykjavík), to Secretary of State, February 10, 1976.

³⁹³ UD, 31.11/60/XXVII, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, May 11, 1976.

Hallgrímsson's Independence Party. Nonetheless, the distrust demonstrated the enduring conflicts, disagreements and self-interested agendas in the Icelandic decision-making body.

In short, despite the British determination to accept a settlement almost completely on Icelandic terms, as laid out for instance by Einar Ágústsson on May 11, it could be hard to get the authorities in Reykjavík to the negotiating table. Three days later, Hans G. Andersen mentioned to Ambassador Lydvo, almost in passing, that unfortunately Ágústsson had "forgotten" to mention that in any agreement with Britain, Iceland would have to insist on a formal recognition of the 200-mile limit.³⁹⁴ Unsurprisingly, British officials and ministers were disappointed with this addition to the list of Icelandic prerequisites. They were not that surprised, however. In Oslo in April, Roy Hattersley had complained that whenever Britain had agreed to an Icelandic wish list, the Icelanders had come back with a new set of demands.³⁹⁵ But the British had resolved to bite the bullet. While the authorities in London felt that it would be "inappropriate" to incorporate a formal recognition into an interim fishery agreement, they informed Norwegian officials that they "remain most eager for a negotiated settlement and are prepared to be flexible."³⁹⁶

Despite this newest concession, the Icelandic government still hesitated to commit itself to talks with the British side. On May 20–21, a NATO ministerial meeting was to be held in Oslo. Both there and in Brussels, it was felt that Ágústsson could use the occasion to hold talks with Foreign Secretary Crosland. Knut Frydenlund suggested that they meet at his residence but the Icelandic Foreign Minister was still so worried about the possible stigma at home of talks with the

³⁹⁴ UD, 31.11/60/XXVII, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, May 14, 1976.

³⁹⁵ UD, 31.11/60/XXVI, Bjørn Skogmo Minute, April 20, 1976. See also Hattersley, *Who Goes Home?* 143.

³⁹⁶ UD, 31.11/60/XXVII, Kjeld Vibe Minute, May 18, 1976.

adversary that he insisted on speaking with Crosland at the venue for the NATO meeting. Then, as Hans G. Andersen explained to Ambassador Lydvo, Ágústsson could simply deny claims by the Icelandic media that he had spoken specifically with Crosland about the Cod War.³⁹⁷ Still, the two would meet and once Crosland had arrived in Oslo, his absolute determination to end the dispute became clear. On May 19, he first spoke with Frydenlund and described how he wanted it “out of this world as soon as possible.” The Icelandic demand for a recognition of the 200-mile limit could be met and if he could get from Ágústsson a definite set of conditions for an agreement he would take that back to Britain and defend it both in London and Grimsby.³⁹⁸

Frydenlund decided not to wait for the NATO meeting but to encourage Ágústsson to speak with Crosland that very evening. The Icelandic Foreign Minister apparently felt that the press would not be able to hear of the encounter, as the two met with their entourage at his hotel. Again, the British Foreign Secretary indicated that Britain was ready to settle on Icelandic terms and the Icelanders finally seemed ready to take the plunge: Prime Minister Hallgrímsson was notified and flew to Oslo from another ministerial meeting in Finland. On May 21, the two Icelanders secretly met Crosland and all but agreed that the time had come to put an end to the Cod War.³⁹⁹ Within the next few days, Iceland and Britain would declare that official negotiations were to be held. In reality, there would be nothing to “negotiate” but the semblance of give and take would give Crosland and Britain the necessary “face saving device.” The British warships and tugboats would leave Icelandic waters and the trawlers would be advised to haul when instructed to do so by the coast guard

³⁹⁷ UD, 31.11/60/XXVII, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, May 14, 1976.

³⁹⁸ UD, 31.11/60/XXVII, Foreign Ministry Minute, May 19, 1976. See also Jónsson, “Tiunda thorskastríðid” [The tenth Cod War], 94–95.

³⁹⁹ See Geir Hallgrímsson’s account in *Morgunblaðid*, October 15, 1985.

vessels. Since the “negotiations” would only last a day or two, the British side was finally prepared to break the principle of withdrawing the protection force without a no-harassment pledge by the Icelanders.⁴⁰⁰

Right after the talks in Oslo, Crosland also accepted an increase in closed areas within the 200-mile limit but instead he got the average number of British trawlers up to 24 per day.⁴⁰¹ Crosland foresaw that the official talks would then begin on May 26 and that day representatives of the trawling industry were told – in strictest confidence – that the British government had decided to withdraw all of its protection forces in Icelandic waters.⁴⁰² Once more, however, the Icelanders managed to bring up yet another demand.⁴⁰³ Within the government, Ólafur Jóhannesson insisted that Iceland must have a guarantee against the possibility of renewed demands for fishing inside the 200-mile limit after the expiry of the agreement. While the concern was in itself logical, Hans G. Andersen was certain that Jóhannesson was only concerned with possible gains in domestic politics.⁴⁰⁴ Presumably, Andersen suspected that Jóhannesson and the Progressives wanted to be able to pose as the firm defenders of Icelandic interests who had managed to improve on a somewhat faulty settlement which Geir Hallgrímsson had already sanctioned.

⁴⁰⁰ UD, 31.11/60/XXVII, Sir Peter Scott, British Embassy (Oslo), to Kjeld Vibe, May 24, 1976.

⁴⁰¹ UD, 31.11/60/XXVII, Sir Peter Scott, British Embassy (Oslo), to Knut Frydenlund, May 25, 1976.

⁴⁰² Modern Records Centre, University of Warwick, MSS.126/GE/3/3, File of correspondence, 1960–76, from the Grimsby Steam and Diesel Fishing Vessels’ Engineers’ and Firemens’ Union regarding the dispute with Iceland. D.K. Cairns, National Fishing Liaison Officer Memorandum, May 26, 1976.

⁴⁰³ GRFL, National Security Adviser. NSC Europe, Canada and Ocean Affairs Staff: Files. Box 11. Iceland, 1976, D. Clift Briefing Item, May 28, 1976.

⁴⁰⁴ UD, 31.11/60/XXVII, Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, May 27, 1976.

But would the Icelanders never commit themselves to an agreement, then? To outside observers, it almost seemed as if they were determined to force through an unconditional surrender by Britain. On May 28, officials in Washington had formed the impression that although the political leaders in Iceland wanted a settlement, "the emotions they themselves have raised among the public and their own lack of firmness make it difficult to be particularly optimistic at this stage."⁴⁰⁵ In London, however, the retreat continued. That same day, the British government confirmed that when the proposed interim arrangement had expired, British vessels would only fish in the waters off Iceland according to further agreements with the Icelandic authorities. Finally, the Icelanders were satisfied. In London and Reykjavík, it was announced that on May 31 Icelandic and British Ministers would meet in Oslo to negotiate a final settlement. Behind the scenes, both sides agreed that this summit would merely be a formality.⁴⁰⁶ The previous evening, the British protection vessels sailed out of Icelandic waters. The talks in Oslo then proceeded without a hitch, as expected, and on June 1, 1976, Britain and Iceland signed an agreement which ended the bitter conflict between the countries. For the following six months, an average of 24 British trawlers could work inside the Icelandic 200-mile limit (and never more than 29 at the same time). Some conservation areas were closed and Icelandic specialists estimated that the trawlers could fish what amounted to a total annual catch of around 50,000 tons. Also, the tariff reductions which Iceland had negotiated with the EEC in 1971, subject to a consensus on Iceland's fishing limits, were to take almost immediate effect, and after the expiry of the agreement on December 1,

⁴⁰⁵ *GRFL*, National Security Adviser. NSC Europe, Canada and Ocean Affairs Staff: Files. Box 11. Iceland, 1976, D. Clift Briefing Item, May 28, 1976.

⁴⁰⁶ *UD*, 31.11/60/XXVII, Sir Peter Scott, British Embassy (Oslo), to Kjeld Vibe, May 28, 1976, and Olav Lydvo, Norwegian Embassy (Reykjavík), to Foreign Ministry, May 28, 1976.

British vessels would only fish inside the 200 miles if Iceland gave its consent.⁴⁰⁷

The Cod War was over. At a press conference in Oslo, Anthony Crosland stated that the agreement was not surrender by either side but rather “a victory for common sense” in both Reykjavík and London. While admitting that the British trawling industry was deeply unhappy with the final outcome, Crosland could point to the fact that the Socialists in Iceland attacked the government for weakness when full triumph was at hand. Furthermore, it was in itself a small victory for Britain – a “face saving device” – to end the conflict by an agreement instead of a unilateral withdrawal of warships and trawlers. Then again, the protests in Iceland against the agreement were feeble and the Icelanders clearly had much more to celebrate than the British side. Naturally, the Norwegians were jubilant as well. Crosland openly thanked them, and Knut Frydenlund in particular, for the conciliatory efforts which had contributed to the agreement.⁴⁰⁸ In the North Atlantic Council, Joseph Luns also praised Frydenlund for the “very discreet and very effective contribution to this happy result.” In Washington, likewise, Norwegian diplomats described how everyone was praising Norway for its decisive contribution, adding that it was “especially good to be Norwegian in Washington right now.”⁴⁰⁹

Frydenlund’s efforts had all taken place behind the scenes and when the media in Iceland suspected an uncanny Norwegian interest in the dispute, Prime Minister Hallgrímsson and others were quick to deny any involvement

⁴⁰⁷ See Jónsson, *Friends in Conflict*, 180-181, and Jónsson, “Tíunda thorskastríðid” [The tenth Cod War], 98-104.

⁴⁰⁸ UD, 31.11/60/XXVII, Press Conference Transcript, June 1, 1976.

⁴⁰⁹ UD, 31.11/60/XXVII, Norwegian Delegation to NATO to Foreign Ministry, June 1, 1976, and Norwegian Embassy (Washington), to Foreign Ministry, June 3, 1976.

by the authorities in Oslo.⁴¹⁰ Frydenlund himself also had to reject such claims although he did not like the need to mislead people. "The truth was," as he later put it, "that Norway, along with Joseph Luns, played a great role in the solution of the conflict."⁴¹¹ Obviously, the Cod War would somehow have come to an end without Knut Frydenlund's keen involvement. In that case it is quite possible that Luns, who always played a significant part behind the scenes, would have been even more active. It is also possible that Britain would have been forced to accept unconditional surrender off Iceland and leave the fishing grounds unceremoniously. Last but not least, it is not inconceivable that the conflict could have dragged on and deepened, maybe even with the use of arms and loss of life. Feelings against Britain, NATO and the U.S. presence in Iceland would then have reached new heights in the country. A resolution on the withdrawal from NATO and the expulsion of U.S. forces could then have been passed in the *Althing*, on the basis that Iceland could not accept an alliance or defence forces which were of no use in a deadly fight against Iceland's main enemy.

In the long run, the Icelanders would almost certainly not have benefited from escalation or a total victory. In May 1976, at the height of the conflict with no clear solution in sight, the U.S. administration had obviously grown tired of the constant threat that unless they and other NATO states acceded to Icelandic demands on fishing limits, the American forces might have to leave the island. Notwithstanding Iceland's clear strategic value, President Gerald R. Ford therefore agreed that a study should be undertaken of "the political, military, and intelligence importance of Iceland to the U.S. and NATO." In this connection, the options and

⁴¹⁰ See for instance *Morgunbladid*, March 25, 1976, and UD/31.11/60/XXVI, Olav Lydvo, Norwegian Embassy (Reykjavik), to Foreign Ministry, March 25, 1976.

⁴¹¹ *Morgunbladid*, December 5, 1979.

costs of relocation were also to be considered.⁴¹² And that would of course involve Norway. As before, Norwegian interest in Iceland's fishing conflicts can only be understood in the strategic context. It is true that Foreign Minister Frydenlund was partly driven by the unselfish will to do the good thing and help allies who found themselves in an apparently insoluble conflict where outside assistance was needed. Partly, however, he was also driven by the self-interested concern for Norway's defence interests. Within the Foreign Ministry, Kjeld Vibe summarised that factor in mid-May 1976:

The background to Norway's engagement has primarily been the risk that a continuation of the conflict might make the Icelandic government question again both Iceland's membership in NATO and the continued operation of the U.S. base at Keflavík. From the Norwegian point of view, Iceland's membership in NATO and Iceland's contribution to the Atlantic alliance are an important part of the strategic and military balance in the Northern region.⁴¹³

To conclude, Ambassador Kenneth East was later to assert that "Knut Frydenlund saved everybody's bacon. Frydenlund deserves to have a statue in Reykjavík and in Whitehall."⁴¹⁴ The praise is fair, but should statues be raised to honour his conduct in the Cod War, there probably should also be one in Oslo.

⁴¹² *GRFL*, National Security Adviser, NSC Europe, Canada and Ocean Affairs Staff, Files, box 11, Iceland, 1976 NSC, Scowcroft memorandum, undated, but from middle or late May 1976. See also Gudni Jóhannesson, "To the Edge of Nowhere", 115-37.

⁴¹³ *UD*, 31.11/60/XXVII, Kjeld Vibe Minute, May 18, 1976.

⁴¹⁴ Author's interview with Kenneth East, January 28, 2000.

Chapter 10

Conclusion

Norwegian policy during the Anglo-Icelandic fishing disputes after the Second World War was guided by the determination to advance and protect Norway's national interest. This study has shown, however, how difficult that was since the various aspects of the national interest could conflict or contradict each other. Moreover, it has been established how the defence of purely Norwegian interests influenced decision-making in Oslo more than sympathy for Iceland or the desire to follow an "ethical foreign policy". During the disputes, Norway primarily offered its good offices and tried in various ways to find a solution because of the egocentric concern that a prolongation of the conflicts could harm the defence interests of Norway, or make it difficult for the authorities in Oslo to follow their chosen course of action in matters of the law of the sea and territorial waters. Thus, Norway's policy could be unfavourable to Icelandic interests. But even if it was selfish rather than enlightened, the Icelanders sometimes had every reason to be thankful for Norwegian interest and intervention in the disputes. Furthermore, Britain and Iceland, the two warring sides, were of course only fighting for their own particular interests, so why should Norway not do so as well?

In 1948–52, the first phase of the extension of Iceland's fishing limits, the Norwegians and the Icelanders appeared to be in the same boat. Both nations wanted to enforce a four-

mile limit and both could base their claims on even wider fishing limits from the time when they were together under Danish rule. Both nations faced opposition from Britain and although Iceland began to get rid of the treaty with Britain from 1901 on three-mile territorial waters around the island, it was Norway which took the lead in this period. From the autumn of 1948, Norway fully enforced its Royal Decree from 1935 on a four-mile limit off North Norway, measured from baselines between headlands and the outermost islands and skerries. In late 1951, when the International Court of Justice endorsed this method of delimitation, there was great jubilation in Iceland. A fellow Nordic nation had had its way against Britain and the Icelanders could now follow.

By then, Iceland had already extended the fishing limits off its north coast to four miles, thus closing some traditional grounds to Norwegian herring fishermen. The response in Norway to this action had not been positive, even if it was based on the Norwegian precedent, and Norwegian attitudes did not improve when the Icelanders went all the way in 1952, declaring a baseline-measured four-mile limit around the whole island. The authorities in Oslo wanted to protect the "herring" aspect of the national interest, i.e. the right to maintain long-established fishing rights off Iceland. They realised perfectly well, however, that if they issued formal protests they could be accused of hypocrisy and selfishness. The clear desire to raise objections still demonstrated that the Norwegian policymakers did not think that they shared a common cause with Iceland. The Icelanders, meanwhile, felt that Norway was duty bound to support them and were indignant when they found out that the Norwegians would at best be neutral in the looming struggle between Iceland and Britain. Hence, tension was inevitable: on the one hand, the newly independent nation could be self-centred and naïve about the willingness of other nations to support its point of view. On the other hand, the Norwegian authorities showed

no interest to follow an "ethical foreign policy" in their dealings with the Icelanders.

Icelandic displeasure over Norwegian attitudes continued in 1952–56. In this period, British trawler owners (with tacit blessing in London) imposed a ban on the landings of iced fish from Icelandic trawlers. Where was Norwegian sympathy and Nordic unity when it was needed? The Icelanders were enraged that Britain, an ally in NATO, would resort to economic coercion and they were also disappointed with the lack of pressure on Britain from Norway. Here the Icelanders continued to expect too much moral support from Oslo and the whole Nordic region, especially with regard to the apolitical Nordic Council. The authorities in Oslo also had to keep the herring interests in mind and, in general, the conflicting interests of Norway's inshore fishermen and the distant-water fishermen and hunters (of whale and seal) made it difficult to formulate a clear policy on fishing limits and territorial waters. Shipping interests intervened in this regard as well. But when the OEEC decided to work towards the lifting of the landing ban the Norwegian delegate, Arne Skaug, played an important part. Other Western nations clearly felt that the Norwegians were most likely to be able to reason with the Icelanders.

Norwegian interest in the termination of the landing ban intensified in 1956 when a left-wing government came to power in Reykjavik, seemingly determined to expel the U.S. troops from the island who had been stationed there since 1951. Within NATO, it was agreed that the Icelanders had to be convinced of the benefits of Western cooperation and it was easy to conclude that the British coercion would then have to end. As before, policymakers in the West were also of the opinion that when it came to persuading the Icelanders, their close friends the Norwegians were the obvious choice. However, during the crisis in Iceland in 1956 when the United States appeared ready to treat the new leftist regime as an

outcast, Norwegian representatives did well by counselling moderation in Washington rather than in Reykjavík. In doing so, they based their advice on their knowledge of Iceland's domestic politics where there was in fact a majority in favour of the continuation of the U.S. presence. Furthermore, they knew that undue external pressure would not have the desired effect on the "obstinate" Icelanders. Norway's soothing voice, in particular that of Foreign Minister Halvard Lange, contributed to the easing of tension between Iceland and its Western allies. For that, the pro-Western Icelanders could be grateful, but it must be noted that Norwegian efforts were primarily based on the worry that in the unlikely event of Iceland actually ordering the removal of U.S. forces, NATO defences in the North Atlantic would be weakened and pressure on the Norwegians to accept foreign troops on their soil would greatly increase. Norwegian interests were at stake, hence the involvement. This self-centred approach was also evident when Norwegian officials and politicians expressed concern about economic assistance to Iceland and possible means to decrease its trade with the Soviet Union, established because of the infamous landing ban. Would such efforts not harm the Norwegian fishing industry? Norway had been put in a "no-win situation," it was argued in Oslo in 1956-57. Ultimately, the Norwegian government was willing to offer Iceland a modest financial loan but was then spared the nuisance of supporting the Icelanders, a keen competitor on some of the world's fish markets, by their own refusal to accept a string of small loans from the NATO countries (for fear that Iceland might be considered a beggar in Western circles).

By 1957, one crisis had been solved but another lay ahead. Ever since the end of the Second World War, the law of the sea had developed in favour of coastal states. Although a United Nations conference in early 1958 failed to secure an agreement on the width of fishing limits and territorial waters,

it was clear that the *status quo* could not be maintained. In September that year, Iceland went ahead and declared a 12-mile fishing limit. The Norwegian authorities had hoped that the Icelanders would not act unilaterally in such a manner, both since it would lead to increased calls for similar action in North Norway, and since they rightly feared that Britain would not accept the extended limit. Indeed, the rulers in London had asked the Norwegians to get that message across in Reykjavík. As with the United States and the base crisis in 1956, Halvard Lange and the other Norwegian representatives concluded that not only would they be unable to persuade the Icelanders to back down but that they should also recommend the British side to show restraint. That did not happen, however. The Royal Navy sailed to the waters off Iceland and protected British trawlers from harassment by Icelandic coast guard vessels.

The first Cod War had begun. Norway obviously wanted Britain to withdraw their warships and acknowledge defeat in the dispute because of the damaging effect its continuation could have on Icelandic attitudes towards NATO and the U.S. base. Still, the Norwegians understood the British point of view and were accepted as mediators by both sides in the conflict. In early 1960, after a stand-off in the disputed waters for more than year, Foreign Minister Lange and NATO Secretary General Paul-Henri Spaak secretly sought a solution. Although they were not successful, their ideas for an end to the conflict were heavily in favour of Iceland and contributed to the feeling in London that it would ultimately be necessary to withdraw the warships and accept Iceland's 12-mile limit.

Indeed, the Royal Navy left the waters off Iceland before the second United Nations conference on the law of the sea, held later in 1960. This time, the international community was only one vote from accepting the principle of 12-mile fishing limits (with a ten year phase-out period for traditional distant-water fishing). After the conference, the Norwegian

government announced that it would impose a 12-mile limit but that it would of course negotiate phase-out rights with interested countries. Norway was never a "unilateralist" on the oceans. Then again, the Icelanders grumbled that the Norwegians had simply let them do all the hard work in the fight against Britain and then they wanted to follow and reap the benefits. While there was some truth in that, it was of course not Norway's fault that Iceland had acted unilaterally and precipitated the Cod War. In late 1960, Britain and Norway reached agreement on the 12-mile extension, with a ten-year transitory period. Then, in early 1961, the Cod War came to an end as Britain accepted the 12-mile limit off Iceland, in return for three-year fishing rights inside the new line and a commitment by the Icelandic government to refer possible disputes in the future to the International Court of Justice. The Norwegians obviously wanted to achieve the same phase-out rights in Icelandic waters which Britain (and West Germany) had achieved but reluctantly refrained from making formal requests because of Icelandic warnings that such selfishness was not expected from "friends" and "cousins".

In 1971, a new left-wing coalition came to power in Iceland. It was intent on extending the fishing limit to 50 miles and decided to ignore the treaty obligations from a decade before, on the referral of disputes to the International Court. The Norwegian government did not like this hard-line stand, not only because of the obvious risk of renewed conflict with Britain but because the opponents of Norwegian membership of the EEC used the Icelandic example to support the contention that Norway should extend its national jurisdiction instead of opening its waters to European fishermen. In this sense, the Icelandic policy undoubtedly contributed to the Norwegian rejection of entry into the EEC in September 1972. At the beginning of that month, the 50-mile extension had taken effect off Iceland. The Icelandic

coast guard vessels had developed a new "secret weapon" in the shape of "cutters" which severed the trawl-wires of the British trawlers. The trawlermen demanded naval protection but initially the authorities in London refrained from that action, mindful of the experience in the first Cod War when the Royal Navy presence had been costly, risky and ultimately unsuccessful.

Furthermore, in its manifesto the Icelandic regime had promised to order all U.S. troops out of Iceland within the next four years. That, of course, was bad news for Norway. The Soviet naval build-up, which had begun in earnest in the 1960s, meant that Western defence and surveillance installations in Iceland were deemed even more important than before. Even the neutral Swedes, no friends of the United States in this period, emphasised that Scandinavian security was dependent on the U.S. presence in Iceland. The Icelandic Prime Minister, leader of the centrist Progressive Party, acknowledged Norwegian concerns and apparently gave the secret pledge that Iceland would take no final action on the U.S. presence before consultations with the government in Oslo. Within his coalition, only the most left-wing party was genuinely behind the pledge to expel the Americans. The Norwegian authorities were somewhat reassured by that but they realised quite well that an escalation of the conflict on the fishing grounds could evoke strong feelings among the nationalistic Icelanders against NATO and the U.S. base.

The feared escalation began in May 1973, when the Royal Navy reappeared in the waters off Iceland and began to protect British trawlers from the coast guard vessels and their hated "cutters". Tempers ran high and the Norwegians immediately offered to mediate in the dispute. The rather far-fetched idea of offering to send unarmed Norwegian vessels to keep peace in the disputed waters was even mooted in Oslo. The Icelandic authorities were not willing to accept Norwegian arbitration or mediation and they clearly felt that

the Norwegians were only interested in the dispute because of its strategic connotations for themselves. By the fall of 1973 it looked as if Norway's involvement in the Cod War would take the form of looking after Iceland's interests in Britain. The rupture of diplomatic relations between the two countries was imminent when, at the last moment, both sides backed down and reached a two-year compromise on British fishing within the 50-mile limit, rather in favour of Iceland. Norway's Cod War engagement in 1973 had never been decisive. The Norwegians did play a noticeable role, however, by constantly arguing in both London and Brussels that a solution was impossible unless the Royal Navy left the disputed waters. The offer to take care of Icelandic interests also demonstrated the close ties between Iceland and Norway. No other state was such an obvious candidate for this role (Denmark was ruled out because of the "colonial" link).

In 1974, the leftist regime in Iceland collapsed and was replaced by a centre-right coalition which was quick to abandon all plans for the expulsion of U.S. troops from the country. The new government was determined to extend the fishing limits once more, this time to 200 miles. That extension took effect against Britain in November 1975. Trawls were immediately cut and this time Britain did not hesitate to send in the Royal Navy. Nasty clashes occurred at sea and in February 1976, Iceland broke off diplomatic relations with Britain. The irate Icelanders even seemed willing to leave, or threaten to leave, NATO and once again the future of the U.S. base was in jeopardy. After the rupture of diplomatic relations between the two NATO states (a unique event in the history of the alliance), negotiations between Iceland and Britain appeared impossible. As had been planned in 1973, Norway took over the protection of Icelandic interests in Britain and Foreign Minister Knut Frydenlund increased his efforts to facilitate an end to the conflict. While the self-centred concern for Norwegian security interests lay

behind these endeavours, Frydenlund sincerely wanted to be of assistance in the conflict. That he managed to do, with help from the NATO Secretary General, Joseph Luns. Both sides needed a mediator who could convey tentative proposals and counter-proposals, make fresh suggestions and keep up the pressure for talks. Britain also needed a "face-saving" formula in the shape of talks in a third country, in order to avoid the impression of total defeat in the dispute.

On June 1, an agreement to end the Cod War was signed in Oslo after brief "negotiations". In fact, they only confirmed a solution which both countries had previously accepted in secret talks, brokered by Norway and NATO. Five months later, the last British trawlers left Icelandic waters for good. While this last Cod War would probably have come to a similar end without Frydenlund's active involvement, it could also have escalated with the loss of life at sea and even Iceland's resignation from NATO. Thus, his efforts were certainly valuable for the majority of Icelanders, usually pro-Western at heart. In that context it made no difference that the protection of Norwegian defence interests lay primarily behind the Norwegian involvement, as always.