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## **The Struggle for Western Integration**

**Iceland, the United States, and NATO during the First Cold War**

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## Introduction

Musing on the rationale for opting for distance when confronted with proximity, Robert Frost wrote, in a famous poem, that «Good Fences Make Good Neighbors.»<sup>1</sup> Few expressions come closer to capturing the ambivalence that characterized the Icelandic attitude toward the defense relationship with the United States, 1945-1960. Despite close political and economic ties, there was bound to be a «Mending Wall» between a great power with global strategic interests, and a tiny island nation, whose security concerns regularly conflicted with a desire to maintain its own distinct national and cultural identity. To be sure, the United States and Iceland had one thing in common: they profited tremendously in material terms from World War II and suffered minimal war losses. But despite surface similarities, the differences were, of course, far greater. With a population of about 140 million, the United States emerged from World War II as the predominant power.<sup>2</sup> In contrast, Iceland was a political and economic non-entity, with only about 130,000 inhabitants and totally dependent on a single industry—fishing—for its survival. It was inevitable that this enormous gap in power and resources would affect U.S.-Icelandic relations during the postwar period. In Iceland, it manifested itself in acute tensions between nationalistic and internationalist impulses—tensions aggravated by domestic political realignments and by the shifting winds of the Cold War. It was an unpredictable mixture of nationalistic fervor tempered by realistic calculations. Complicating the political equation was the existence of a strong pro-Moscow Socialist party, whose electoral strength in Europe was only matched by its French, Italian, and Finnish counterparts. True, the vast majority of the Icelandic people were pro-Western in outlook, and the strategic importance of Iceland had been starkly brought home to them by the British and American military presence during World War II. Yet, the dual experience of being unarmed

and subservient to foreign powers for centuries, made them reluctant Cold Warriors. Indeed, it was not until 1944 that the last vestiges of Danish rule were shed and that Iceland became a republic. For this reason, the Icelanders were, at best, unsure about the proposition of providing land in return for security. The view that it would infringe Iceland's sovereignty to maintain close defense relations with the United States was by no means limited to the Socialist Party.

At the end of World War II, the Americans judged the importance of Iceland solely by its strategic location. American military planners saw the extension of U.S. defense parameters overseas as the logical outgrowth of strategic realities during World War II. Postwar bases requirements were determined more by a general sense of vulnerability than by a specific perception of the Soviet Union as a threat.<sup>3</sup> Because attacks against the North American Continent could only be launched from Europe and Asia, the United States would have to encircle the Western Hemisphere with a defensive ring of outlying bases. The purpose was to possess control of the Atlantic and Pacific Oceans and keep potential foes far from North American Continent. On the basis of the Pearl Harbor experience, the advance of technology, and the development of the atomic bomb, the Americans concluded that forward bases would enhance the chances of surviving a nuclear attack and of destroying the aggressor.

The other strategic consideration was the need to project American power quickly and effectively into different parts of the world. In the absence of inter-continental bombers, the United States would thus be able to launch an air offensive from overseas bases such as Iceland, the Azores, and Greenland against potential adversaries. The base system would enable the United States to preserve its access to vital raw materials, deny these resources to a prospective enemy, contribute to the preservation of peace and stability in troubled regions, safeguard sea lanes, and, if necessary, conduct an air offensive against the industrial infrastructure of a potential adversary. In short, control of the Atlantic and Pacific oceans was considered indispensable to U.S. national security.

It was only by 1945 that the perception of the Soviets as likely enemies

came to dominate American strategic thinking. Political and budgetary constraints, however, forced U.S. military planners to scale back their plans, if not their ambition, for a forward defense in the early postwar period. The Americans failed, for example, to persuade the Icelandic Government to conclude a base lease agreement and had to settle for landing rights for military aircraft enroute to Europe. These transit rights would permit the rapid augmentation of American bases in wartime as well as speed up the movement of air units.<sup>4</sup> It was not until the outbreak of the Korean War that the United States eventually achieved its goal of establishing a permanent military foothold in Iceland through a bilateral defense treaty.

It should not come as a surprise that the asymmetrical nature of U.S.-Icelandic relations should have become the main source of tension. For the Americans, the value of Iceland for U.S. national security was only measurable in constant terms: it was a strategic certainty so long as there was a Soviet threat. The intentions of the Soviet Union were regarded less important than its capability to inflict a heavy military damage on the United States. The Icelanders never accepted such a definition of the concept of security. Domestic political reconfigurations and international developments always influenced Icelandic threat perceptions.

Indeed, the U.S. military base in Iceland was the most hotly contested domestic political issue during this period. The proponents of Iceland's Western military integration argued that a defense relationship with the United States and NATO was a political and strategic necessity. Given the military importance of Iceland, it was irresponsible to leave the country and its airfields unprotected. The opponents believed, however, that neutrality provided more security, because the U.S. military presence served American national interests, made Iceland more vulnerable to enemy attack, and was harmful to Icelandic culture. Of course, there were subtler variations on these themes. Indeed, one can argue that the debate over Icelandic defense policies 1945-1960 centered on ways to find a non-existent middle course that would reduce Iceland's dependence on the U.S. without jeopardizing its security. From the perspective of the center-right, this

notion found its expression in efforts to strengthen the Icelandic role in the functions of the Keflavik base or—to a lesser degree—to form a Home Guard or a militia to complement and eventually replace U.S. troops for both internal and external security reasons. The center-left, on the other hand, sought to eliminate the need for a U.S. military presence in peacetime by relying on Iceland's membership in NATO. Both approaches ultimately proved to be unsuccessful, but they were extremely important in shaping Icelandic security perceptions.

Despite the strategic importance of Iceland in the Cold War, few historians have done research on U.S.-Icelandic relations. The Icelandic historian Thór Whitehead has written most extensively on the bilateral relationship in the early postwar period. He writes from the realist point of view and stresses the geopolitical logic of the U.S.-Icelandic relationship in the face of a Soviet threat, the revolutionary implications of the Marxist-Leninist doctrine, and the inability of the Icelanders to defend themselves.<sup>5</sup> In his dissertation, Elfar Loftsson deals with some of the same issues if on a less ambitious scale.<sup>6</sup> Steeped in the «revisionist» mould, he is critical of the U.S.-Icelandic relationship, raising suspicions about the «cozy» relationship that existed between American Embassy officials and Icelandic cabinet ministers. He exaggerates the degree of U.S. intervention in Icelandic domestic affairs and underestimates the influences of local initiatives on American behavior. But by stressing anti-Communist ideological ties between American and Icelandic officials, he tackled an issue that warrants further examination within the bilateral context. Several important biographies and memoirs of leading Icelandic politicians during this period have been published, even if they are inevitably marred by self-serving accounts.<sup>7</sup> Given the intensity of the public debate over the presence of U.S. forces in Iceland, the paucity of scholarly works on U.S.-Icelandic relations during the 1950s<sup>8</sup> may seem strange. Unfamiliarity with the Icelandic language has undoubtedly kept U.S. scholars from the topic and the lack of documentary sources has traditionally hampered research in Iceland. In the last few years much has changed for the better in this area: with increased access to the Icelandic archives, it is now possible to

complement the rich U.S. documentary material with Icelandic sources.

Using recently declassified records in U.S., Icelandic, and, to a lesser extent, British and German archives, I seek to broaden the scope of the inquiry both in narrative and theoretical terms. Chronologically, I will focus on several turning points in U.S.-Icelandic relations 1945-1960: the debate over the withdrawal of U.S. troops from Iceland in 1945-1946; Iceland's entry into NATO in 1949; the arrival of U.S. troops in Iceland in 1951; the demand for the revocation of the U.S.-Icelandic Defense Treaty in 1956; and the stabilization in the bilateral relationship in 1959-1960.

My purpose is to address four key problems in U.S.-Icelandic relations. First, by concentrating on continuities and discontinuities in American war planning and strategy, I want to assess the military importance of Iceland during this period of the Cold War. Conversely, I will seek to identify the domestic political constraints that forced the Americans to modify their plans for the military use of Iceland. Second, I will explore how ideological affinity, especially anti-Communism, shaped U.S.-Icelandic cooperation in the struggle against potential external and internal threats—against the Soviet Union and the Socialist Party in Iceland. In this sense, ideology played a role in reconciling conflicting national interests and in finding common security concerns. Third, I will try to detect the international and domestic sources of Iceland's policy toward the United States by exploring the interactions between events and processes. The purpose is to evaluate the impact of such events as the Czech coup d'état in 1948, the Korean War in 1950, and the Hungarian Revolution in 1956 on Icelandic security perceptions as well as on the relationship with the United States. Similarly, I will attempt to explain how a domestic process—the political realignment in favor of the Left during the 1950s—affected bilateral relations. Finally, I will examine the political forces that contested U.S. influence in Iceland. Thus I will assess the effectiveness and limits of the strategies employed by such elements as pro-Moscow Socialists, non-Communist neutralists, and nationalistic intellectuals in the struggle against the presence of U.S. troops on Icelandic soil.

No single theoretical model captures the complexity of U.S.-Icelandic

relations 1945-1960. But I believe that two central theories come closest to describing the dynamics of the interaction between Americans and Icelanders during this period. I will argue that the concept of «national security» lay at the heart of U.S. interest in Iceland. By seeking a military presence in this strategic location, the Americans were concerned with protecting domestic values—such as territorial integrity, political institutions, and liberal capitalism—from potential external threats. Such factors as political stability, social cohesion, and economic productivity were considered equally important as preponderant military strength. As Melvyn Leffler, the most persuasive proponent of the «national security» thesis, has argued, the theory assumes that fears of foreign threats are the result of both real dangers in the external environment and ideological motivations, cultural symbols, and mistaken images.<sup>9</sup> To further their own security interests, the Americans had to make sure that a certain level of political and economic stability was maintained in Iceland. And whenever economics clashed with strategy, the United States gave precedence to military security. In the economic sphere, therefore, Iceland gained much from its military relationship with the United States.

From the Icelandic perspective, Geir Lundestad's «Empire by Invitation» thesis is—with important qualifications—the most persuasive theoretical framework for understanding Icelandic policies toward the United States.<sup>10</sup> American involvement in Icelandic affairs was often encouraged, not only because Washington's forms of control were much more benign than those of Moscow's but also because Icelandic politicians thought that it would enhance Icelandic military and economic security. What should be emphasized, however, is that the Icelanders did not always share the same motives or concerns as the Americans.<sup>11</sup> The appeal of the United States was not due to the attractiveness of its political economy—with its heavy emphasis on liberal capitalism at the expense of state intervention in the economy— but more to its wealth and power.

Although the «national security» and the «empire by invitation» theses provide the most fruitful framework for the discussion of U.S.-Icelandic relations, they do not account for all their dimensions. Other theories—

such as bureaucratic politics,<sup>12</sup> cognitive theory,<sup>13</sup> corporatism,<sup>14</sup> and European revisionism—have important explanatory power, even if at a subordinate level. As I will make clear here, jurisdictional and bureaucratic fights between the Defense Department and the State Department had considerable influence on American perceptions of the political and military threats facing Iceland. Similarly, the need to reach a consensus between two or more parties within a coalition government in Iceland was a crucial factor in defining the limits of the defense relationship with the United States and NATO. It is, furthermore, impossible to understand U.S. and Icelandic decision making during this period without taking into account the notion of threat perceptions. It is very unlikely that the Icelandic Government would have requested U.S. military protection in the absence of the war scare triggered by the Korean War. Similarly, the U.S. Defense Department's perceptions and misperceptions of the vulnerability of the Icelandic police force to a Socialist coup d'état led to unilateral military plans to respond to such an eventuality. The corporatist model's stress on the link between state and society is also of importance here: in few other areas did the interests between American and Icelandic foreign policy elites converge as clearly as in efforts to contain Communism within the trade union movement.

Finally, I would like to stress the constraints faced by the Truman and Eisenhower Administrations in their diplomacy and propaganda in Iceland. This strikes at the heart of the historiographical debate over U.S.-European relations after World War II. European and American «revisionists» have sought to downplay the role of the United States in the economic, political, and military reconstruction of Europe, arguing that the Europeans themselves had much more leverage than traditionally assumed.<sup>15</sup> Many of the criticisms leveled by the «revisionists» against American works on the Cold War and on European reconstruction are warranted.<sup>16</sup> I will make the case here that the Icelanders were not only successful in restraining the United States in Iceland in its quest for expanded military rights but also in achieving maximum political and economic benefits at minimal costs. But although the «revisionists» have corrected the mistaken notion of American

omnipotence, they have sometimes gone too far in the other direction. Despite the limits of U.S. power, there is no reason to deny that the Americans exerted a great deal of influence on developments in Iceland in the 1940s and 1950s through their political and economic strength.

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## U.S.-Icelandic Security Relations: The Background, 1940-1945

Considering the close political and defense relationship between Iceland and the United States since World War II, it may seem surprising that it has no historical roots. Apart from having practically no trade relations with Iceland, the United States did not even have diplomatic representation in Reykjavik until 1940.<sup>17</sup> During the 1930s, U.S. airlines flirted with the idea of securing landing rights in Iceland as part of their efforts to develop transatlantic routes for commercial aviation. But they quickly abandoned it, relying instead on other more profitable routes.<sup>18</sup> It was not until World War II—or, more precisely, until the British occupation of Iceland in 1940—that the United States became interested in the strategic location of Iceland. Even if historians are still sharply divided over President Franklin D. Roosevelt's war strategy, the United States was, at that time, neither prepared to abandon its policy of non-intervention nor its status as a non-belligerent and neutral power.<sup>19</sup> But following Hitler's military successes in the Balkans in the spring of 1941, Roosevelt bowed to British pressure and agreed to replace the British occupation force in Iceland with U.S. troops.

This sudden development was not totally unexpected. Since the outbreak of the war, Iceland had been looking for ways to establish defense and trade ties with the United States.<sup>20</sup> A National Unity Government had to deal with the wartime emergency, but it was reluctant to give up Iceland's policy of «eternal neutrality» as stated in a proclamation issued in connection with the Constitutional Treaty with Denmark in 1918. This government was composed of the largest party, the center-right Independence Party, which traditionally captured about 40% of the vote and whose popular support cut across class lines; the center Progressive Party, which usually received about 25% of the vote and represented farming interests, and the Social Democratic Party, which was a strong force within the labor

movement, but rarely extracted more than about 15% of the vote. In view of the likelihood of a German or British occupation in 1940, this government broached—with characteristic Icelandic tentativeness<sup>21</sup>—the possibility of placing Iceland under the Monroe Doctrine.<sup>22</sup> The Americans did not rule out such an agreement, but in the absence of historical precedents, they were unwilling to commit themselves.<sup>23</sup>

It was only after the British forced the issue into the open that the Americans decided to approach the Icelandic Government about a U.S. defense role in Iceland.<sup>24</sup> Having been presented with a *fait accompli* by the British in 1940, the Icelandic Government was unwilling to comply with Roosevelt's wish to request the military protection of the United States. But it agreed to issue a statement to the effect that the military protection of the United States was compatible with Iceland's national interest. Shortly thereafter, Iceland concluded a defense treaty with the United States in return for economic concessions.<sup>25</sup> On July 7, 1941, a small contingent of U.S. troops landed in Iceland—with thousands more to follow in the next two years. It was the first overt American step toward participation in the war, even if the United States remained, in theory, a non-belligerent until the Japanese attack on Pearl Harbor six months later.

In Iceland, legitimate questions were raised of whether this was a voluntary agreement, since the Icelandic Government had only a few days to accept the defense treaty.<sup>26</sup> But no one could deny that it was based on a stronger legal foundation than the British occupation, which was, of course, a flagrant violation of international law. Therefore, the Icelandic Parliament, the *Althing*, approved the treaty with 39 votes against 3. The only opposition came from the Socialist Unity Party on nationalistic grounds. As it turned out, the Socialists were, in fact, more sympathetic toward the military presence than they were willing to admit publicly. When Hitler repudiated the Nazi-Soviet Non-Aggression Pact by invading the Soviet Union in 1941, they abandoned their anti-Western rhetoric and began to support the Allied cause.<sup>27</sup> It is, indeed, a pre-Cold War irony that in 1941-1942, the Americans considered the pro-Moscow Socialists among their most loyal supporters in Iceland.<sup>28</sup> That view, it turned out, changed

abruptly in 1944-1945, when the Socialists renewed their attacks on American capitalism and raised suspicions about U.S. postwar aims. But their early stance toward the U.S. presence reaffirmed what came close to a rare domestic political consensus on Iceland's external relations.

Even if the American military force encountered no popular resistance in Iceland, there were bound to be drawbacks to the abnormal wartime situation. In 1943, the number of soldiers in Iceland reached a peak of 50,000 in a country, whose population did not exceed 130,000. For a while, the troops outnumbered the whole Icelandic male population. In the first year, several Icelanders were killed by soldiers, and many others became victims of violence. This came as a great shock to the non-violent Icelanders, who lived in a near crime-free society. Fraternization between soldiers and Icelandic women led to rapid increase in illegitimate births, prostitution, broken marriages, and domestic violence.<sup>29</sup> But troop-community relations were, on the whole, more successful than most pessimists had predicted. Economic factors played no small role in mitigating the social and cultural tensions generated by the military presence. Consistent with the Defense Treaty, the United States provided Iceland not only with its total imports needs but also committed itself to buying Iceland's fish exports as part of the Lend-Lease agreement with Britain. The economic consequences were startling: in 1939, Iceland was the poorest country in Northern Europe, but in 1945, it had become one of the richest on a per capita basis.<sup>30</sup>

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## The Controversy over U.S. Military Rights, 1945-1946

Following the entry of the United States into the war at the end of 1941, the strategic value of Iceland became increasingly clear. Having completed, in 1942, the construction of a large airfield—the Keflavik Airport—near the capital, Reykjavik, the Americans used it to ferry thousands of bombers and fighters to the European theater. In addition, the U.S. military presence played a vital role in Allied submarine operations in the North Atlantic and in keeping open the sea lanes to Britain and the Soviet Union.<sup>31</sup> Given this strategic certainty, it was not surprising that the U.S. Joint Chiefs of Staff (JCS) should already in 1942 have broached the possibility of acquiring permanent military rights in Iceland. To them, rapid advances in aircraft technology and the Polar route made it imperative to extend U.S. defense parameters to Iceland. The legal justification for such an arrangement could be based on Roosevelt's «Four Policemen» idea of a security system under the aegis of the United Nations.<sup>32</sup> Future Soviet capability of launching air strikes against the United States via the Polar route could provide the rationale for it. Although American military planners did not initially focus on the Soviet Union they came to see it as the preponderant threat at the end of World War II.<sup>33</sup>

The Icelandic Government was well aware of the U.S. desire to maintain a military presence in Iceland after the war.<sup>34</sup> There were, however, two important obstacles to any deal—the national independence question and the growth of the Socialist Party. Following the German occupation of Denmark in 1940, the National Unity Government had promised to sever the remaining constitutional ties with Denmark. Instead of being a sovereign state within the Danish Kingdom, Iceland would become a republic. The Roosevelt Administration managed to persuade the Icelanders to postpone this action until 1944 in an exchange for a pledge to recognize



the new republic. What it failed to foresee, however, was that the independence question led to a nationalistic revival that greatly strengthened neutralist sentiments in Iceland. Indeed, by 1944, no Icelandic politician could openly commit himself to the continuing presence of foreign troops on Icelandic soil.

Coinciding with the emergence of nationalism as a major political force was the rapid growth of the Socialist Unity Party. Founded in 1938 after the merger of the Communist Party and left-wing Social Democratic splinter group, it had been isolated in Icelandic politics before the formation of the anti-Hitler coalition. Most of the Social Democratic elements left the party in 1940 because of the refusal of the Communists to condemn the Soviet invasion of Finland in 1940. But with the wartime collaboration of Roosevelt, Churchill, and Stalin, the Socialist Party received respectability that quickly translated into electoral support. In 1942, the party received almost 20%, more than doubling the strength of the Communist Party in the 1937 elections.<sup>35</sup> More important, the Socialists effectively used their newfound strength within the trade union movement, where they, in conjunction with the center-right Independent Party, successfully challenged the dominance of the Social Democratic Party. In 1944, they scored their biggest victory by taking control of the board of the all-powerful Icelandic Federation of Labor. What provided them with additional political leverage was a personal feud between Ólafur Thors and Hermann Jónasson—the leaders of the Independent Party and Progressive Party, respectively. Because of their differences, the two largest parties in Iceland were unwilling to form a coalition government.<sup>36</sup> Initially, the Governor of Iceland, Sveinn Björnsson, resolved the government crisis, in 1942, by appointing an extra-parliamentary Government of Experts. But in 1944, the Independence Party and the Social Democratic Party agreed to form a new coalition government, the so-called Innovation Government, with the participation of the Socialist Party.

Before the formation of the Innovation Government, the Roosevelt Administration had intended to discuss postwar military requirements with the newly elected President, Sveinn Björnsson, during his official visit to

Washington in 1944. But the President and the Foreign Minister of the Government of Experts, Vilhjálmur Thór, were forced to remove this item from the agenda after encountering strong opposition from the leaders of the political parties, who claimed that the two had no mandate to discuss postwar defense without parliamentary approval.<sup>37</sup> Socialist participation in the Innovation Government made it more difficult for the United States to achieve its goal of securing a permanent military foothold in Iceland. Since the government was formed to carry out an ambitious economic program, it had no desire to revive the defense issue. While the Independents and Social Democrats would have been willing to discuss the continuation of the U.S. military presence in Iceland, the Socialists were adamantly opposed to it.

Brushing aside all such considerations, the U.S. Ambassador in Iceland, Louis Dreyfus brought up the subject of long-term military rights with the Icelandic Prime Minister, Ólafur Thors, for the first time in April 1945. Thors reacted negatively, arguing that if the Icelandic Government would enter into negotiations on a base lease, it would trigger its downfall because of the opposition of the Socialists. He wanted to postpone any discussion of the issue until the general elections in 1946 to enable the government to implement its economic program. While the Prime Minister did not rule out the possibility of a base lease in the future, he made it clear that it would depend on two things: Soviet conduct and Icelandic UN obligations.<sup>38</sup>

The Truman Administration, it turned out, was divided on whether it should pursue the matter. On the one hand, many State Department and War Department officials wanted to ignore Thors's warnings and press ahead for a long term lease. Since the U.S.-Icelandic Defense Treaty of 1941 stipulated that the Americans withdraw their troops from Iceland at the conclusion of the «present war,» they calculated that domestic political pressure could force them to do so after the end of the war in Asia.<sup>39</sup> On the other hand, there were elements within the U.S. Air Force that believed that continued U.S. military presence in Iceland would antagonize the Soviets and raise suspicions about Anglo-American intentions. They argued that the UN should make the final decision on the security arrangements

for Iceland.<sup>40</sup> Finally, a third group—encompassing both State and War Department officials—wanted to offer the Soviets a quid pro quo: the Red Army would be allowed to establish permanent military bases on the Danish island of Bornholm and on the Norwegian enclave of Spitzbergen in exchange for U.S. military rights in Iceland.<sup>41</sup>

The internal debate ended abruptly in late August 1945, when the Truman Administration decided to ask for a long term lease of three bases in the area surrounding Reykjavik. This move, on October 1, not only threatened to deplete the reserves of Icelandic goodwill toward the Americans but also put into question the viability of the Innovation Government.<sup>42</sup> Ólafur Thors was sharply critical of the timing and was in no doubt about the consequences: the Socialists would not only leave the government but also try to exploit the issue by staging political strikes and by engaging in other forms of economic warfare.<sup>43</sup> The Americans knew, of course, that they would face criticism in Iceland for their handling of the issue. But they erroneously feared that the Icelandic Government would insist on the withdrawal of U.S. forces after the surrender of the Japanese.

Thors and other pro-Western politicians worried little about the strict letter of the U.S.-Icelandic Defense Treaty. To them, the Americans could stay in Iceland until the UN Security Council decided on the security arrangements of the member states. Besides, since the application of the Icelandic Government for UN membership had been delayed because of its refusal to declare war on the Axis—a precondition for a founding membership—no Icelandic political party, save for the Socialists, wanted the small U.S. force that remained in Iceland to be withdrawn.<sup>44</sup> What Thors did not know, however, was that the Truman Administration was bent on securing military rights in Iceland before the UN Security Council was formed, because it would be able to veto bilateral security agreements.

When the U.S. base request ran into trouble in Iceland, Ambassador Dreyfus, blamed Ólafur Thors, labeling him an «opportunist,» whose only goal was to stay in power.<sup>45</sup> But it was not only Thors, who was miffed by the way the Americans handled the base issue. Aside from the Soviets, who did not conceal their displeasure,<sup>46</sup> British Foreign Secretary, Ernest

Bevin, was opposed to a long-term base lease for several reasons. For one thing, it could undermine one of Bevin's cherished goals—namely, the establishment of the United Nations as a global security organization. Secondly, he feared that the Soviets would demand bases in Bornholm or other Scandinavian territories in exchange for approving a U.S. military presence in Iceland. To Bevin, a preferable course of action was a short-term U.S. base lease that would expire once the UN security mechanisms were in place and Iceland had become a member of the world body. There was certainly more self-interest behind the British position than met the eye: the British JCS considered it imperative to have military access to Iceland in wartime, especially in the contingency of American non-participation. In March 1945, they had called for joint U.K.-U.S. military rights in Iceland. But having no desire to share Iceland with other powers, the Truman Administration did not respond to the proposal until nine months later. Despite the snub, the British signalled their willingness to make a compromise with the Americans: to accept long-term U.S. military rights in Iceland in exchange for landing rights in wartime. When Washington decided against it on the rather tenuous grounds that it would be discriminatory vis-a-vis other nations, London decided to stay on the side lines on the base issue. This policy of calculated passivity did much to undermine the U.S. case in Iceland.<sup>47</sup>

The base request put Ólafur Thors in a difficult position: on the one hand, he knew that the days of his government would be numbered, if it would be granted. On the other, he wanted to maintain friendly relations with the United States, not least because of its constructive role in resolving the independence question and its economic support during the war. To keep his coalition government intact, Thors tried to put on a delicate balancing act designed to satisfy both the Icelandic Socialists and the Americans. He sought to prolong the American military presence by postponing Iceland's entry into the UN. Of course, this was only a temporary solution, but he hoped that both sides would accept it for the time being. The Socialists showed some flexibility by agreeing to preliminary talks with the United States with no strings attached. But they reiterated

their intention of leaving the government, if the U.S. received military rights in Iceland.<sup>48</sup> The Truman Administration was in no mood for engaging in talks with no fixed agenda. To the Americans, the issue boiled down to an easy proposition: the Icelandic Government could either accept the base lease request or reject it. There was no middle ground—no room for maneuvering. When Thors received this message, he shot back in a fit of exasperation: «This answer could have been written in Moscow.»<sup>49</sup>

One important reason for the hard-line position of the Americans was their reliance on information from Icelandic politicians with self-serving motives. The pro-American Vilhjálmur Thór, the former Foreign Minister, and Jónas Jónsson, a dissident former head of the Progressive Party, used the base issue not only to further their goal of establishing closer defense and economic ties between Iceland and the United States but also of forming a center-right coalition government between the Independence Party and the Progressive Party.<sup>50</sup> To be sure, there were many other Icelandic politicians, who were in favor of granting the Americans base rights in Iceland in return for political and economic concessions.<sup>51</sup> But they were reluctant to say so publicly, fearing a domestic political backlash. Icelandic intellectuals were, for example, very vocal and active in their opposition to any defense links with the United States. Enjoying a very high social standing and exerting much influence on public opinion, the intellectuals argued that the U.S. military presence had a corrupting influence on Icelandic culture and national identity. There were also elements within the Independence Party, Progressive Party, and the Social Democratic Party that were against it on nationalistic grounds. Finally, the negative attitude of British, Danes, Norwegian and Swedes—the nations with whom the Icelanders identified most closely—ensured that no parliamentary majority would be secured for base rights on a long term basis.<sup>52</sup>

In the middle of October 1945, Ólafur Thors formally submitted his compromise formula to the Americans. He suggested that the two governments enter into preliminary talks with no special agenda. In an oral elaboration, Thors made it clear, though, that his coalition partners—the Socialists and Social Democrats—interpreted his message as a rejection of

the U.S. request. Oddly enough, Dreyfus interpreted the Icelandic note as a positive answer to the American base request. The written note, to be sure, was hopelessly ambiguous. It broached unspecified future military demands imposed on Iceland by the UN and failed to mention the real issue: the base lease. But the oral qualifications should have left the Ambassador in no doubt about the negative position of the government.<sup>53</sup>

Dreyfus's misinterpretation was mostly due to his overreliance on the advice of Vilhjálmur Thór, whom the Ambassador termed «America's best friend in Iceland.» Without any hesitation, Thór told Dreyfus that the note was the «Icelandic way» of saying yes to the U.S. request.<sup>54</sup> When Ólafur Thors learned of this false interpretation, he hardened his position, telling Dreyfus that the only option available was to prolong the U.S. military presence until the UN security mechanisms were operational.<sup>55</sup> News leaks of the American request quickly strengthened the hand of the Icelandic nationalists, who began to organize in opposition to U.S. military bases in peacetime. Under the leadership of prominent Icelandic intellectuals—Communists, such as the future Nobel Prize winner in literature, Halldór Laxness, and non-Communists alike—this became a formidable movement in its own right. Even members of the Prime Minister's own party, the Independence Party, spoke out publicly against the U.S. request.<sup>56</sup> By the middle of November 1945, it was clear that no Icelandic politician, except for such mavericks as Jónas Jónsson, could lend his or her support to foreign military bases on Icelandic soil.

It was not until the Icelandic Ambassador to Washington, Thor Thors—the brother of Ólafur Thors—managed to convince State Department officials of the hopelessness of the situation that the Americans backed down and decided to put their request on hold in December 1945.<sup>57</sup> In the first half of 1946, Icelandic politicians of all stripes advised the Americans to refrain from any overtures on the base question until after the elections in the summer. Otherwise, the Socialists could exploit the issue in the election campaign by whipping up anti-American sentiment and harping on nationalistic themes.<sup>58</sup>

Three additional developments in the spring of 1946 further undermined

the American cause. First, the British unilaterally decided to close down their small garrison in Iceland that had run the Reykjavik Airport since the war. Secondly, the Soviets began the withdrawal of their military forces from Bornholm—a move that pulled the rug from under those Icelanders who had been in favor of granting the United States bases as a counterweight to the Soviet military presence in Scandinavia. Finally, the U.S. Minister of Commerce and former Vice President, Henry Wallace, who was a prominent member of the left-wing of the Democratic Party, added insult to injury by publicly calling for the removal of U.S. troops from Iceland.<sup>59</sup>

Despite all these warning signs, the State Department decided to renew the base issue in April 1946. The Icelandic Prime Minister reacted with indignation, reiterating all the familiar arguments against it. Ólafur Thors even recommended that the Truman Administration formally withdraw the base request to eliminate it from the political agenda, because it would never be accepted in its present form.<sup>60</sup> This harsh reaction ultimately convinced the Truman Administration that it would have to make concessions to get any agreement. Instead of a long-term base lease, the Americans decided to ask for landing rights for military aircraft in connection with their occupation duties in Germany. This was, of course, a far more modest request. And although Thors refused to discuss it before the elections, he thought a compromise could be reached along these lines.<sup>61</sup>

The election results showed strong popular support for the Innovation Government. The Independent Party received about 40% of the vote, the Socialist Party 20%, and the Social Democratic Party 18%. The opposition, the Progressive Party, was the only party that suffered a marked decline in its electoral strength from 26,5% to 23%.<sup>62</sup> But, while the coalition partners were eager to renew their government cooperation, there was bound to be one obstacle: the base request. The Socialists were still adamantly against any concessions to the Americans on this issue. Moreover, Ólafur Thors's legal argument for maintaining the U.S. military presence had been dealt a blow during the summer of 1946, when international legal experts came to the conclusion that UN members had no

obligation to provide military facilities in peacetime. Yet, Thors decided to enter, on his own initiative, into private talks with an American envoy, Hugh Cumming, the head of the Northern European section of the State Department, about the American proposal for landing rights. The two sides quickly agreed on the withdrawal of the U.S. military forces from Iceland in exchange for landing rights for 6½ years. In addition, the Americans would run the Keflavik Airport and finance its operations. Thors was now confronted with the dual problem of securing parliamentary approval of the Keflavik Agreement and of keeping his government coalition intact. It was an undertaking that proved to be too difficult—even for Thors, one of Iceland's shrewdest politicians. He received parliamentary majority for the deal, but failed to persuade the Socialists to stay in the government. All the MPs of the Independence Party and the Social Democratic Party voted for the agreement, except for two members of the left-wing of the latter. The Progressive Party split right down the middle on the issue. The party chairman, former Prime Minister, Hermann Jónasson and a group of supporters voted against the Keflavik Agreement, but another group identified with the party's right-wing backed it.<sup>63</sup>

The Keflavik Agreement deeply polarized Icelandic society. During the *Althing* debate, Socialist, nationalist, and neutralist elements organized protest meetings in Reykjavik, attacking the treaty for infringing Iceland's sovereignty. Ólafur Thors and other prominent leaders of the Independence Party were also attacked by an angry mob in what proved to be the most serious disturbances since the founding of the Icelandic republic. The Socialist Party took the most extreme position, accusing the architects of the agreement of treason by placing the fate of the country in the hands of «American imperialists.» Other opponents from the Progressive Party and the Social Democratic Party found fault with specific clauses of the agreement, especially the one granting the Americans exclusive rights to run Keflavik Airport.<sup>64</sup>

The first argument had no basis, because the Keflavik Agreement was ratified by *Althing*. The other was more justified: it raised legitimate concerns about jurisdictional issues at the Keflavik Airport. What it failed to

recognize, however, was that the Icelanders were unable to run the Keflavik Airport because of a lack of technical training and financial resources. It may be argued that the Keflavik Agreement amounted to an admission that Iceland was within the U.S. sphere of influence. Indeed, it represented the first step toward active political cooperation with the United States in the postwar period. But it neither provided the United States with permanent military rights nor constituted a defense treaty: military aircraft were permitted to make stopovers on their way to Europe, but no ground troops were stationed in Iceland.

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## A Reluctant Commitment: Iceland Joins NATO, 1948-1949

Following the downfall of the Innovation Government, Iceland experienced a long political crisis. It was not resolved until February 1947, when the chairman of the Social Democratic Party, Stefán Jóhann Stefánsson, succeeded in forming a coalition government consisting of the Social Democratic Party, the Independence Party, and the Progressive Party.<sup>65</sup> Together with the Prime Minister, the most important figures in the new government were the Foreign Minister, Bjarni Benediktsson, the Mayor of Reykjavik and Ólafur Thors's right hand man, and the Minister of Culture and Transportation, Eysteinn Jónsson. Despite a huge parliamentary majority, the new government proved to be weak. It was not only because of the preponderant influence of the opposition Socialist Party within the trade union movement but also because of the refusal of Ólafur Thors and Hermann Jónasson to set aside their personal differences and join it.

The government was decidedly pro-Western and turned into an anti-Communist bulwark with the emergence of the Cold War. Still, ideological solidarity—anti-Communism—had little to do with its formation. The Americans, in conjunction with such Icelandic anti-Communists as Vilhjálmur Thór, had surely tried behind the scenes to keep the Socialists out of the government. But Ólafur Thors, who had established close personal relationships with the leaders of the Socialist Party—Einar Olgeirsson and Brynjólfur Bjarnason—wanted to include them in a coalition government if they abandoned their demand for the repudiation of the Keflavik Agreement.<sup>66</sup> When the Socialists rejected this condition, they condemned themselves to a 10-year period of isolation in Icelandic politics.

Icelandic party leaders—with the exception of the Socialists—wanted to maintain good relations with the United States. Like other Western European leaders, they had reservations about the harsher features of

American capitalism and were much more inclined to favor state intervention in the economy. Traditionally, Icelandic cabinet ministers and politicians had more intimate contacts with their European and Scandinavian counterparts. But they had much respect for the political and economic might of the United States and shared its opposition to Soviet Communism. From 1947 to 1949, they established close relations with the Americans in the struggle against the Socialist Party, partly because of ideological affinity and partly because of a perceived political necessity in their efforts to stave off Socialist attacks.

In 1947-1948, the political forces that coalesced in opposition to the Keflavik Agreement continued to contest its validity and to question its enforcement. Although the agreement yielded clear economic benefits, it was never popular. The Socialists skillfully used nationalistic arguments against it and uncovered instances of smuggling and black market activities to support their case. The Icelandic Government was also dissatisfied with certain U.S. interpretations of the agreement, especially with respect to operational costs.<sup>67</sup> But during this period, the Icelanders were more concerned about the deteriorating economic situation than about the Keflavik Agreement or security issues in general. It was not until the Communist seizure of power in Czechoslovakia in February 1948—coupled with the Berlin Blockade—that the Icelandic government began to look for ways to strengthen the defense of Iceland by translating the Keflavik Agreement into a bilateral defense treaty.

Like in Western Europe, the Czech coup raised deep suspicions in Iceland about the Socialist Party and its ties with the Soviet Union. Since the Icelandic police force consisted of only 100 officers, Foreign Minister Bjarni Benediktsson of the Independence Party and Premier Stefán Jóhann Stefánsson of the Social Democratic Party wanted to create militias within their respective parties to counter possible Socialist subversion. The Americans offered both encouragement and military support.<sup>68</sup> But Icelandic political leaders eventually balked at the idea, probably because the events in Czechoslovakia did not result in similar Communist moves in Western Europe. True, the Independence Party formed an unarmed militia

in 1949, but on a much smaller scale than originally envisioned. Plans to reduce the influence of the Socialists in government were also diluted. Hampered by laws guaranteeing civil service protection, the Icelandic Government made little use of its power to remove persons from sensitive posts.<sup>69</sup> There were several examples of such practices, but no comparison is warranted to the McCarthyist witchhunts that were to grip the United States in the early 1950s. The Czech coup not only raised concerns about internal security but also about the defenselessness of Iceland against external attack. In view of the strategic importance of Iceland, the Icelandic Government knew that the United States would hardly stand idly by in the case of an attack. But since the Keflavik Agreement provided no security guarantee, it could not count on U.S. intervention. On his own initiative, Premier Stefánsson suggested, in the spring of 1948, that a secret understanding be reached with the United States on the defense of Iceland. Together with Benediktsson and Eysteinn Jónsson of the Progressive Party, he sought a security guarantee without turning the Keflavik Airport into a military base in peacetime. During the summer of 1948, Benediktsson also made overtures on behalf of the cabinet to the Americans, broaching the possibility of using the Keflavik Agreement as a defense treaty. The immediate concern was not the Czech coup, but the presence of a large Soviet fishing fleet off the North coast of Iceland. Benediktsson did not rule out that the fishing crews were a disguised military force, whose real aim was to occupy Iceland in cooperation with the «fifth column»—the Icelandic Socialists.<sup>70</sup> The Americans did not think that the Soviets had such intentions. But because of their own military interest in Iceland, they appreciated the growing awareness of the defenselessness of the island.

In mid-1948, the Truman Administration had no contingency plans for the defense of Iceland. But while discounting possible Soviet aggressive designs, it was intent on capturing Iceland as soon as possible after the outbreak of war. The reason was simple: U.S. war plans relied heavily on the retaliatory power of the Strategic Air Command (SAC) in the case of a Soviet invasion of Europe. U.S. nuclear monopoly—particularly SAC's offensive capability—was not only seen as the most effective deterrent

against such a contingency. Considering Soviet superiority in conventional weapons, U.S. military planners had ruled out the feasibility of defending Europe in favor of counterattacks against the Soviet Union from bases in other countries, especially Britain, the Middle East, and North Africa. If SAC bases in Britain were destroyed by the Soviets, the Americans planned to proceed with the counteroffensive from Iceland. Hence, the need to ensure access to Iceland for medium range bombers.

The early military plans were surely sketchy at best and grossly deficient at worst. Initially, the United States overestimated its own nuclear capability and the readiness of SAC—a problem confounded by internal criticisms of the reliance on retaliatory nuclear strikes. The highly secret Pentagon discussions in the spring of 1948 between top American, British, and Canadian military officials sought to address it by focusing on ways to reduce the vulnerability of Europe to a Soviet attack and devise a formula for the defense of the Continent. But since these plans were only in their early stages, the Americans felt that they had to continue to rely on their nuclear retaliatory capability.<sup>71</sup> Having been unsuccessful in 1946, to establish military bases in Iceland in peacetime, the Truman Administration decided, in 1948, to press for the lengthening of the runways at the Keflavik Airport for SAC use in wartime. Because of the offensive connotations of the project, the initial reaction of the Icelandic Government was negative. But bowing to strong American pressure, it relented in early 1949 and approved the lengthening of one runway.<sup>72</sup>

This episode reflects the dilemma faced by the Icelandic Government: it wanted to strengthen the defense of Iceland without making it a launching pad for offensive operations against the Soviet Union. To resolve it, the cabinet ministers groped for a middle ground. At an important meeting with U.S. Ambassador, Richard Butrick, in August 1948, Foreign Minister Benediktsson made it clear that the United States would need Icelandic approval for the use of Iceland in wartime. To do otherwise would constitute a gross violation of the Keflavik Agreement as well as international law. Having said that, however, Benediktsson added that the Americans could interpret the Keflavik Agreement liberally by having «sufficient planes and

even soldiers lay over at Keflavik.» The government wanted to make sure that the United States would be ahead of the Soviet Union in the competition for Iceland in wartime. Judging by their experience in World War II, the Icelanders knew, of course, that there was a distinct possibility that the United States would capture Iceland in the event of war—with or without their consent. Indeed, that was exactly what the Americans planned to do. But Benediktsson wanted to make it clear that consultation and cooperation were in the interest of both countries.<sup>73</sup>

The Icelandic Government was not prepared to take any further steps toward formal military arrangements with the United States. Domestic political constraints—nationalistic sensitivity on the defense question coupled with a lack of a military tradition—forced cabinet ministers to proceed with caution and restraint. This also explains why the Icelandic Government insisted that the initiative to enter into negotiations on the formation of NATO in late 1948 come from the Western Europeans and the Americans. A key rationale for U.S. participation in «entangling alliances» was the prospective military access to «stepping stone countries» like Iceland, the Azores and Greenland.<sup>74</sup> Therefore, it did not come as a surprise, when in January 1949 the Icelandic Government received a formal invitation to join the talks.<sup>75</sup> Before committing itself, the government had to overcome several hurdles. The most important one was a disagreement over the preconditions for NATO membership. The leaders of the Independence Party and the Social Democratic Party were receptive to the idea of allowing a small military contingent to be stationed in Iceland for the protection of the airfield at Keflavik. The Progressive Party leader, Eysteinn Jónsson, was, however, opposed to any peacetime military presence.<sup>76</sup> It reflected his reluctance to enhance the military value of Iceland and to prevent a split within the Progressive Party on the issue. Another complicating factor was the uncertainty about the creation of a Scandinavian Defense Union. Without the participation of Denmark and, especially, Norway in the prospective North Atlantic Alliance, the Icelandic government would probably not have opted for membership.<sup>77</sup> Finally, the cabinet ministers had to take into account domestic political opposition to

any Icelandic participation in a military alliance. Already in December, the same political forces that came together to oppose the Keflavik Agreement had begun agitating against the prospective involvement of Iceland in the North Atlantic Treaty (NAT) talks.<sup>78</sup> Like in 1946, this movement was divided into two segments: on the one hand, there were non-Communist nationalistic and neutralist elements. Prominent among those were members of the left-wing of the Social Democratic Party and Progressive Party. On the other hand, there were the Socialists, who used both nationalistic as well as anti-American propaganda in their campaign against NAT.

Initially, it was far from clear whether the government would be able to overcome these hurdles. To be sure, the failure of the Scandinavian Defense Union—and the subsequent Norwegian and Danish decisions to join the NAT talks in March—increased the chances of Icelandic participation.<sup>79</sup> But continued internal squabbles almost led to the downfall of the government in February.<sup>80</sup> In the end, the coalition partners agreed on a formula to resolve their differences: as a precondition for Iceland's NATO membership, there would be no military presence in peacetime. The Americans were perfectly willing to accept this solution. Secretary of State, Dean Acheson, even stated disingenuously that the United States did not want have a military force in Iceland.<sup>81</sup> Of course, the Americans had not abandoned their interest in negotiating a base agreement with the Icelanders, but they realized that they could not get more at this stage.

Following intensive discussions between an Icelandic delegation—composed of Benediktsson, Eysteinn Jónsson, and Emil Jónsson, an influential Social Democratic politician—and Acheson and State Department and Defense Department officials in Washington, the Icelandic Government decided to join NATO at the end of March.<sup>82</sup> This move evoked strong nationalistic and Socialist protests that culminated in the most serious postwar riots in Iceland. The *Althing* building was stoned and government ministers were attacked by protesters. The riots did not prevent the *Althing* from approving NAT

with overwhelming support: 37 were in favor and 13 against. It is ironic, however, that Iceland—which had made its unarmed tradition the precondition for joining NATO—should have witnessed the most serious disturbances.<sup>83</sup>



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## «Empire by Invitation»: The Korean War and the Reentry of U.S. Troops, 1951

Before Iceland's entry into NATO, the United States had been looking for ways to address the Icelandic Government's security concerns. Bjarni Benediktsson's suggestion that the United States interpret the Keflavik Agreement by keeping military aircraft permanently stationed in Iceland received much attention within the Department of Defense. While Benediktsson calculated that by maintaining a visible military presence in Iceland, the United States would deter the Socialists from attempting a coup, he was mainly concerned about the potential Soviet threat. U.S. military officials, however, believed that the Socialist capability of seizing power posed a more immediate threat than a Soviet invasion. Thus James Forrestal, the Secretary of Defense, ordered contingency plans, in late 1948, for the capture of Iceland in the event of a Communist coup d'état.

A plan developed by the U.S. Commander-in-Chief, Atlantic (CINCLANT) to deal with such a contingency was first discussed at a National Security Council meeting in April 1949. Pentagon officials reiterated on the basis of comments made by Benediktsson during the NAT talks that the possibility of a Communist coup was the most serious danger facing Iceland.<sup>84</sup> The Icelandic Foreign Minister had, in fact, never intimated that the internal threat was more important than the external one, even though he was in favor of establishing a Home Guard to protect the airport against potential subversion. State Department officials did not believe that the Soviets intended to seize power in Iceland by proxy—through the Socialist Party—and attached far more importance to finding a political than a military solution to the problem of Iceland's internal security. Moreover, they questioned the value of a unilateral U.S. military intervention in the event of a Socialist coup, preferring instead to deal with the crisis on a multilateral basis through NATO.<sup>85</sup>

In an effort to bridge the differences between the State and Defense Departments, the NSC approved a compromise in the summer of 1949. The Pentagon was entrusted with the task of preparing contingency plans for sending a U.S. military force to Iceland to protect U.S. and NATO interests in the event of a Communist coup. The State Department was instructed to make plans to prevent the Communists from seizing power by political means. This compromise did not solve the basic contradiction embedded in this policy: on the one hand, the policy paper argued along Pentagon lines that the internal danger was the most acute problem facing Iceland. On the other, it seconded the State Department view that the possibility of a Communist coup was remote.<sup>86</sup>

Nonetheless, CINCLANT'S contingency plans for quashing a Socialist coup were, in 1949, merged with U.S. plans to fight a war with the Soviet Union. The idea was to enable SAC to have access to Iceland on a standby basis if U.S. bases in Britain were destroyed.<sup>87</sup> What the plans failed to do, however, was to answer two key questions. First, what would have happened, if the British had denied the Americans the use of bases in Britain for retaliatory nuclear strikes against the Soviet Union? This question was pertinent and never really resolved to the satisfaction of either the British or the Americans. Second, would the Americans have asked the Icelandic Government for permission to use Iceland for SAC's offensive operations?

There is no evidence to suggest that the Icelandic Government was aware of these U.S. contingency plans. Icelandic politicians paid, in fact, limited attention to military questions in the latter part of 1949 and early 1950 because of a domestic political crisis. The three-party government broke up in the fall of 1949 over disagreements over economic policy. A new coalition government—composed of the Independence Party and the Progressive Party—was not formed until February 1950.<sup>88</sup> Earlier in the year, NATO had informed Icelandic officials of the need for stationing a small military force of 200 to protect the Keflavik Airport against sabotage.<sup>89</sup> Without committing himself to what was bound to be a very sensitive issue because of Iceland's precondition for NATO's membership,

Benediktsson argued that if this force was, indeed, needed it should be composed of Icelanders, not foreigners. The Truman Administration, which had not given up its aim of achieving permanent military rights in Iceland, preferred to have U.S. or other NATO forces assume this duty because of the Icelandic lack of military training.<sup>90</sup> But it did not press the defense issue, which was not revived until the North Korean invasion of South Korea in late June.

Like in other European countries, the Korean War triggered a war scare in Iceland. Benediktsson feared that the presence of a large Soviet fishing fleet near Iceland—coupled with suspicious behavior of Russian diplomats—was an indication of possible ulterior motives. The Americans did not think that the Soviets were planning to invade Iceland, but to calm Icelandic cabinet officials, they sent several destroyers to Iceland to keep an eye on the Soviet fleet.<sup>91</sup> Although U.S. officials calculated that the Korean War had made the Icelandic Government more susceptible to the peacetime presence of military forces in Iceland, they realized that too much pressure could result in a nationalistic backlash. True, U.S. Ambassador, Edward Lawson, used the opportunity to remind Benediktsson of the need for collective sacrifice in the face of a common enemy.<sup>92</sup> But he did not take his case further during the summer of 1950. While the British agreed with the Americans on the need for strengthening Iceland's defenses, they preferred a multilateral approach through NATO instead of a unilateral U.S. one. In collusion with the Americans, the British decided to ask Halvard Lange, the Foreign Minister of Norway, to prod the Icelandic Government into accepting additional defense measures. Lange was willing to undertake this task and promised not to reveal its real sponsors. In addition, the Standing Group of NATO's Military Committee submitted a letter to the Icelandic Government, requesting information about its defense needs and intentions.<sup>93</sup>

By pure coincidence, the Icelandic Government had decided, on its own initiative, to approach NATO on defense a few hours before Lange had the opportunity to discuss the matter with Benediktsson. Thus Lange's and NATO's overtures did not influence its decision directly. True, the Icelan-

dic Government had not agreed on permitting a foreign military presence in Iceland or on forming a Home Guard. But the ice had been broken: the stationing of a military force in peacetime was no longer a taboo.<sup>94</sup> In a meeting with Benediktsson in September in Washington, the Standing Group pressed for the establishment of a security force of 1200 to protect the Keflavik Airport instead of the earlier estimate of 200. Without committing himself, the Icelandic Foreign Minister requested additional information about such questions as stockpiling, the force size, the location of radar stations, air defenses, and the costs involved. Although the Icelandic Government was sympathetic toward the NATO request, it did not want to make the final decision until the Standing Group had provided the details of its defense plan.<sup>95</sup>

Despite pressure from both Dean Acheson and Bjarni Benediktsson, the Standing Group was unable to answer the questions of the Icelandic Government until January 1951, because most NATO military experts were in Europe during the last months of 1950 to prepare for the establishment of the Supreme Allied Headquarters in Europe (SHAPE).<sup>96</sup> But shortly thereafter the Icelandic Government agreed to a NATO request to enter into negotiations with the United States on a defense treaty. It insisted, however, on bearing no costs of the military presence and on being able to revoke the treaty unilaterally on a reasonably short notice.<sup>97</sup> The cancellation clause proved to be the sticking point in the secret bilateral negotiations that began in Reykjavik in mid-February 1951.

Since the Truman Administration was reluctant to spend vast sums of money on military projects in Iceland without securing a long-term commitment, it proposed to tie the treaty's duration clause to that of NAT. The Icelandic Government, in contrast, demanded a one-year revocation clause as a price for abandoning Iceland's precondition for joining NATO—the insistence on no peacetime military presence. In the end, the Truman Administration relented and accepted a «compromise» that corresponded closely to the Icelandic position. Either side could revoke the treaty on 18 months notice. In addition, the North Atlantic Council was to give its opinion on whether it deemed such action warranted from a military point

of view, but it had no veto power. Another difficult issue in the negotiations was also resolved to the satisfaction of the Icelanders. The Americans wanted to double the number of troops considered necessary by the Standing Group (which had already raised its estimate again from 1200 to 3,300). But for nationalistic reasons, the Icelanders succeeded in keeping a tight lid on the size of the force and on limiting the initial number to 3,900.<sup>98</sup>

When in late April, a draft defense treaty had been prepared, the negotiations hit a snag. State Department officials wanted to leave out any special mention of the defense of Iceland in the treaty and to limit its scope to the defense of the North-Atlantic Treaty area. They feared that Congress would interpret the defense arrangement as exceeding the obligations set forth in NAT. Bjarni Benediktsson adamantly refused to budge on this question. While acknowledging that the Americans were thinking of their own security and that of NATO, he made it clear that the Icelandic Government's motive for entering into a military relationship with the United States was to ensure the defense of Iceland. He even threatened to refuse to sign the treaty, if the United States did not abandon its position. When the Americans realized that the issue could scuttle the negotiations, they backed off and accepted the original wording.<sup>99</sup>

This paved the way for the signing of the Defense Treaty on May 5 and for the entry of the first contingent of U.S. troops—about 300 soldiers—two days later. The government did not want to call a special session of *Althing*, which was in recess in the spring of 1951, to vote on the agreement since its legal experts had come to the conclusion that the Defense Treaty did involve more extensive obligations than those of NAT. But to bolster its case, it acquired the written consent of a large majority of MPs, including the opposition Social Democratic Party.

The U.S.-Icelandic Defense Treaty and the arrival of U.S. troops in Iceland aroused much international attention. The American press generally welcomed the news, referring to the unstable international situation.<sup>100</sup> The official Soviet press castigated the treaty as a blatant example of American imperialism—a culmination of systematic attempts to subjugate the Icelan-

dic people through the Marshall Plan and NATO.<sup>101</sup> The Icelandic Socialists reacted in a similar way, accusing the government of committing treason like in 1946.<sup>102</sup> But the opposition to the treaty proved to be much weaker than to the Keflavik Agreement or to Iceland's NATO membership. The coalescence of nationalistic, neutralist, and Socialist forces never materialized this time, because members of the left-wing of the Progressive Party and the Social Democratic Party voted in favor of the Defense Treaty. The reason for this rare display of unity on foreign policy can be traced to the impact of the Korean War on the domestic political situation. By blaming the West for instigating the hostilities in Asia, the Icelandic Socialists isolated themselves politically and became more closely associated with Moscow. To be sure, the opponents of the agreement had one powerful argument at their disposal. The Defense Treaty was broader in scope than NAT:<sup>103</sup> it entrusted the Americans exclusively with the defense of Iceland without spelling out how it would be used in war. According to Article 5 of NAT, member countries could decide, on their own, on their response to an armed aggression against one of them. The Socialists and nationalists also made the point that the U.S. military presence contradicted Iceland's precondition for NATO membership. The government defended itself by arguing that the treaty was «made on the basis» of NAT and that it had received a written approval of the majority of MPs. Moreover, it had issued a temporary executive decree, legalizing the Defense Treaty three weeks after the entry of U.S. troops. Undoubtedly, the government would have strengthened its political case by putting the treaty before the parliament earlier. But when the *Althing* approved it in the fall, it also removed the procedural ambiguities.

## The Impact of the U.S. Military Presence, 1951-1955

Compared to the passionate public debate over the Keflavik Agreement and NATO, the reaction to the entry of American troops—soon-to-be called the Iceland Defense Force—was strangely anti-climatic. Most Icelanders greeted the news with mixed feelings. To them, the Defense Treaty was a result of rising international tensions, perhaps a necessity but not an occasion for celebration. There was no desire to experience again the social tensions generated by the U.S. presence during World War II. The Americans had, of course, first-hand knowledge of Icelandic nationalism—both in its dormant and eruptive state. But they were relatively slow to grasp the significance to which many Icelanders attached to the fraternization issue. Although the American soldiers were in no way a threat to the Icelandic social and moral fabric, as some nationalists claimed, their presence in bars and restaurants in Reykjavik sparked local resentment. This situation was made worse by a display of open hostility on the part of the Socialists. As a result, the Icelandic Government decided to put some restrictions on the movement of U.S. troops in Iceland. It was a move that did not sit well with the U.S. soldiers, but it was clearly in the interest of both sides.<sup>104</sup> Apart from protecting the Keflavik Airport, U.S. forces in Iceland facilitated air and naval patrol in this strategic area. With an improved Distant Early Warning system, the Americans wanted to be in a position to react more effectively to a surprise Soviet attack on Iceland or the United States. In the case of a Soviet invasion, a small contingent of army troops were meant to hold the country as long as possible—or until reinforcements arrived. In wartime, the mission of the fighter planes stationed in Iceland was to defend Iceland and destroy Soviet bombers enroute to America.<sup>105</sup>

One of the questions raised by the Defense Treaty was the use of

Iceland in wartime. The Socialists had argued that it would be a launching pad for strategic attacks on the Soviet Union as part of America's «aggressive war plans.» The Icelandic Government denied the charges, arguing that the Iceland Defense Force main mission was to defend Iceland and other North Atlantic security interests. But statements made by American military officials and Congressmen about the importance of Iceland for SAC harmed the government's case. In the fall of 1951, a U.S. Senator, called on the Truman Administration to move American nuclear weapons from Britain to bases in Iceland, Turkey, and North Africa. When the Socialists demanded an official explanation, Bjarni Benediktsson asked the Americans to make it clear that they had no such intentions. The State Department recommended that Benediktsson be informed in strictest confidence that the U.S. was not planning to store atomic weapons in Iceland. The Department of Defense was, however, reluctant to be so specific, because it was working on plans to establish a strategic air base in Iceland. In the end a compromise was reached: Benediktsson was told that the United States would not do anything that violated the letter and spirit of the Defense Treaty. All military projects involving Iceland would be presented to the Icelandic Government for approval.<sup>106</sup>

The Air Force was eager to expand its military rights in Iceland by constructing an additional airfield at *Rangárvellir* in the Southern part of the country. SAC would use this airfield to support a heavy strategic mission in wartime and for training purpose in peacetime. The request reflected lingering doubts of many U.S. military officers about the ultimate control of SAC bases on British soil. Winston Churchill and Harry S. Truman had made an ambiguous oral agreement that provided for a joint decision on the use of nuclear weapons stored in Britain. To be sure, the SAC bases in Britain and North Africa would remain the most important ones for the counteroffensive. But in the case of a conflict with the British on the question of the use of SAC base, the Americans wanted to have access to Iceland.<sup>107</sup>

Benediktsson's first reaction to the U.S. request was one of skepticism: a government approval would depend on whether it interpreted the project

as a contribution to the defense of Iceland. U.S. Ambassador, Lawson, assured Benediktsson of the exclusively defensive use of the airfield—a suspect argument because it failed to take into account the offensive role of SAC. But in early 1953, a Norwegian General, who had been asked by the Icelandic Government to give a third opinion on the American request, recommended the approval of the *Rangárvellir* project. To him, it would be better to have two airfields instead of one. If the Keflavik Airport would become the target of Soviet attacks, retaliatory strikes could be launched from the other one.<sup>108</sup> What he failed to stress was that the new airfield served offensive as well as defensive purposes. This raises the question of whether the General was, in fact, neutral.

The Icelandic Government wanted to make the additional military facilities conditional on U.S. support for diversifying Iceland's economy. State Department officials were reluctant to make such an obvious link between the military and economic questions, fearing that it would set a bad precedent. After all, Iceland, which had profited tremendously in material terms from World War II, had received more Marshall Aid than any other country on a per capita basis. But Defense officials wanted to grant the Icelandic wish to facilitate acceptance of the base request. Before the issue was resolved, the Icelandic Government decided to postpone any negotiations on the new airfield for domestic political reasons—the forthcoming parliamentary elections in the summer of 1953.<sup>109</sup> This move was inevitable. The opposition to the U.S. military presence had increased slowly but steadily in 1952 and early 1953. In the fall of 1952, a new party, the National Defense Party, had been formed exclusively for this purpose. It signified the revival of nationalism in an organized form—a movement made up of intellectuals and left-of-center political elements that had been mostly dormant since Iceland's entry into NATO. Another bad sign for the Americans was the failure of former Prime Minister Stefán Jóhann Stefánsson to retain his position as the chairman of the Social Democratic Party. He was defeated in late 1952 by a prominent member of the left-wing, Hannibal Valdimarsson—a populist and something of a maverick, who exerted much influence within the trade union movement. As a result,

the party adopted a far more negative stance toward the military presence than before. Together with the National Defense Party and the Socialist Party, it was totally opposed to granting the American additional military rights in Iceland.

These new trends undermined the foreign policy agenda of the Progressive Party and cut into its electoral strength. In the 1953 parliamentary elections, it lost votes to the National Defense Party, which captured 6% of the vote and 2 parliamentary seats. Together with the Independence Party, which solidified its position as the largest party, the new National Defense Party was the clear winner. The left-wing of the Progressive Party had traditionally been reluctant to permit the peacetime stationing of U.S. forces in Iceland, but for the sake of party unity, it had not challenged the government on the question of its pro-American foreign policy course.<sup>110</sup> But when the Progressives decided—somewhat reluctantly—to revive the government coalition with the Independence Party under the premiership of Ólafur Thors, it decided to chart a different foreign policy course than pursued by Bjarni Benediktsson. From now on, the Americans had to worry about keeping what they already had instead of receiving additional military rights. It was not only the leftward drift that influenced the political climate, but also the unexpected propulsion of the Soviet Union into the top rank of Iceland's trading partners. Since 1948, there had practically been no trade relations between the two countries. But the Soviet Union decided to fill the vacuum created by the 1952 British landing ban on Icelandic fish following the Icelandic decision to extend Iceland's fishery zone from three to four miles.<sup>111</sup>

This political realignment greatly undermined the position of the United States in Iceland. In December, Kristinn Gudmundsson, the new Foreign Minister, a protégé of Hermann Jónasson, the Chairman of the Progressive Party, delivered the first blow by demanding the revision of the Defense Agreement. The goal of the Progressives was to seal off the military area in Keflavik by erecting a sort of a «Mending Wall»—a fence around it and by imposing far stricter rule on off-base movements. Moreover, they insisted on replacing all foreign workers at the base with Icelandic ones and on

withdrawing the business license of the American contractor, whose labor practices had been the source of much criticism in Iceland. Finally, the Progressives wanted the Iceland Defense Force to bring construction activities at the base into line with those of other sectors of the economy. The rationale for this was to prevent the Iceland Defense Force from attracting manpower from other parts of the country and to ease labor shortages in the seasonal fish processing industry.

The bilateral negotiations, which began in the spring of 1954, were long and arduous and put a strain on U.S.-Icelandic relations. The Eisenhower Administration was prepared to meet some of the Icelandic demands, but it was reluctant to do so in others. For one thing, the Americans argued that the erection of a fence to close off the base was bound to lower the morale of the troops and to cause a great deal of resentment. They also doubted that an Icelandic contractor would be in a position to assume the functions of the American one. It was not until the Progressives threatened—indirectly—to revoke the Defense Agreement that the Americans finally gave in. Fearing the worst, they accepted the replacement of the U.S. contractor and the erection of a fence around the base. The Eisenhower Administration did not return empty-handed from the negotiations, because it was allowed to raise the ceiling of the number of its troops from 3,900 to 6,200.<sup>112</sup> But the Americans did not get their biggest prize: the *Rangárvellir* airfield. When the Icelanders refused, during the negotiations, to discuss the request before other issues were settled, the Air Force suddenly withdrew it for budgetary reasons. Given the emphasis the Americans had put on the *Rangárvellir* project, this move was something of an enigma. But the Air Force seems to have given up all hope of receiving permission to establish a SAC base in Iceland.

The Eisenhower Administration realized by mid-1954 that it had to respond to the growing opposition to the military base—a task entrusted to a new Ambassador John J. Muccio, a veteran diplomat, who had been stationed in Seoul during the first years of the Korean War.<sup>113</sup> The NSC approved a new policy toward Iceland designed to take into account the new political realities. The main purpose of maintaining friendly relations

and political and economic stability had not changed. But the NSC wanted to do more to counter Soviet influence in Iceland and to encourage more cooperation among pro-Western Icelandic politicians.<sup>114</sup> For this reason, the United States Information Agency (USIA) invited more political leaders, artists, trade unionists and journalists to the United States. One target group were intellectuals, who, like their European counterparts, were traditionally critical of American culture and society. Despite the propaganda aim of these visits, they often proved to be beneficial to both sides, not least because they led to increased contacts between educational and cultural institutions.<sup>115</sup>

Efforts to improve U.S. position in Iceland and to combat Communism were also directed at the trade union movement.<sup>116</sup> In 1948, the Social Democrats, Independents, and Progressives had wrested control of the Federation in Labor from the Socialists. To buttress the anti-Socialist bloc, the Americans partly financed the publication of the Federation of Labor official organ, organized visits of trade unionists to the United States, and helped devise political strategies before important trade union elections. In 1954, however, U.S. policy suffered a major setback, when the Socialists and the left-wing of the Social Democratic Party joined forces to defeat the old majority in elections to the Board of the Federation of Labor. This occurred shortly after Hannibal Valdimarsson had been defeated in his reelection bid as Social Democratic Party chairman.<sup>117</sup> The «revolution» in the Federation of Labor was yet another indication of a shift to the Left in Icelandic politics. Although the Eisenhower Administration tried to counter this trend by expanding its propaganda efforts, it was facing an uphill battle.

The Geneva Summit between Dwight D. Eisenhower and the Soviet leadership in the summer of 1955 only reinforced the leftward trend in Icelandic politics. The argument became more widely accepted that the U.S. military presence was unnecessary because of the relaxation in East-West tensions.<sup>118</sup> The meeting in Geneva achieved nothing in concrete terms, but the «Spirit of Geneva» lived on in Iceland as well as in other European countries. It also provided the Progressives with an additional

argument to resist U.S. and NATO requests for additional military rights in Iceland.

The Americans realized, of course, that propaganda measures alone would not change Icelandic public opinion on the base question. Economic inducements might also help. Ironically, coinciding with the slide in American popularity from 1953 to 1955, Iceland was reaping enormous economic benefits from the base. Indeed, the suspension of Marshall Aid in 1953 had no impact on the Icelandic economy because of the military construction activity at the Keflavik. What amounted to a new industry was created during this period—an industry that the Icelanders profited from without investing a penny. It has been calculated that the purchasing power in Iceland jumped 13% in 1953-1954 because of the base revenues.<sup>119</sup> Beneath the surface, however, there were deep problems. For one thing, the base economy increased inflationary pressures that led to easy credit, excessive investments, and an unstable labor market. Since the Icelandic Government was also to blame for its lax economic policies, it would have been possible to isolate the base economy. But the Icelanders were not keen on such schemes. They did not want to be deprived of the benefits of the base, even if they wanted to control the pace of construction activity. The net result of these economic changes was a long general strike in the spring of 1955, which effectively sealed the fate of the center-right coalition government between the Progressive Party and the Independence Party.<sup>120</sup> Adding an ironic twist to the story, the Eisenhower Administration unwittingly facilitated this domestic political reconfiguration by refusing to slow down the construction program at the base. By doing so, the Americans expressly violated one of the main tenets of the Marshall Plan—the need to keep inflation in check. State Department officials were aware of this contradiction and tried to address the problem. But their colleagues at the Pentagon were fixed on the military aspects of the base economy at the exclusion of all others.<sup>121</sup>

As a last ditch effort to reverse their fortunes in Iceland, the Americans did two things to assist the Icelandic Government in the economic sphere. First, on the initiative of Secretary of State, John Foster Dulles, the Eisen-

hower Administration decided to side-step U.S. laws, stipulating the imposition of countervailing duties on fish products from subsidized fish industries like that of Iceland.<sup>122</sup> What was more, Eisenhower personally introduced the idea of buying up the entire Icelandic fish production and to give it away to poor countries as a humanitarian gesture. This proposal was never implemented, however, because it was feared that it would set a bad precedent and open a floodgate of similar requests from other countries.<sup>123</sup> Second, the Americans offered to finance the construction of a cement factory in Iceland—a project that the World Bank had refused to underwrite, because the factory was supposed to be government-owned. The rationale for this action was not only to improve the U.S. position in Iceland but also to forestall the acceptance of a Soviet loan offer.<sup>124</sup> The Icelandic Government received the bulk of the loan in the spring of 1956. But since these measures were too modest and came too late, they failed to improve the U.S. position in Iceland or to stabilize the center-right coalition government.

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## A Political Challenge to Iceland's Western Integration, 1956-1958

Since the end of the 1940s, the dream of the chairman of the Progressive Party, Hermann Jónasson, had been to form a left-of-center electoral alliance with the Social Democratic Party as a counterweight to the Independence Party.<sup>125</sup> It was not until 1955, however, that the two parties felt strong enough to combine forces, paving the way, in the spring of 1956, for the formation of an electoral alliance—the «Alliance of Fear»—as its opponents dubbed it. By exploiting the antiquated electoral system, the Progressives and Social Democrats hoped to acquire a parliamentary majority by attracting a little more than a third of the popular vote. The parties wanted to achieve this by pooling their resources—by voting for Social Democrats in urban areas and Progressives in rural areas. At the top of the foreign policy agenda of the «Alliance of Fear» was the cancellation of the Defense Treaty. It reflected the growing domestic opposition to the base and the perception of a more peaceful international outlook since the Geneva Summit. After the Progressives withdrew from the coalition with the Independence Party in March 1956, they introduced—together with the Social Democrats—a sweeping resolution in the *Althing* on the base issue. While confirming Iceland's adherence to NATO, it called for the removal of U.S. troops and for reverting to the policy of no military presence in Iceland in peacetime. This resolution received the support of all parties, except for the Independence Party. Its implementation, however, would hinge on the outcome of the *Althing* elections in June 1956.<sup>126</sup>

Surprisingly, Eisenhower and Dulles publicly expressed sympathy with the Icelandic position, hinting that a reduction in the number of American troops in Iceland could be possible.<sup>127</sup> But behind the scenes, the Eisenhower Administration was determined to try to prevent the revocation of the Defense Treaty. To drive home the point, it decided to cease all con-

struction at Keflavik pending the outcome of the negotiations over the base. This move was bound to have a major economic impact, because the base revenues accounted for almost 10% of Iceland's national income and 20% of its foreign currency receipts.<sup>128</sup> Understandably, this type of economic warfare did not sit well with the Progressives and Social Democrats. Foreign Minister Kristinn Gudmundsson accused the Americans of interfering in Icelandic domestic politics by supporting the Independence Party.<sup>129</sup> While there was no collusion between the Americans and the Independents,<sup>130</sup> it was self-evident that the Eisenhower Administration was in favor of the only party that supported the Defense Treaty. But its efforts to assist it in the election campaign by indirect means were unsuccessful. It failed to persuade the World Bank to approve an Icelandic application for a developmental loan to finance a big hydro-electric project in the South West of Iceland on the river *Sog*.<sup>131</sup> Moreover, the British refused to heed the American call for rescinding their landing ban on Icelandic fish before the elections, partly because they feared that such action would be interpreted as interference in Icelandic domestic affairs, and partly because it would give British trawler owners nothing in return. The only direct offer of assistance to the Independence Party came from the West Germans. Chancellor Konrad Adenauer personally offered Ólafur Thors a \$20 million loan to finance the *Sog* project. But Thors refrained from taking advantage of it during the election campaign, probably because he feared that he would be accused of working in tandem with the West German Government.<sup>132</sup>

Because of the base controversy, the 1956 elections stimulated international attention and much press coverage. The uncertainty about its outcome had not only increased as a result of the creation of the «Alliance of Fear.» Together with a group of left-wing Social Democrats, Hannibal Valdimarsson, the President of the Federation of Labor, had formed an electoral alliance with the Socialists—the Popular Alliance. As it turned out, the election results proved to be inconclusive: the Independence Party reasserted itself as the largest party, with 42% of the vote; the «Alliance of Fear» received 34%, and the Popular Alliance about 19%. Capturing only



4.5%, the National Defense Party lost both of its seats.<sup>133</sup> But American relief over the failure of the «Alliance of Fear» to achieve absolute majority—and over the defeat of the National Defense Party—soon turned into disappointment. Despite its impressive showing, the Independence Party had become isolated in Icelandic politics.<sup>134</sup> The strong third place finish of the Socialist-Valdimarsson ticket made it possible for Hermann Jónasson to form a left-wing government, comprising the Progressives, the Social Democrats, and the Popular Alliance. The main foreign policy plank of what was to become known as the «Leftist Government» was to implement the *Althing* resolution on the cancellation of the Defense Agreement.

The news from Iceland came as a great shock to Washington. The Eisenhower Administration could hardly believe that for the first time in the history of the Atlantic Alliance, a member government included pro-Moscow Socialists. The mood in NATO's headquarters in Paris was equally gloomy. In conjunction with NATO's Secretary General, Lord Ismay, the Icelandic Permanent Representative even stopped sending confidential documents to Iceland out of fear that they would land in Socialist hands. This decision caused a crisis in Iceland's relations with NATO. The Progressives and Social Democrats reacted angrily. After making it clear to NATO that they were in full control of Iceland's foreign policy and that the ministers of the Popular Alliance would be barred from viewing the documents, they demanded full access to them. But when NATO—on U.S. insistence—refused to resume the document transfers to Iceland, Prime Minister Hermann Jónasson threatened to leave NATO «in one hour,» if this policy would not be lifted. Faced with this prospect, NATO finally gave in and met the Icelandic demand at the end of September. Still, Iceland did not receive top-level strategic-military plans during the 1950s and 1960s.<sup>135</sup> NATO could point to the lack of an adequate security system in Iceland,<sup>136</sup> and for this reason, COSMIC documents were not forwarded.<sup>137</sup> This situation did not change until the late 1960s, when new security measures were implemented in Iceland for the purpose of receiving confidential documents.

As stipulated in the Defense Treaty, the cancellation clause could not be

evoked until NATO had given its opinion. As was to be expected, NATO strongly recommended, in an opinion largely drafted by the Americans, that U.S. forces be allowed to stay in Iceland. But the Icelandic Government seemed to be bent on charting a different foreign policy course.<sup>138</sup> From the U.S. perspective, the only hope rested with the new Icelandic Foreign Minister, Guðmundur Í. Guðmundsson, and other members of the right-wing of the Social Democratic Party, including the President of Iceland, Ásgeir Ásgeirsson. Most of them were deeply skeptical of the *Althing* resolution and worked toward achieving a compromise with the Americans. According to one plan, the Iceland Defense Force would leave the country but U.S. and NATO planes and troops would be stationed at the Keflavik base on a rotation basis.<sup>139</sup> Initially, the Americans did not respond favorably to such overtures, for they wanted to avoid as much contact with the «Leftist Government» as possible.<sup>140</sup> But in September, they abandoned their rigid position, sensing a willingness on the part of the Social Democrats and Progressives to find a solution acceptable to both sides and to achieve a split in the Popular Alliance.<sup>141</sup> Moreover, their bargaining position had strengthened because of the inability of the Icelandic Government to receive foreign loans to finance its ambitious economic plan.

When the «Leftist Government» took office in late August, it did not expect the Eisenhower Administration to provide it with large-scale economic assistance because of its foreign policy agenda. The Progressives and Social Democrats, however, put their bets on the West Germans because of the loan offer to Ólafur Thors before the elections. Prime Minister, Hermann Jónasson, wasted no time and sent former Foreign Minister, Kristinn Guðmundsson, to Bonn to start negotiations on the loan. Yet, since Adenauer had wanted to reward the Independence Party for its pro-Western course, Kristinn Guðmundsson's efforts met with no success. When the «Leftist Government» turned to France, it received a similar treatment. The French—and other NATO-governments—agreed with the Americans about the undesirability of granting economic concessions before the settlement of the base issue.<sup>142</sup> Despite this setback, the

Progressives and Social Democrats resisted Socialist calls for receiving economic assistance from the Soviet Union. Since the barter trade with the Soviet Bloc represented already about 35% of Iceland's total trade volume (the comparable figures for other Western nations were 3-4%), they feared that closer ties with it would have negative political as well as economic consequences. For this reason, the Progressives and Social Democrats saw no other alternative than to ask the Eisenhower Administration for economic assistance.<sup>143</sup>

The U.S. and Icelandic governments decided to hold preliminary talks on the defense issue in early October in Washington. The Icelandic Government wanted to achieve two goals: to reach a *modus vivendi* on the defense question and to receive economic aid. In the first meeting with John Foster Dulles, Acting Foreign Minister, Emil Jónsson, expressed his desire for a compromise, hinting that a solution could be found somewhere between the *Althing* resolution and the American position of *status quo ante*. Equally important, he requested that Vilhjálmur Thór—the Governor of the Icelandic Central Bank and former Foreign Minister—be allowed to discuss Iceland's economic problems with U.S. officials before the defense talks were resumed. The Americans had no qualms about approving this procedure, for it gave them an opportunity to use this informal linking of the defense and economic questions to facilitate a settlement. Thus during the second meeting with Emil Jónsson, Assistant Secretary of State, Herbert Hoover, offered the Icelandic Government a \$5 million loan to finance the *Sog* power plant on the condition that it would take care of the energy needs of the Keflavik base. The purpose, of course, was to ensure the continued presence of U.S. forces in Iceland. No decisions were made during the Washington talks, which were only meant to be exploratory. But it was agreed to commence the formal negotiations on the defense question in November.<sup>144</sup>

What complicated the issue was the effort by the leader of the Socialist Party, Einar Olgeirsson, to secure a Soviet loan to bolster the standing of the left-wing Popular Alliance in its dealings with its coalition partners. When he informed the government, in the middle of October, that the

Soviets had given oral assurances of a large loan on advantageous terms, the Progressives and Social Democrats, decided to use this offer to strengthen their bargaining position vis-a-vis the Americans. They suggested that the Icelandic Government would be hard pressed to accept the Soviet offer, if U.S. aid would not be forthcoming.<sup>145</sup> The Americans were sensitive to see-saw politics—attempts to play the United States and the Soviet Union against each other. But they were equally worried about the implications of Iceland's dependence on Communist economic aid for the continued operation of the base. Therefore, on October 25, Herbert Hoover, handed Vilhjálmur Thór an aide-memoire designed to solve both the military and economic questions. It entailed a *quid pro quo*: economic aid in exchange for continued military rights. The Americans were willing to grant an emergency loan of \$3 million before the conclusion of the defense negotiations. But they insisted that the deal would depend on a «satisfactory» outcome of the bilateral talks.<sup>146</sup>

Since September the Icelandic Government had been steadily moving away from its hardline stance on the defense question. In late October Foreign Minister Gudmundur Í. Gudmundsson had hinted that the base question would be solved amicably, and Prime Minister, Hermann Jónasson was softening his stance on it.<sup>147</sup> What some Social Democrats and Progressives had in mind was to extract some limited concessions from the Americans—such as force reduction at Keflavik—as a face-saving formula designed to prevent the Popular Alliance from withdrawing its support for it. But thanks to a major international development, the Hungarian Revolution, the Social Democrats and the Progressives felt that they could strike a deal with the Americans without putting the life of the government on the line. Indeed, the Soviet military intervention in Hungary created a storm of protests in Iceland and contributed to a climate of intense anti-Communism, which severely undermined the Socialist Party. Thus the Icelandic Government decided to abandon its plan to cancel the Defense Agreement, citing the precarious international situation after the Hungarian Revolution and, for the sake of formality, the Suez Crisis.<sup>148</sup>

The U.S.-Icelandic defense negotiations in late November, it turned out,

served no other function than to ratify the status quo ante. But as a sign of their gratitude, the Americans reaffirmed their secret pledge from October 25 to provide the Icelandic Government with economic aid.<sup>149</sup> The leaders of the opposition Independent Party, former Prime Minister Ólafur Thors and former Foreign Minister, Bjarni Benediktsson, reacted by accusing the government of treating the security of Iceland as a barter item. They also vented their anger at the Americans for propping up a left-wing government that included pro-Moscow Communists.<sup>150</sup> The Eisenhower Administration was fully aware of this irony and had been divided on the question of providing the government with financial aid. But in the end, strategic considerations—the need to maintain the military presence—outweighed ideological concerns about the spread of Communism.

Although the Icelandic Government denied that there were any links between the defense and economic questions, it was determined to let the Americans make good on their promise to provide economic aid. In January 1957, Vilhjálmur Thór asked for a \$40 million loan to finance the government's economic plan. In the October 25 aide-memoire, the Eisenhower Administration had only agreed to provide emergency aid of \$3 million together with an unspecified amount to cover the foreign exchange costs of the *Sog* project estimated at \$5 million and a modest PL-480 loan to finance the buying of U.S. agricultural surplus goods. The Americans had made it clear that it would depend, to a large extent, on the soundness of the government's economic policies whether additional aid would be forthcoming.<sup>151</sup>

When the Social Democrats and Progressives realized that the government could only expect a fraction of what it sought in U.S. economic aid, they had great difficulty figuring out their next move. Despite the exhortations of the Socialist leader Einar Olgeirsson, they were still opposed to turning to the Soviets for economic assistance. They knew that it could spoil their chances of receiving Western loans and stymie efforts to modernize the Icelandic economy, whose reliance on export subsidies, barter trade, currency controls, and import restrictions had much in common with the command economies of Eastern Europe. But like in the fall of

1956, the Progressives and Social Democrats felt that they could hardly turn down the Soviet offer, if Western countries would not come to the rescue. Indeed, in the spring of 1957, the Soviets renewed their oral pledge to provide a \$25 million loan to be repaid in Icelandic fish.<sup>152</sup>

The Social Democrats and Progressives wanted to exhaust all other means before turning to the East bloc. After intimating that they would have to resort to inflationary financing of the projects, they began pressing the West Germans and British for economic aid. Both governments were willing to grant government guarantees for short-term loans with market interest rates. But the Icelanders were seeking large long term loans with low interests—in short, political loans.<sup>153</sup> When the Americans decided to honor their part of the bargain in connection with the settlement of the defense issue, the Social Democrats and Progressives saw this as a small step in the right direction. The U.S. provided the Icelandic Government with a \$5 million loan for the *Sog* project and a \$2.2 million PL-480 loan on very generous terms in line with the October 25 aid-memoire.<sup>154</sup>

The main purpose of the aid-memoire was to facilitate the negotiations on the base question, but it was also meant to make sure that the Icelandic Government would not receive a Soviet loan. In late spring 1957, the Americans felt that the *Sog* and PL-480 loans were insufficient to prevent Iceland from slipping further into the Soviet economic orbit. For one thing, Einar Olgeirsson was actively working on a plan to force the Icelandic Government to accept Soviet economic assistance. One of its features was to have the Soviets finance the construction of 12 fishing vessels in East Germany with a \$3 million loan. Adding a twist to the plot, Olgeirsson received the permission of Otto Grotewohl, the East German Prime Minister, to have the Socialist Minister of Fisheries, Lúdvík Jósepsson, sign the loan document in East Berlin. Two things would be gained by this scheme: on the one hand, Communist economic assistance would bolster the position of the Popular Alliance within the Icelandic Government. On the other, the signing ceremony would constitute an important step toward the *de jure* recognition of the German Democratic Republic—a move adamantly opposed by the West Germans.<sup>155</sup>

Sensing that the loan question could turn into a Soviet Cold War victory, the Eisenhower Administration suggested that the Icelandic Government discuss its economic problems at a NATO-forum. Some Icelandic cabinet ministers had already broached this possibility, but the Americans were probably instrumental in persuading the Progressives and Social Democrats to act on it. On July 1, 1957, Iceland's Permanent Delegate to NATO submitted a letter to the new Secretary General, Paul-Henri Spaak, requesting economic assistance from NATO. Citing recent Soviet loan offers of \$25 million and \$3 million respectively, the Icelandic Government argued that it would be deplorable if Western countries would not counter Soviet intentions of taking advantage of Iceland's economic problems and undermine its commitment to the Western Alliance.

The Icelandic Government stated that it was only seeking normal commercial credits, but the letter showed that it had political loans in mind.<sup>156</sup> Spaak reacted sympathetically to the request, arguing that it served the purpose of expanding the cooperation of NATO-members in other than military areas. Adopting a similar stance, the Americans declared their willingness to provide part of the loan on the condition that the Icelandic Government put its economic house in order and take steps to reduce its dependence on the Soviet market. Other NATO-members such as Denmark, Norway, Italy and Canada also viewed the request positively. The British, however, were adamantly opposed to granting any special favors to the Icelanders. Arguing that NATO was not established to serve as a banking institution, they added that it would set a bad precedent to offer one member something that others could not expect to have. The West Germans were also skeptical of providing direct economic aid to Iceland, although their opposition was not as vociferous as that of the British.<sup>157</sup>

Spaak freely admitted that there was no economic rationale for providing the Icelanders with assistance. But to him, it was imperative that NATO resort to a «political rescue operation» to prevent the Soviets from exploiting Iceland's economic problems. In an unprecedented move in the history of the Western Alliance, he recommended a long-term loan of \$9 million with low interest rates. Together with several other European members, the

Americans immediately supported the proposal. The British reiterated their opposition, but they did not try to block it, not least because they were the only ones who were holding back. It was decided that several member nations, including the Americans, West Germans, Danes, Norwegians, and Canadians would share the burden of providing the loan.<sup>158</sup>

An intervention by the Icelandic Government, however, threatened to unravel the deal. The Progressives and Social Democrats insisted that no more than three NATO-countries take part in the loan. Because economic aid of this sort would require parliamentary approval in several NATO-countries, they wanted to avoid an open discussion about Iceland's economic problems abroad. Domestic political considerations were also undoubtedly part of the reason. The Independence Party could exploit the issue by renewing its charge that the government was using the security of Iceland as a bargaining chip to extract economic concessions.<sup>159</sup> In the end, the Americans and West Germans were the only ones who provided the loan. A third member could not be found, because ultimately other member states wanted to avoid participation if possible to save money. The U.S. loan of \$5 million was granted in December 1957,<sup>160</sup> but the West German loan of \$2 million in April 1958. The price for this uneven mixture of charity and self-interest was a promise made by the Icelandic Government in writing that it would reject the Soviet loan offer as a sign of good faith.<sup>161</sup>

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## The Stabilization of U.S.-Icelandic Relations, 1959-1960

For strategic reasons, the Americans had decided to strengthen a left-wing government to maintain their military presence and to reduce Soviet influence in Iceland. The first test of Iceland's Western commitment came in late 1957 and early 1958, when Soviet Premier Nikolai Bulganin submitted two letters to Prime Minister Hermann Jónasson, containing proposals for postponing nuclear tests, the creation of a nuclear free zone in Central Europe, and a non-aggression treaty between NATO and the Warsaw Pact. In the first letter, Bulganin stated his willingness to guarantee the neutrality of Iceland on the condition that all foreign troops be removed from it. In the second one, the Soviet leader intimated that Iceland was in grave danger because the United States had the capability of stationing atomic weapons in Iceland. These letters were modeled on similar ones submitted to the prime ministers of the other Western states in response to the decision—made at the NATO-meeting in December 1957—to create a NATO nuclear stockpile and to consider the possibility of stationing intermediate nuclear missiles in member countries. Jónasson replied to Bulganin's overtures by stating that the U.S. military base was for defense purposes only and that there were no plans to store nuclear weapons in Iceland.<sup>162</sup> This forceful response was, of course, welcomed by the Americans and showed how far the Icelandic Government had moved away from its initial stance on the U.S. military presence in 1956.

The second test of Iceland's Western orientation involved a far more explosive issue with potentially wide-ranging implications for Iceland's relations with the United States and NATO: the fishery dispute with Britain. Only a month after the Icelanders received the West German NATO-loan, they triggered a crisis within the Alliance by declaring their intention of unilaterally expanding Iceland's fishery limit from 4 to 12 miles. The

Americans and other NATO-members had persuaded the Icelandic Government to wait for the outcome of the Law of the Sea Conference at Geneva in the spring of 1958 before resorting to any unilateral measures.<sup>163</sup> But since the Conference was unable to agree on a universal formula on territorial waters and fishery zones, the Socialist Minister of Fisheries, Lúdvík Jóseppsson, succeeded in pressuring his cabinet colleagues into issuing the regulation. When it took effect on September 1, 1958, the British not only refused to honor it but sent war ships to Iceland to protect their fishing boats within the 12-mile zone—a move that sparked a «Cod War» between Iceland and Britain.

The United States was in a very delicate situation in the crisis. Gripped by nationalistic fervor, Icelanders of all stripes were enraged, when the Eisenhower Administration prevented the adoption of a proposal at the Law of the Sea Conference that would have sanctioned Iceland's action.<sup>164</sup> The Americans knew that if the British would use violent force within the 12-mile zone, it could easily lead to Iceland's withdrawal from NATO and to the abrogation of the Defense Agreement with the United States. Therefore, the Eisenhower Administration tried to maintain a position of neutrality in the fishery dispute, even if it was against the unilateral Icelandic decree. It was understandably worried about the potential consequences of the British decision to send war ships to Iceland.<sup>165</sup> But persistent U.S. efforts to bring about a peaceful resolution of the dispute within NATO failed in 1958. It was not until the spring of 1960 that the British agreed to cease fishing inside the 12-mile zone as a goodwill gesture before the another Law of the Sea conference that things calmed down. But when the conference failed to produce an agreement and the British hinted that they would resume their naval protection. Bjarni Benediktsson, the architect of Iceland's NATO membership, even threatened to leave the Western Alliance in an informal conversation with the U.S. Ambassador in Iceland. The threat was probably intended to improve Iceland's bargaining position in the fishery dispute. The Americans, however, took it seriously and urged the British to show restraint. It is not known whether the British decision not to intervene within the 12-mile zone was influenced by Benediktsson's threat

or U.S. pressure. But in the summer of 1960s, both sides showed willingness to negotiate a deal. This paved the way for an eventual settlement of the dispute in 1961. The British recognized the 12-mile zone in return for fishing rights within it for three years.<sup>166</sup> Since this was a clear victory for the Icelanders, they stopped considering the option of leaving NATO because of the British show of force.

What facilitated the solution of the fishery dispute was the downfall of the «Leftist Government» in 1958. Disagreements over economic policy destroyed the first leftist experiment in Icelandic politics since the founding of the Icelandic Republic. Despite verbal commitment to NATO to undertake economic reform based on the recommendation of the IMF or OEEC, the «Leftist Government» had continued subsidizing exports and failed to stop the inflationary pressures brought about by a general wage increase. The economy was beset by inflation resulting from a high level of consumer demand coupled with deficit-financed investment and inadequate credit controls. Although the Progressives and Social Democrats had tried to explain to the public the shortcomings of a system characterized by disguised multiple exchange rates and bilateral barter trades, they did not manage to persuade the Federation of Labor of the need to accept wage cuts. Hermann Jónasson saw no other alternative than to resign in December 1958.

After a brief tenure of a Social Democratic minority cabinet, the Independent Party and the Social Democratic Party succeeded in forming a coalition government in late 1959—the so-called Reconstruction Government. Its main domestic political goal was to implement economic reform by liberalizing imports, abolishing export subsidies, and devaluing the currency. Developed in cooperation with the OEEC and IMF, the plan was made possible by a \$30 million stabilization aid from these institutions and the United States. What ensured its success were record fish catches. The formation of the Reconstruction Government marked the beginning of a new phase in U.S.-Icelandic relations, a phase marked by stability and a lack of friction. Although the mission of the Keflavik Base underwent important changes from 1958 to 1960, it did not affect the bilateral rela-

tionship. The government managed to keep public discussion on defense to a minimum in its effort to avoid another domestic political showdown over the American military presence.

A case in point was a plan to reduce the U.S. military presence in Iceland. Already in 1957, the Defense Department had recommended—with President Eisenhower's support—the withdrawal of army forces from Iceland as a cost-cutting measure.<sup>167</sup> Instead, it wanted to provide Iceland with NIKE and HAWK anti-aircraft missile systems with nuclear warheads. This would not have meant a major realignment of U.S. military structure in Iceland: about 4,000 Air Force and Navy personnel would remain in Iceland. But the measure was bound to be sensitive, because the army contingent was considered to be the core of the Iceland Defense Force—the unit responsible for the defense of Iceland. Fearing political repercussions in Iceland, U.S. Ambassador, Muccio, advised against the proposal. He felt that it could be interpreted as signalling a diminution of United States interest in Iceland and as contradicting its arguments for retaining the base in 1956.<sup>168</sup> The Supreme Allied Commander, Atlantic (SACLANT), Jerauld Wright, was also skeptical of the move, arguing that except for Scotland, Iceland was the most important key to the defense of the Atlantic. Moreover, it would severely hamper the capability of the Commander, Iceland Defense Force to defend against airborne or seaborne attack and to suppress Communist-inspired civil disorders.<sup>169</sup>

Despite these objections, the Eisenhower Administration decided to pull out the troops in 1958. To make the measure more palatable to the Icelanders, it was contemplated to present it as a modification of U.S. forces through the replacement of NIKE and HAWK air defense units.<sup>170</sup> But this idea was abandoned, when it became clear that the Army would be unable to deploy such units to Iceland in the foreseeable future.<sup>171</sup> For some reason, the Americans never seemed to have thought of possible Icelandic opposition to the stationing of these missiles on the grounds that they were equipped with nuclear warheads. Perhaps U.S. embassy officials in Iceland were unaware of this, believing that the missiles would have conventional warheads (these were dual capability weapons). In any case, it is very

unlikely that Iceland would have accepted the NIKE missiles, for it would almost certainly have led to a political crisis and to the downfall of the government. To be sure, Iceland had no firm policy on nuclear weapons. In Premier Hermann Jónasson's response to the Bulganin overture, he did not rule out the stationing of nuclear weapons in Iceland. But like the Danes and the Norwegians, who voiced their skepticism of U.S. and NATO's increasing reliance on nuclear weapons by adopting the policy of not allowing the stationing of such weapons on Danish and Norwegian soil, the Icelanders were very sensitive about their use. The United States, it turned out, stored similar types of NIKE missiles at its Thule Base in Greenland between 1959 and 1965 to those it planned to station in Iceland. This was only revealed for the first time in 1995 and the decision was made with the explicit approval of the Danish Prime Minister, H.C. Hansen. It was, of course, in clear violation of the Danish non-nuclear policy<sup>172</sup> But since the Americans never discussed their nuclear plans with Icelandic officials, they had no impact on bilateral relations. Instead, the Americans decided to rely on a significant deployment of ground forces to Iceland in an emergency.<sup>173</sup> As it happened, the decision to withdraw the forces was postponed twice because of political developments that could reopen the defense question—the escalating «Cod War» between Iceland and the United Kingdom and the Icelandic parliamentary elections in 1959.<sup>174</sup> It was not until 1959 that the troops left without any adverse publicity in Iceland.<sup>175</sup>

Another issue, however, threatened to do much harm to U.S.-Icelandic relations. In the fall of 1959, a series of incidents involving Iceland Defense Force personnel disrupted U.S.-Icelandic relations. The incidents themselves were not serious, involving illegal fishing, prisoners' escape, and jurisdictional conflicts between the Icelandic and U.S. police at Keflavik. But they received banner headlines and sensationalist press coverage. The Icelandic Government responded by insisting that the U.S. withdraw its new IDF Commander at the base, who had only been there for seven weeks.<sup>176</sup> Whether it was for this action or not, the incidents stopped and tensions soon eased. In the following years, there were

remarkably few cases of civil-military friction.

The most important strategic change at the Keflavik Base occurred in 1961, when the Air Force relinquished control of the base to the Navy.<sup>177</sup> Due to improved aircraft and missile technology, the base became less important for the Air Force, which did not have to rely on intermediate staging areas on the transatlantic route anymore. The strategic value of Iceland for the Navy was obvious. It was impossible to control the North Atlantic exit for submarines from the north of the Soviet Union except through the Icelandic straits. This also entailed a functional change: the headquarters of the Barrier Forces of the U.S. Atlantic were moved to Keflavik from Argentia, Newfoundland. The purpose was to extend the Distant Early Warning System to the GIUK (Greenland, Iceland, UK) line to provide an earlier warning time in the event of a Soviet air attack on the North American Continent. It meant more emphasis on anti-submarine activities between Greenland and the Faroes.<sup>178</sup> Despite Socialist protests, there was little public opposition to the change. Indeed, except for minor irritants, the relations between Iceland and the United States during the 12-year tenure of the Reconstruction Government proved to be very good. It was not until 1971 that the American military presence was challenged again. Following a similar domestic political reconfiguration that took place in 1956, a «Leftist Government» renewed the demand for the withdrawal of U.S. forces from Iceland. But like in 1956, it failed to make good on its promise and was brought down by internal squabbling. The long-term result was another period of stability in U.S.-Icelandic defense relations—a period that witnessed no major disruptions despite escalating East-West tensions in the early 1980s, the fall of Communism in Eastern Europe in 1989, and the break-up of the Soviet Union in 1991.

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## Conclusion

The dual strategic role of Iceland in U.S. military planning remained fairly constant from the end of World War II to the middle of the 1950s. It had greater potential offensive value for the United States than any other area short of England and the area encompassing North Africa and the Middle East, and was second only to Greenland for defensive purposes. In Soviet hands, the Americans calculated, Iceland would pose a direct threat to the security of the United States. Although U.S. military planners envisioned the use of Iceland for strategic air operations in wartime, they were never able to achieve their goal of establishing a SAC base there. In accordance with Icelandic wishes, the peacetime mission of the base reflected a defensive posture. The advent of intercontinental ballistic missiles and sea-launched intermediate missiles in the late 1950s further reduced the importance of Iceland for the Strategic Air Command. But it continued to be a key link in air and sea communications between the United States and Europe as well as in the Early Warning system. By the end of the decade, it had also become an important base for anti-submarine operations in connection with the establishment of the Greenland, Iceland, UK sea-air barrier.

American conceptions of «national security» entailed more than such strategic calculations. It also meant defending what Melvyn Leffler has termed «core values». Thus political and economic stability would not only help maintain U.S. military presence at Keflavik but also lessen the appeal of Communist ideology in Iceland. U.S. economic aid for Icelandic development projects and military plans to deal with internal subversion were part and parcel of this Cold War strategy. But the United States would never have been able to project its power and influence into Iceland without some kind of receptivity and reciprocity on the part of the Icelanders. The U.S. presence was, indeed, an «empire by invitation.» Icelandic

governments received military and economic security in return for granting the Americans base rights.

This is not to deny that the United States had considerable political and economic leverage vis-a-vis Iceland. The U.S. decision to cease construction activity at the base in the wake of the *Althing* resolution in 1956 and to pressure the Western Europeans to refrain from extending loans to the «Leftist Government» undoubtedly contributed to the softening of the Icelandic position on the defense question. But this worked both ways. By denying the Americans a long-term base lease in 1946, by making the peacetime absence of foreign troops a precondition for NATO membership in 1949, and by resisting U.S. requests for a SAC base in Iceland in 1953-1954, the Icelanders managed to restrain U.S. military ambitions. The Icelanders were also extremely skillful in extracting economic aid from the Americans, receiving almost \$70 million in grants and loans between 1948 and 1960. In addition, the annual base revenues amounted to \$12-15 million from 1954 to 1960—or about 15-20% of Iceland's foreign currency receipts. Despite record fish catches, Iceland would never have experienced, 1952-1957, an average annual rise in national income of about 11% without U.S. development loans and base revenues. The same applies to the modernization process: domestic savings accounted for only a part of an investment program that equalled about 35% of GNP in 1957. But this was the price, the Americans paid for political and economic stability, for their military presence, and for containing Soviet influence in Iceland. One can, indeed, argue that Iceland benefited from two «Marshall Plans.» Despite huge war profits, it received about \$38 million in Marshall Aid from the Americans between 1948 and 1953, more than any other European country in relative terms. And after a hiatus of two years, the United States granted Iceland \$34 million from 1956 to 1960—the «Leftist Government» \$20 million and the «Reconstruction Government» \$14 million in direct or indirect aid to assist in its efforts to "westernize" the economy. This economic aid served the same goal as the original Marshall Plan: to ensure economic and political stability and to stave off Communist encroachments. And this time, it worked: the economic reforms adopted



by the «Reconstruction Government» in 1959-1960, effectively reversed the trend toward increased dependence on the barter trade with the Communist bloc and paved the way for a period of stability in U.S.-Icelandic relations, which lasted throughout the decade.

Although Icelandic politicians had forged far stronger personal and political relationships with Scandinavia and Western Europe than with the United States, many shared American suspicions of Communist intentions. Because of Socialist participation in the «Innovation Government,» these ideological ties were not cemented right away. Indeed, outside events—the Czech coup and the Korean War—proved to be the catalyst for the convergence of U.S. and Icelandic security interests. The Icelanders themselves initiated discussions about the use of the Keflavik Agreement for defensive purposes in 1948 and about the invitation of foreign troops in 1950. Of course, the Americans had been seeking to establish a military presence in Iceland since World War II. But that the normally cautious and passive Icelanders showed some initiative in both cases reflected a sense of vulnerability and insecurity. While the main source of this threat perception were international developments, it was reinforced by the large Soviet fishing fleet near Iceland. Finally, Iceland would undoubtedly never have abandoned its traditional policy of neutrality without the leadership of such internationalist and pro-Western politicians as Bjarni Benediktsson and Stefán Jóhann Stefánsson.

But convergence was also accompanied by cultural differences and misunderstandings. The Americans viewed Communism as a constant threat to Icelandic security and pushed for measures aimed at eliminating Socialist capability of internal subversion. The Icelanders, on the other hand, were far more inclined to reassess their security policies in terms of domestic and international developments. To be sure, Bjarni Benediktsson and Hermann Jónasson had publicly broached the idea, in early 1953, of establishing a National Guard for internal and external purposes. But this «trial balloon» received limited public backing and was shelved.<sup>179</sup> This was as much a reflection of a different psychology and cultural experience. The concept of «national security» had other connotations in Iceland than in the

United States. To the Icelanders, the need to maintain their cultural and national identity was considered as important as physical security, except during international emergencies. Although Bjarni Benediktsson genuinely believed that the Icelandic police was unprepared to handle potential political disturbances, he believed that the U.S. military presence would deter the Socialists from attempting a coup.<sup>180</sup> The Americans, on the other hand, falsely interpreted his concerns about internal security as an exhortation to develop unilateral military plans to deal with such a contingency both before and after the conclusion of the Defense Treaty. Compounding the issue was the bureaucratic clash between the State Department and the Defense Department on the question of a U.S. role in quelling potential Socialist disturbances.

This leads to the question of domestic political opposition to Iceland's policy of Western integration. During this period, the Socialist position was the only consistent element in the Icelandic response to U.S. interests in Iceland. But the Socialists were never able to flex their muscle without the support of neutralist and nationalistic elements within the Social Democratic Party and the Progressive Party. The arrival of the Iceland Defense Force in 1951 was a good case in point: in the absence of the coalescence of these forces, resistance was both muted and weak. In 1946, 1949, and 1956, in contrast, these diverse elements could, with far more effectiveness, rally around specific goals such as neutralism, cultural nationalism, or the rejection of the U.S. military presence. Only in 1956 did this movement temporarily manage to reverse Iceland's policy on the presence of U.S. troops. Despite the failures of the Icelandic Left to curtail drastically the defense relationship with the United States, it played an important functional role in the debate over Iceland's place within the Atlantic Alliance. Indeed, domestic political criticisms had a constraining influence on Iceland's foreign policy. Thus, when the three-party coalition government contemplated the question of joining NATO, it was forced to make Iceland's commitment contingent upon the lowest common denominator: the absence of military forces in peacetime. Similarly, domestic political reconfigurations—the ascendancy of the Left within the Social Democratic

Party and the Federation of Labor coupled with the electoral success of the National Defense Party—were important in thwarting U.S. plans to expand its military presence in Iceland.

The history of U.S.-Icelandic relations in the 1940s and 1950s is full of surprises. Despite the adoption of cultural and economic programs designed to stem the leftward drift in Icelandic politics, the Americans unwittingly facilitated the formation of the «Leftist Government» by failing to slow down the construction program at Keflavik Airport. Equally unexpected was the decision of the United States and NATO to come to the economic rescue of the «Leftist Government» that included pro-Moscow Socialists in an attempt to safeguard broader Cold War interests. Conversely, it is ironic that the «Leftist Government,» whose aim was to reduce Iceland's reliance on the United States, should have ended up becoming more dependent on it than most since the end of World War II. The result was another domestic political realignment in Icelandic politics: the formation of the coalition government between the Independent Party and the Social Democratic Party. The defeat of the Left—both politically and economically—greatly strengthened the U.S. position at the expense of that of the Soviet Union. Indeed, the success of the economic program of the Reconstruction Government was made possible by the failures of its predecessor. The collapse of the «Leftist Government» weakened the Socialist Party and led to a rapid decline in the barter trade with the Soviet Union and Eastern Europe. Thus the tenure of the «Leftist Government» was the precondition for the subsequent stabilization in U.S.-Icelandic relations. It was an irony that underscored Iceland's uncertain role during the First Cold War—a role epitomized by the tension between strategic necessity and nationalistic resistance. Iceland belonged to the Western camp, but on its own terms.

## Notes

<sup>1</sup>Robert Frost, «Mending Wall,» in Edward Connery Lathem (ed.), *The Poetry of Robert Frost* (New York, Chicago, and San Francisco, 1969), pp. 33-34.

<sup>2</sup>See Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Doctrine, and the Cold War* (Stanford, 1992), p. 2.

<sup>3</sup>John Lewis Gaddis, «The Insecurities of Victory: The United States and the Perception of the Soviet Threat after World War II,» in *The Long Peace: Inquiries into the History of the Cold War* (New York, 1987), p. 27.

<sup>4</sup>See Melvyn P. Leffler, «National Security and U.S. Foreign Policy,» in *idem and David S. Patiner* (eds.), *Origins of the Cold War: An International History* (London and New York, 1994), pp. 17-20.

<sup>5</sup>Thor Whitehead, «Leidin frá hlutleysi 1945-1949» [*The Abandonment of Icelandic Neutrality, 1945-1949*], *Saga*, 37 (1991), 105-120; *idem.*, «Lýðveldi og herstöðvar 1941-1946» [*The Republic and the Military Bases, 1941-1946*], *Skímir*, 150 (1976), 126-171; «Stórveldin og lýðveldid 1941-1944,» [*The Big Powers and the Republic, 1941-1944*], *Skímir*, 147 (1973), 202-241. See also Whitehead's recent survey in English: *The Ally Who Came in from the Cold: A Survey of Icelandic Foreign Policy 1946-1956* (Reykjavik, 1998).

<sup>6</sup>Elfar Loftsson, *Island i NATO — partierna och försvarsfrågan* [*Iceland in NATO: The Political Parties and the Defense Question*], *Doctoral Dissertation* (Gothenburg, 1981). See also *idem.*, «The Disguised Threat. Iceland during the Cold War,» *Scandinavian Journal of History*, 10 (1985), 226-238. See also Fridrik Haukur Hallsson, *Herstöðin. Félagslegt umhverfi og íslenskt thjóðlíf* [*The Military Base: Social Environment and the Icelandic Way of Life*] (Akureyri, 1990).

<sup>7</sup>See Matthias Johannessen, *Ólafur Thors* [*Ólafur Thors: A Biography*], I (Reykjavik, 1981); Stefán Jóhann Stefánsson, *Minningar Stefáns Jóhanns Stefánssonar* [*The Autobiography of Stefán Jóhann Stefánsson*], I-II (Reykjavik, 1966-1967); Emil Jónsson, *Á milli Washington og Moskva* [*Between Washington and Moscow: An Autobiography*] (Reykjavik 1973); Einar Olgeirsson, *Island í skugga heimsvaldastefnunnar* [*Iceland in the Shadow of Imperialism*] (Reykjavik, 1980); Vilhjálmur Hjálmarsson, *Eysteinn. Í Stormi og stillu. Ævisaga Eysteins Jónssonar fyrrum ráðherra og formanns Framsóknarflokksins* [*Eysteinn: In Times of Storm and Calm: The Biography of Eysteinn Jónsson, Former Cabinet Minister and Chairman of the Progressive Party*], III (Reykjavik, 1985); Kristinn Guðmundsson (with Gylfi Gröndal), *Frá Raudasandi til Rússía* [*From «Red Sand» to Russia: An Autobiography*] (Reykjavik, 1974); Bernhard Stefánsson,

Endurminningar [Memoirs], II (Reykjavik, 1964).

<sup>8</sup>See Valur Ingimundarson, «Áhrif bandaríksk fjármagns á stefnubreytingu vinstri stjórnarinnar í varnarmálum árið 1956» [American Financial Leverage and the Decision of the «Leftist Government» to Abandon its Policy of Expelling U.S. Troops from Iceland in 1956]; Winfried Heinemann, «Die NATO und Island. Kommunistische Regierungsbeteiligung und Stützpunktfrage» [NATO and Iceland: Communist Government Participation and the Military Base Question], Militärgeschichte, III, 2 (1993), 6-13. For an overview of Icelandic foreign policy during the 1940s and 1950s, see Pétur Thorsteinsson, Utanríkisthjórnustá Íslands og utanríkismál [The Icelandic Foreign Service and Foreign Policy], I-III (Reykjavik 1992); Benedikt Gröndal, Örlög Íslands [The Fate of Iceland] (Reykjavik, 1991); and Thórarinn Thórarinsson, Sókn og sigrar. Saga Framsóknarflokksins 1916-1976 [Fighting for Victories: The History of the Progressive Party, 1916-1976], II-III (Reykjavik, 1986-1987). See also Albert Jónsson, Iceland, NATO, and the Keflavik Base (Reykjavik, 1989) Björn Bjarnason, «Iceland's Security Policy,» in C. Bertram and J.J. Holst, New Strategic Factors in the North Atlantic (Guildford, 1977); Geir Lundestad, America, Scandinavia, and the Cold War (New York, 1980).

<sup>9</sup>See Melvyn P. Leffler, «National Security» in Michael J. Hogan and Thomas G. Paterson, Explaining the History of American Foreign Relations (Cambridge, 1991), p. 203; see also *idem*, A Preponderance of Power, and, «National Security and U.S. Foreign Policy,» in *idem* and David S. Patiner (eds.), Origins of the Cold War: An International History, pp. 15-52.

<sup>10</sup>Geir Lundestad «Empire by Invitation? The United States and Western Europe, 1945-1952,» in Charles Maier (ed.), The Cold War in Europe: Era of a Divided Continent (New York, 1991), pp. 143-165; see also *idem*, The American «Empire» and Other Studies of US Foreign Policy in a Comparative Perspective (Oxford, New York, 1990).

<sup>11</sup>See P. Melvyn Leffler, «New Approaches, Old Interpretations, and Prospective Reconfigurations,» Diplomatic History, 19, 2 (Spring 1995), 189.

<sup>12</sup>The most influential work in this area is Graham Allison, Essence of Decision: Explaining the Cuban Missile Crisis (Boston, 1971). Even if useful in dissecting decision making, the bureaucratic politics approach has a tendency to overemphasize policy processes and underestimate the power of key policymakers. See J. Garry Gifford, «Bureaucratic Politics,» in Michael J. Hogan and Thomas G. Paterson, Explaining the History of American Foreign Relations, pp. 141-150.

<sup>13</sup>See Kenneth M. Goldstein and Sheldon Blackman, Cognitive Style (New York, 1978); Susan Fiske and Shelley Taylor, Social Cognition (Reading, 1984);

Richard R. Lau and David Sears (eds.), Political Cognition (Hillsdale, 1986); Richard Jervis, Perception and Misperception in International Politics (Princeton, 1979).

<sup>14</sup>See Michael J. Hogan, «Corporatism: A Positive Reappraisal,» Diplomatic History 10 (Fall 1986), 363-72. See also Thomas J. McCormick, «Drift or Mastery? A Corporatist Synthesis for American Diplomatic History,» Reviews in American History 10 (December 1982), 318-330. See also Michael J. Hogan, The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952 (Cambridge, New York, 1987).

<sup>15</sup>As for the economic aspects of European revisionism, see Alan S. Milward, The Reconstruction of Western Europe, 1945-1951 (Berkeley and Los Angeles, 1984); and Werner Abelshausen, «Hilfe und Selbsthilfe. Zur Funktion des Marshallplans beim westdeutschen Wiederaufbau,» Vierteljahrshefte für Zeitgeschichte, 37, 1 (January, 1989), 85-113. Coinciding with the opening of the British archives, several British historians have sought to maximize Britain's role in the Cold War, in general, and in determining U.S. policies, in particular. See, for example, Fraser J. Harbutt, The Iron Curtain: Churchill, America, and the Origins of the Cold War (New York, 1986); and Donald Cameron Watt, Succeeding John Bull: America in Britain's Place, 1900-1975 (Cambridge, England, 1984). The «revisionist» views have been challenged by both American and European scholars. See, for example, Michael J. Hogan, The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952; and Geir Lundestad, «Moralism, Presentism, Exceptionalism, Provincialism, and Other Extravagances in American Writings on the Early Cold War Years,» Diplomatic History, 13, 4 (Fall 1989), 527-545.

<sup>16</sup>See Sally Marks, «The World According to Washington,» Diplomatic History, 11, 3 (Summer 1987), 265-282.

<sup>17</sup>National Archives [NA] Washington, D.C. and Maryland, Record Group [RG] 84, Confidential File, Box 2: Report (Bertel Kuniholm), «Arrival and First Impression of Iceland,» July 8, 1940; see also Pétur Thorsteinsson, Utanríkisthjórnustá Íslands og utanríkismál, I, pp. 35, 206-207.

<sup>18</sup>NA, RG 84, Confidential File, Box 2, Report, «The Strategic Importance of Iceland,» April 5, 1940.

<sup>19</sup>About this controversy, see Justus D. Doenecke, «U.S. Policy and the European War, 1939-1941,» Diplomatic History, 19, 4 (Fall 1995), 669-698; see also Robert Dallek, Franklin D. Roosevelt and American Foreign Policy, 1932-1945 (New York, 1979); Waldo Heinrich, Threshold of War: Franklin D. Roosevelt and American Entry into World War II (New York, 1988); Warren F. Kimball, The

Juggler: Franklin Roosevelt as Wartime Statesman (Princeton, 1991); Frederick W. Marks, Wind over Sand: The Diplomacy of Franklin Roosevelt (Athens, Georgia, 1988).

<sup>20</sup>See NA, RG 59, General Records of the Department of State, Central Decimal File, 711.9A.12/1840, Box 2193, Memorandum of Discussion, Stefán Jóhann Stefánsson and Bertel E. Kuniholm, December 18, 1940.

<sup>21</sup>NA, RG 84, Confidential File, Box 2, Gordell Hull to Bertel Kuniholm, January 18, February 4, 5, 1941.

<sup>22</sup>See Thór Whitehead, Ísland í síðari heimsstyrjöld. Ófridur í adsigi [Iceland in the Second World War: War Clouds on the Horizon] (Reykjavík, 1982), pp. 230-231.

<sup>23</sup>NA, RG 84, Records of the Foreign Posts of the Department of State, Confidential File, Box 2, Memorandum of Discussion, Vilhjálmur Thór, Adolph Berle and Hugh Cumming, July 11, 1940.

<sup>24</sup>See Michael T. Corgan, «Addragandinn vestanhafs ad hvernd Bandaríkjamanna á Íslandi 1941» [The American decision to Assume the Military Protection of Iceland 1941], Saga, 30 (1992), 140; see also NA, RG 59, Box 2193, 711.59A/9, Adolph Berle to Sumner Welles, January 17, 1941; William L. Langer and S. Everett Gleason, The Undeclared War, 1940-1941 (New York, 1953), pp. 453, 575; Nicholas John Andon, The Battle of the Atlantic: Iceland and the Undeclared War, 1941 (New York, 1964), p. 20.

<sup>25</sup>See Foreign Relations of the United States [FRUS], 1941, II (Washington 1959), Memorandum (Sumner Welles), June 25, 1941, pp. 780-781; see also FRUS, 1941, II, British Embassy (Washington) to the U.S. State Department, June 16, 1941.

<sup>26</sup>Althingistíðindi [Minutes of Parliamentary Debates], A (Reykjavík, 1941), 32-37, 48, 53.

<sup>27</sup>Benedikt Gröndal, Örlög Íslands, pp. 69-70.

<sup>28</sup>Thór Whitehead, «Hvad sögðu Bandaríkjamenn um íslensk stjórnsmál?» [What did the Americans Report on Icelandic Politics?], Eimreidin, LXXIX (1973), 17-22; see also NA, RG 38 (Chief of Naval Operations), Intelligence Division, Confidential Reports of Naval Attaches, 1940-1946, Iceland and the Faroe Islands, 1942-1943, Box 866, «Intelligence Report», July 20, 1942.

<sup>29</sup>The New York Daily News, February 28, 1945; see also NA, RG 226, Records of the Office of the Strategic Services, Research and Analysis Branch Division, Intelligence Reports, Box 609, J.B.C. Watkins to James Warburg, April 17, 1942; Hendrik Ottósson, Vegamót og vopnagnýr [Crossroads and Saber Rattling] (Reykjavík 1951) [second edition, 1981], pp. 258-261; NA, RG 84, Box 4, Report

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<sup>30</sup>NA, RG 84, Confidential File, Box 2, Report, «Iceland's Foreign Exchange Income in 1941-1942,» no date [1943]; see also Ólafur Björnsson, «Thróun efnahagsmála 1945-1960» [The Development of the Icelandic Economy, 1945-1960], in Thórdur Fridjónsson (ed.), Íslensk haglýsing. Greinar um efnahagsmál [The Icelandic Economy: Articles on Economic Affairs] (Reykjavík, 1988), p. 104; Landsbanki Íslands [The National Bank of Iceland], Ársskýrsla 1945 [Annual Report] (Reykjavík, 1946), 5.

<sup>31</sup>NA, RG 84, Confidential File, Box 2, Lincoln MacVeagh to Ólafur Thors, May 2, 1942.

<sup>32</sup>NA, RG 218, Records of the Joint Chiefs of Staff, Geographic File, 1942-1945, Box 94, Folder: CCS 660.2 Iceland (8-20-43), Section 1, «Report by the Joint Post-War Committee,» no date [November 1943].

<sup>33</sup>See Rolf Tamnes, The United States and the Cold War in the High North (Brookfield, Hong Kong, Singapore, 1991), p. 35.

<sup>34</sup>Gudjón Fridriksson, Ljónid öskrar. Saga Jónasar Jónssonar frá Hriflu [The Lion Roars: A Biography of Jónas Jónsson from Hrifla], III (Reykjavík, 1993), p. 278.

<sup>35</sup>Hagstofa Íslands [The National Economic Institute of Iceland], Tölfræðihandbók 1984 [Statistical Handbook 1984] (Reykjavík, 1984), p. 243.

<sup>36</sup>Matthías Johannessen, Ólafur Thors, II, pp. 326-341; see also Thórarinn Thórarinnsson, Sókn og sigrar. Saga Framsóknarflokksins 1916-1976, II (Reykjavík, 1986), p. 137.

<sup>37</sup>See Thór Whitehead, «Lýðveldi og herstöðvar,» Saga, 150 (1976), 128-129; see also Benedikt Gröndal, Örlög Íslands, p. 99; NA, RG 218, Records of the Joint Chiefs of Staff, Geographic File, 1942-1945, Box 94, Folder: CCS 660.2 Iceland (8-20-43), Section 1, Report, «Draft Air Mail Instruction to the American Minister in Reykjavík,» no date [1945].

<sup>38</sup>NA, RG 84, Box 4, Memorandum of Conversation, Dreyfus and Ólafur Thors, May 1, 1945; see also NA, RG 218, Records of the Joint Chiefs of Staff, Geographic File, 1942-1945, Box 94, Folder: CCS 660.2 Iceland (8-20-43), Section 1, Memorandum for the War Department and the Joint Chiefs of Staff, July 19, 1945.

<sup>39</sup>Althingistíðindi, A, 1941 (Reykjavík, 1942), 2.

<sup>40</sup>NA, RG 165, *Records of the War Department General and Special Staffs, Top Secret «American - British - Canadian Correspondence, 1940-48»*, Box 621, S.D. Embick to John D. Hickerson, June 8, 1945.

<sup>41</sup>See FRUS, 1945, V (Washington, 1967), U.S. Ambassador (Oslo) to Secretary of State, July 5, 1945, pp. 91-92; see also *ibid.*, Memorandum (Joint Chiefs of Staff), July 23, 1945, pp. 96-97; Olav Riste, *Londonregjeringa. Vegen heim [The London Government in Exile: The Way Home]*, II (Oslo, 1979), pp. 332-335; about the Scandinavian reaction to potential Soviet and American military bases in the Nordic countries, see Knut Einar Eriksen, «Svalbard 1944-1947 — et brennpunkt i øst-vest-rivalisering» [Spitzbergen, 1944-1947: A Battleground in the East-West Conflict], *Internasjonal Politikk*, 1 (1976), 109-137; *idem*, «Great Britain and the Problem of Bases in the Nordic Area, 1945-1947.» *Scandinavian Journal of History*, 7, 2 (1982), 135-163; *idem*, «Norge i det vestlige samarbeidet [Norway and Western Cooperation].» in T. Bergh and Helge Ø. Pharo (eds.), *Vekst og Velstand. Norsk politisk historie 1945-1965 [Growth and Prosperity: A Political History of Norway, 1945-1965]* (Oslo, 1981), p. 188; Helge Ø. Pharo, «The Cold War in Norwegian and International Historical Research.» *Scandinavian Journal of History*, 10, 3 (1985), 171-174.

<sup>42</sup>NA, RG 84, Box 4, Dreyfus to State Department, August 24, 1945; *ibid.*, Dean Acheson to Dreyfus, September 14, 1945, see also Thór Whitehead, «Leidin frá hlutleysi.» *Saga*, 29 (1991), 68-69; *idem*, «Lýðveldi og herstöðvar.» 143-147. Matthias Johannessen, Ólafur Thors, II, pp. 7-43; Benedikt Gröndal, Örlög Íslands, pp. 104-105.

<sup>43</sup>NA, RG 84, Box 4, Dreyfus to Secretary of State, September 18 and 19, 1945; *ibid.*, Dreyfus to State Department, October 1, 1945.

<sup>44</sup>NA, RG 218, *Records of the Joint Chiefs of Staff, Geographic File, 1942-1945, Box 94, Folder: CCS 660.2 Iceland (8-20-43), Section 1, Memorandum for the Secretary of War and the Joint Chiefs of Staff, July 19, 1945; see also Thór Whitehead, «Lýðveldi og herstöðvar.» 127-128; NA, RG 218, Records of the U.S. Joint Chiefs of Staff, Geographic File, 1942-45, Box 94, Folder: CCS 660.2 Iceland (8-20-43), Dreyfus to Secretary of State, May 17, 1945; NA, RG 59, Box 6506, 859A.00/6-1145, John H. Morgan to H. Freeman Matthews, June 11, 1945.*

<sup>45</sup>NA, RG 263, *Records of the Central Intelligence Agency, the Murphy Collection on International Communism, 1917-1958, Iceland, Box 128, Dreyfus to Secretary of State, March 5, 1946.*

<sup>46</sup>See NA, RG 59, Box 6507, 859A.20/12-145, Averell Harriman to Secretary of State, December 1, 1945; NA, RG 263, *Records of the Central Intelligence Agency, the Murphy Collection on International Communism, 1917-1958,*

*Iceland, Box 128, Dreyfus to Secretary of State, December 3, 1945.*

<sup>47</sup>See PRO, FO 371/47486, *Memorandum «Allied Forces in Iceland»* dated August 10, 1945, contained in a cable from the British Admiralty to the U.S. State Department, August 23, 1945; see also *ibid.*, *Memorandum (M.L. Clarke), September 28, 1945; ibid., FO 371/47483, Memorandum for the British Joint Chiefs of Staff, October 17, 1945; ibid., Report (British JCS), «American Demand for Bases in Iceland.»* October 18, 1945; *ibid.*, *Memorandum by the Secretary of State for Foreign Affairs, October 30, 1945; NA, RG 341, Air Force — Plans Project Decimal File, OPD 686 Iceland, Box 837, Report.»* *Post-War Iceland Bases.»* October 5, 1945;

<sup>48</sup>Matthias Johannessen, Ólafur Thors, II, pp. 8, 12, 16, 20-21, 36-37; see also Kristinn E. Andrússon, «Minnisblöð um leynifundi thingmanna um herstöðvamálið 1945» [Notes on Secret Meetings of Parliamentarians on the Military Base Question 1945], *Timarit Máls og menningar*, 38, 1 (1977), 13-14.

<sup>49</sup>See Matthias Johannessen, Ólafur Thors, II, p. 29; see also NA, RG 84, Box 4, *Memorandum of Discussion, Dreyfus and Ólafur Thors, October 20, 1945.*

<sup>50</sup>See Thór Whitehead, «Lýðveldi og herstöðvar.» 138-139; see also NA, RG 84, Box 4, Dreyfus to State Department, October 15, 1945.

<sup>51</sup>NA, RG 263, *Records of the Central Intelligence Agency, the Murphy Collection on International Communism, 1917-1958, Iceland, Box 128, Dreyfus to Secretary of State, October 18, 1945; see also PRO, FO 371/47483, Gerald Shepherd to Foreign Office, October 31, 1945.*

<sup>52</sup>*Skjalasafn Framsóknarflokksins [Political Archives of the Progressive Party] (Reykjavík), Executive Committee Minutes, 12, October 30, 1945; see also FRUS, 1945, V, Averell Harriman, to Secretary of State, October 17, 1945, p. 99; ibid., U.S. Ambassador (Oslo) to Secretary of State, October 24, 1945, pp. 99-100; ibid., U.S. Ambassador (Oslo) to Secretary of State, November 24, 1945, pp. 104-105; FRUS, 1945, IV, Washington, 1969, Memorandum of Conversation, Hugh S. Cumming and de Kauffmann, October 22, 1945, pp. 579-580; NA, RG 165, *Records of the War Department General and Special Staffs, Top Secret America-British-Canadian Correspondence, 1940-1948, Box 623, Memorandum for General George A. Lincoln, October 22, 1945; NA, RG 59, Box 6506, 859A.20/10-1245, Memorandum of Conversation, Hugh Cumming and Tor Hugo Wistrand, October 12, 1945; PRO, FO 371/47483, Gerald Shepherd to Foreign Office, October 29, 1945.**

<sup>53</sup>Matthias Johannessen, Ólafur Thors, II, pp. 34, 41-42; see also NA, RG 84, Box 5, *Report, «Chronology—Iceland Base Proposals.»* April 18, 1946.

<sup>54</sup>NA, RG 263, *Records of the Central Intelligence Agency, the Murphy Collection*

on *International Communism, 1917-1958, Iceland, Box 128, Dreyfus to Secretary of State, November 8, 1945.*

<sup>55</sup>Matthias Johannessen, Ólafur Thors, II, pp. 32, 41; see also NA, RG 263, *Records of the Central Intelligence Agency, the Murphy Collection on International Communism, 1917-1958, Iceland, Box 128, Dreyfus to Secretary of State, November 10, 1945; Thjóðskjalasafn Íslands [Icelandic National Archives] [Th.I.] (Reykjavik), Records of the Embassy in Washington, 1990 B/134, Ólafur Thors to Thor Thors, November 13, 1945; Þór Whitehead, «Lýðveldi og herstöðvar,» 145.*

<sup>56</sup>See Útsýn, October 15, 1945; see also Tíminn, November 16 and 30 1945; Visir, October 27, 1945; Þór Whitehead, «Lýðveldi og herstöðvar,» 139; Tímarit Máls og menningar, 6, 3 (November 1945).

<sup>57</sup>Matthias Johannessen, Ólafur Thors, II, p. 19; see also Th.I., *Records of the Embassy in Washington, 1990 B/134, Ólafur Thors to Thor Thors, November 16, 1945; ibid., Thor Thors to Ólafur Thors, November 29, 1945; ibid., Thor Thors to Ólafur Thors, December 12, 1945; PRO, FO 371/47483, Shepherd to Foreign Office, December 20, 1945; ibid., British Embassy (Washington) to Foreign Office, December 6, 1945; NA, RG 84, Box 4, Dreyfus to State Department, December 28, 1945.*

<sup>58</sup>NA, RG 59, Box 6505, 859A.00/2-246, *Dreyfus to State Department, February 2, 1946; NA, RG 263, Records of the Central Intelligence Agency, the Murphy Collection on International Communism, 1917-1958, Iceland, Box 128, Dreyfus to Secretary of State, February 2, 1946; NA, RG 84, Box 4, Dreyfus to State Department, March 4, 1946; PRO, FO 371/56251, Shepherd to Foreign Office, February 11, 1946.*

<sup>59</sup>NA, RG 59, Box 6507, 859.A. 20/2-346. *American Embassy (Moscow) to State Department, February 3, 1946; see also NA, RG 59, Box 6506, 859.A. 20/2-446, Dreyfus to State Department, February 4, 1946; NA, RG 165, Records of the War Department General and Special Staffs, Top Secret America - British- Canadian Correspondence, 1940-1948, Folder: ABC (6 Nov 43), Section 18, Box 623, Report, «Wallace says U.S. Force Should Quit Iceland Base»; ibid., J.E. Hull to Army Chief of Operations, April 10, 1946.*

<sup>60</sup>See NA, RG 84, Box 4, *Memoranda of Conversation, Ólafur Thors and Harry E. Carlson, April 6, 9, 11, 15, 1946.*

<sup>61</sup>NA, RG 165, *Records of the War Department General and Special Staffs, Top Secret America - British- Canadian Correspondence, 1940-1948, Folder: ABC (6 Nov 43), Section 18, Box 623, Memorandum for J.E. Hull, April 10, 1946; ibid., Report, «U.S. Military Requirements in Iceland,» April 15, 1946; ibid., Memorandum*

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<sup>62</sup>Hagstofa Íslands, *Tölfræðihandbók 1984, p. 243.*

<sup>63</sup>The Political Archives of the Progressive Party, *Executive Committee Minutes, 13, September 19, 1946; ibid., September 22, 1946.*

<sup>64</sup>Althingistíðindi 1946, B (Reykjavik, 1948), 193, 137, 139, 141-147, 151, 165, 206, 222, 238, 262; Einar Olgeirsson, «Ísland og Ameríka» [Iceland and America], 105; Althingistíðindi, A (Reykjavik, 1948), 103.

<sup>65</sup>See Stefán Jóhann Stefánsson, *Minningar Stefáns Jóhanns Stefánssonar, II, pp. 16-28.*

<sup>66</sup>See NA, RG 59, 859A.00/1-2447, Box 6506, *Thomas to Secretary of State, January 24, 1947; see also Matthias Johannessen, Ólafur Thors, II, pp. 62-63, 66-67, 71-72.*

<sup>67</sup>See Jón Vidar Sigurdsson, *Keflavíkurflugvöllur 1947-1951 [The Keflavik Airport, 1947-1951] (Reykjavik, 1984), pp. 41-42; see also NA, RG 263, Records of the Central Intelligence Agency, the Murphy Collection on International Communism, 1917-1958, Iceland, Box 128, William C. Trimble to Secretary of State, October 8, 1946; Thjóðviljinn, October 7, 1947; NA, RG 319 (Army Staff), Plans and Operations Division, Decimal File, 1946-1948, Folder: 091 Iceland, Box 80: Trimble to Secretary of State, November 13, 1947; see also ibid., Memorandum of Conversation, Bjarni Benediktsson and Trimble, November 13, 1947.*

<sup>68</sup>NA, RG 59, 859A.00/3-0348, Box 6505: *Memorandum of Discussion, Bjarni Benediktsson and Trimble, March 3, 1948; see also NA, RG 263, Records of the Central Intelligence Agency, the Murphy Collection on International Communism, 1917-1958, Iceland, Box 128, Trimble to Secretary of State, March 16, 1948;*

<sup>69</sup>See NA, RG 59, 859A.00/3-2948, Box 6505: *Trimble to Secretary of State, March 23, 1948; see ibid., 859A.00/5-1148, Box 6505, Memorandum of Conversation Stefán Jóhann Stefánsson, Vilhjálmur Thór, and Richard P. Butrick, May 11, 1948; Þór Whitehead, «Leyniskjöl í ljósi sögunnar» [Secret Documents in the Light of History], Morgunblaðið, October 22, 1988.*

<sup>70</sup>NA, RG 59, 859A.00/5-1148, Box 6505, *Memorandum of Conversation Stefán Jóhann Stefánsson, Vilhjálmur Thór, and Richard P. Butrick, May 11, 1948; see also NA, RG 263, Records of the Central Intelligence Agency, the Murphy Collection on International Communism, 1917-1958, Iceland, Box 128, Ragnar*

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<sup>71</sup>See Harry S. Truman Presidential Library (*Independence, Missouri*), *Papers of Harry S. Truman, President Secretary's Files, National Security Council Meetings, Box 203: Report, »National Security Agenda, » November 13, 1947; see also ibid., NSC minutes, November 14, 1947; NA, RG 165, Records of the War Department General and Special Staffs, Top Secret «American - British - Canadian Correspondence, 1940-1948, » Box 623: Memorandum for the Army Chief of Operations, November 13, 1948; NA, RG 330 (Secretary of Defense), Office, Administrative Secretary Correspondence Control Section, Box 183: Report, »Significant Developments with Respect to U.S. Requirements for Base Rights, » no date; NA, RG 341, Air Force — Plans Projects Decimal File, Box 833: Report, »Future Operations in Iceland, » January 12, 1949; *ibid.*, Box 837: Memorandum to the Chief of Planning Operations February 18, 1948, Steven T. Ross and David Alan Rosenberg, *America's Plans for War Against the Soviet Union, 1945-1950. The Strategic Environment, 1 (New York and London, 1990)*, pp. 3, 26; Steven T. Ross, *American War Plans 1945-1950 (New York and London, 1988)*, pp. 12, 46-48, 74; Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Doctrine and the Cold War*, p. 96; Walter Boyne, *Boeing B-52: A Documentary History (London, 1981)*, pp. 89, 113-114; *The Office of the Historians, Headquarters Strategic Air Command, The Development of the Strategic Air Command, 1946-1976 (Maryland, 1976)*, pp. 11-12; Harry R. Borowski, *A Hollow Threat: Strategic Air Power and Containment before Korea (Westport, Connecticut and London, 1982)*, pp. 72-75; Simon Duke, «U.S. Basing in Britain, 1945-1960,» in Simon Duke and Wolfgang Krieger (eds.), *U.S. Military Forces in Europe. The Early Years, 1945-1970 (San Francisco, 1993)*, pp. 122-123.*

<sup>72</sup>NA, RG 341, Air Force—Plans Projects Decimal File, Box 837: Memorandum for the Chief of Planning and Operations, February 18, 1948; *ibid.*, Report of Survey Flight to Air Bases in Iceland, Europe, Africa, and the Middle East, March 17, 1948; *ibid.*, Memorandum, «Conference Regarding Extension of Runways in Iceland,» July 21, 1948; NA, RG 84, Box 10: Richard Butrick to Francis Cunningham, August 16 and 26, 1948; NA, RG 341, Air Force—Plans Projects Decimal File, Box 837, Robert Lovett to James Forrestal, January 19, 1949.

<sup>73</sup>NA, RG 341, Air Force—Plans Projects Decimal File, Box 833, Butrick to Hickerson, «Operations in Iceland,» August 18, 1948.

<sup>74</sup>See Escott Reid, *Time of Fear and Hope: The Making of the North Atlantic Treaty, 1947-1949 (Toronto, 1977)*, p. 198; see also Rolf Tamnes, *The United*

*States and the Cold War in the High North*, pp. 41-44; and Geir Lundestad, *America, Scandinavia, and the Cold War, 1945-1949*, pp. 247-249, 309, 324.

<sup>75</sup>Th. I., *Records of the Embassy in Washington, NATO 1948-1952, B/135, Folder: December 1948-December 1950, 8.A.2, Memorandum of Conversation, Bjarni Benediktsson and Richard Butrick, December 7, 1948; ibid., Thor Thors to Bjarni Benediktsson, January 8, 1949; Bjarni Benediktsson, Utanríkismál Íslands (Reykjavík, 1949)*, p. 42.

<sup>76</sup>See Thór Whitehead, «Leidin frá hlutleysi,» pp. 97-98; see also PRO, FO 371/77423, Charles Baxter to Foreign Office, January 5, 1949; Matthias Johannessen, Ólafur Thors, II, pp. 88, 97-98; Morgunbladid, December 31, 1949; Althýdubladid, December 31, 1949.

<sup>77</sup>See Stefán Jóhann Stefánsson, *Minningar Stefáns Jóhanns Stefánssonar, II*, pp. 47-48; see also FRUS, 1949, IV (*Washington, 1976*), Richard Butrick to Acting Secretary of State, January 12, 1949, p. 12.

<sup>78</sup>See Baldur Gudlaugsson and Páll Heidar Jónsson, 30. marz. Innganga Íslands í Atlantshafsbandalagið og óeirðirnar á Austurvelli [*March 30: Iceland's Entry into NATO and the Riots at Austurvöllur Square*] (Reykjavík, 1976), pp. 139, 140-141; see also Gunnar Benediktsson, *Saga thín er saga vor. Saga Íslands frá vordögum 1940 til jafnleiddar 1949 [Your History is Our History: The History of Iceland, 1940-1949]* (Reykjavík, 1952), pp. 227-228.

<sup>79</sup>See FRUS, 1949, IV, U.S. Ambassador (Copenhagen) to Acting Secretary of State, January 10, 1949; see also NA, RG 59, General Records of the Department of State, Subject File, 1944-1952, Papers Relating to the North Atlantic Pact, Report, «Conversations on the North Atlantic Pact with Countries other than Canada and the Brussels Pact Powers,» April 21, 1949; Geir Lundestad, *America, Scandinavia, and the Cold War, 1945-1949 (Oslo, 1980)*, p. 253; Th. I., *Records of the Embassy in Washington, NATO 1948-1952, B/135: Folder December 1948-December 1950, 8.A.2, Memorandum of Conversation, Bjarni Benediktsson and Gustav Rasmussen, January 27, 1948; ibid., Memorandum of Conversation, Bjarni Benediktsson and Halvard Lange, January 28, 1948; Stefán Jóhann Stefánsson, Minningar Stefáns Jóhanns Stefánssonar, II*, p. 51.

<sup>80</sup>Matthías Johannessen, Ólafur Thors, II, p. 97.

<sup>81</sup>FRUS, 1949, IV, Acheson to Butrick, January 27, 1949, p. 50.

<sup>82</sup>See Stefán Jóhann Stefánsson, *Minningar Stefáns Jóhanns Stefánssonar, II*, p. 52; Matthias Johannessen, Ólafur Thors, II, p. 85; PRO, FO 371/77423: *British Embassy (Reykjavík) to C.H. Bateman, April 26, 1949; FRUS, 1949 IV, Memorandum of Conversation, Bjarni Benediktsson, Eysteinn Jónsson, Emil Jónsson, Hans G. Andersen, Thor Thors, Charles Bohlen, John D. Hickerson and*

Benjamin Hulley), March 14, 1949, pp. 204, 206; *ibid.*, Memorandum of Conversation, Bjarni Benediktsson, Eysteinn Jónsson, Emil Jónsson, Hans G. Andersen, Thor Thors, Charles Bohlen, John D. Hickerson, S.E. Anderson, Edmund Woolridge, and Gray Bream, March 15, 1949, pp. 227-228; Morgunblaðið March 24, 1976; Th. I., Records of the Embassy in Washington, NATO 1948-1952, B/135, Folder: December 1948- December 1950, 8.A.2, Bjarni Benediktsson to cabinet, March 17, 1948; Althingistíðindi 1948 (Reykjavík, 1950), 917.

<sup>83</sup>See Baldur Guðlaugsson and Páll Heidar Jónsson, 30. marz, pp. 143, 147, 151-152, 239, 278; see also Stefán Jóhann Stefánsson, «Andóf gegn erlendri hersetu á Íslandi 1945-1951,» 37-44; Althingistíðindi 1948, A (Reykjavík, 1950), 922, 925-926, 929-930; Thjóðviljinn, 30. mars 1949; Emil Jónsson, Á milli Washington og Moskva, pp. 138-139; Jón Óskar, Týndir snillingar [Forgotten Geniuses] (Reykjavík, 1979), pp. 156-162; Einar Olgeirsson, Ísland í skugga heimsvaldastefnunnar, p. 297; NA, RG 263, Records of the Central Intelligence Agency, the Murphy Collection on International Communism, 1917-1958, Iceland, Box 128: Butrick to Secretary of State, March 30, 1949.

<sup>84</sup>NA, RG 341, Air Force — Plans Projects Decimal File, Box 833, Memorandum, (S.E. Anderson) «Future Operations in Iceland,» September 28, 1948; *ibid.*, Memorandum for Lauris Norstad, November 17, 1948; *ibid.*, «Future Operations in Iceland,» January 5, 1949, *ibid.*, «Report by the Joint Strategic Plans Committee to the Joint Chiefs of Staff on Future Operations in Iceland,» January 12, 1949; *ibid.*, James Forrestal to Dean Acheson, February 7, 1949.

<sup>85</sup>See NA, Records of the Policy Planning Staff, 1947-1953, Lot 64D 563, Box 18, George Kennan to Sidney W. Souers, June 23, 1949; see also *ibid.*, Report, «The Position of the United States with Respect to Iceland in the Event of an Internal Communist Coup D'Etat or Threat thereof,» June 22, 1949; *ibid.*, George Butler to McWilliams, June 15, 1949.

<sup>86</sup>See Harry S. Truman Presidential Library, President's Secretary's File, National Security Council Meetings, Folder: NSC Meeting No. 44, Box 206: NSC Meeting Minutes, August 4, 1949; see also *ibid.*, Memorandum for the President, August 5, 1949; *ibid.*, «A Report to the National Security Council on the Position of the United States with Respect to United States and North Atlantic Security Interests in Iceland» [NSC 40/1], August 4, 1949; *ibid.*, Memorandum, «Tactical Air Command,» May 17, 1949.

<sup>87</sup>NA, RG 341, Air Force — Plans Projects Decimal File, Box 833, Memorandum, January 30, 1950; see also *ibid.*, «Report by the Joint Strategic Plans Committee,» March 20, 1950; *ibid.*, Memorandum (W.E. McDonald), January

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<sup>88</sup>See Agnar Klemenz Jónsson, Stjórnarráð Íslands, 1904-1969 [The History of Government Departments, 1904-1969], I (Reykjavík 1969), pp. 272-274; see also PRO, FO 371/77424: Baxter to Bateman, November 16, 1949; Bjarni Benediktsson, «Ólafur Thors,» Andvari, 91 (1966), 44-45; Political Archives of the Progressive Party, Executive Committee Minutes, 16, March 13, 1950.

<sup>89</sup>Th. I., Records of the Embassy in Washington, NATO 1948-1952, B/135, Folder: December 1948-December 1950, 8.A.2, Embassy to Foreign Minister, January 30, 1949.

<sup>90</sup>See NA, RG 59, Box 3505, 740B.5/3-3150, Lawson to State Department, March 31, 1950.

<sup>91</sup>See NA, RG 59, Box 3502, 740B.00/7-150: U.S. Embassy (Reykjavík) to State Department, July 1, 1950; see also *ibid.*, 740B. 22/6-2750: U.S. Embassy (Reykjavík) to Secretary of State, June 26, 1950; *ibid.*, 740B.00/7-550: U.S. Embassy (Reykjavík) to State Department July 6, 1950; Th. I., Ministry of Foreign Affairs, Historical Collection, Defense and NATO, 1950-1951, Box 15, Memorandum (Bjarni Benediktsson), July 4, 5, and 14; August 14, 1950; *ibid.*, Records of the Embassy in Washington, NATO 1948-1952, B/135, NATO 1951-1952, 8.A1,2, Thor Thors to Foreign Ministry, July 10 and 13, 1950; PRO, FO 371/86501: C.W. Harrison to C.R. Price, July 17, 1950. *ibid.*, Baxter to Foreign Office, July 20 and 28, 1950; *ibid.*, British Embassy (Washington) to Foreign Office, July 19 and August 1, 1950.

<sup>92</sup>NA, RG 59, Box 3503, 740B.5/8-950: U.S. Embassy (Reykjavík) to State Department, August 7, 1950.

<sup>93</sup>See PRO, FO 371/86501, Memorandum, (R.G.A. Etherington-Smith), August 3, 1950; see also *ibid.*, British Embassy (Washington) to Foreign Office, August 1, 1950; *ibid.*, Memorandum (R.G.A. Etherington-Smith), «Attitude of Icelandic



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<sup>94</sup>Th. I., Ministry of Foreign Affairs, Historical Collection, Defense and NATO 1950-1951, Box 15, Memorandum (Bjarni Benediktsson) August 29, 1950; see also *ibid.*, Memorandum of Conversation Bjarni Benediktsson and Edward B. Lawson, September 4, 1950; NA, RG 59, Box 3503, 740B.5/9-150, Lawson to State Department, September 1, 1950; PRO, FO 371/86501, British Embassy (Oslo) to Foreign Office, September 7, 1950; Pétur Thorsteinsson, *Utanríkisthónusta Íslands og utanríkismál, I*, p. 361.

<sup>95</sup>NA, RG 218, Records of the Joint Chiefs of Staff, Geographic File, 1948-1950, Box 28, CCS 660.2 Iceland (8-20-43), Section 4, Memorandum of Meeting with Representatives of Iceland on September 25, 1950; see also NA, RG 59, Box 3503, 740B.5/10-2650, Memorandum of Conversation, Lawson and Bjarni Benediktsson, October 19, 1950; NA, RG 84, Foreign Service of the Department of State, Classified General Records, 1950-1952, Box 18, Report (Edward Lawson), November 1, 1950;

<sup>96</sup>NA, RG 218, Records of the Joint Chiefs of Staff, Geographic File, 1948-1950, Box 28, CCS 660.2 Iceland (8-20-43), Section 4, «Report to the Director, The Joint Chiefs of Staff,» December 12, 1950; *ibid.*, Memorandum (J.H. Burns), October 29, 1950; NA, RG 330 (Secretary of Defense), Office, Administrative Secretary Correspondence Control Section, Decimal File, Folder: 092 (Iceland) 1950, Box 177, Memorandum for the Secretary of Defense, (J.H. Burns); *ibid.*, George C. Marshall to Dean Acheson, October 26, 1950; *ibid.*, Dean Acheson to George C. Marshall, November 30, 1950; NA, RG 330 (Secretary of Defense), Office, Administrative Secretary Correspondence Control Section, Decimal File, Folder: 092 (Iceland) 1950, Box 177: George C. Marshall to JCS, December 7, 1950; NA, RG 59, Box 3503, 740B.5/12-950, Acheson to U.S. Embassy (Reykjavik), December 12, 1950; Th. I., Records of the Embassy in Washington, NATO 1948-1952, B/135, December 1948-December 1950, 8.A.2., 2: Thor Thors to Foreign Ministry (Reykjavik), December 12, 1950.

<sup>97</sup>Th. I., Records of the Embassy in Washington, NATO 1952-1953, B/137, NATO. 8.A.1.2: Report. «Extract from - Records of Meeting of the Standing Group North Atlantic Military Committee,» January 16, 1951.

<sup>98</sup>FRUS, 1951, IV, U.S. Embassy (Reykjavik) to Icelandic Foreign Ministry, February 17, 1951, pp. 489-492; see also *ibid.*, Lawson to Secretary of State, February 17, 1951, pp. 492-493; *ibid.*, Lawson to Secretary of State, February 21, 1951, p. 493; *ibid.*, Lawson to Secretary of State, February 27, 1951, pp. 494-495; see also *ibid.*, footnote, p. 494; *ibid.*, Lawson to Secretary of State, March 4, 1951, p. 497; *ibid.*, Memorandum of Conversation with Thor Thors, March 8, 1951, pp. 497-498; NA, RG 341, Air Force — Plans Projects Decimal File, Box 833: U.S. Negotiating Team to State Department, February 23, 1951; *ibid.*, Lawson to State Department, March 30, 1951; Th. I., Historical Collection, Defense and NATO, 1950-1951, Hans G. Andersen to Thor Thors, March 2, 1951; Pétur Thorsteinsson, *Utanríkisthónusta Íslands og utanríkismál, I*, p. 370.

<sup>99</sup>NA, RG 341, Air Force — Plans Projects Decimal File, Box 833: Lawson to Secretary of State, April 24, 1951; see also *ibid.*, Lawson to Secretary of State, April 25, 1951; *ibid.*, Secretary of State to U.S. Embassy (Reykjavik), April 27, 1951; *ibid.*, Acheson to U.S. Embassy (Reykjavik), April 29, 1951; *ibid.*, Box 834: H. Freeman Matthews to J.H. Burns, May 3, 1951; Th. I., Embassy in Washington, B/136, NATO 1952-1953, 8.A.2, Report, «Defense Treaty between Iceland and the United States on the Basis of the North Atlantic Treaty,» no date.

<sup>100</sup>See The New York Times, May 8, 1951; The Washington Post, May 8, 1951.

<sup>101</sup>Pravda, May 9, 1951.

<sup>102</sup>Thjóðviljinn, May 6, 7, 10, 17, 1951; see also Einar Olgeirsson, *Ísland í skugga heimsvaldastefnunnar*, p. 308.

<sup>103</sup>See Pétur Kr. Hafstein, «Um Varnarsamning Íslands og Bandaríkjanna á grundvelli Nordur-Atlantshafssamningsins» [The Defense Treaty between Iceland and the United States on the Basis of the North Atlantic Treaty], Law Degree Essay (University of Iceland, 1975), pp. 13-18; see also Albert Jónsson, Iceland, NATO, and the Keflavik Base, pp. 22-24.

<sup>104</sup>NA, RG 59, Box 3495, 740B.00/5-2551, U.S. Embassy (Reykjavik) to State Department, May 25, 1951; see also *ibid.* 740B.00/7-2751: U.S. Embassy (Reykjavik) to State Department, July 27, 1951; *ibid.*, Box 3496, 740B.00/1-1852: «Political Review for the Year 1951,» January 18, 1952; *ibid.*, Box 3502, 740B.00/7-651: U.S. Embassy (Reykjavik) to State Department, July 6, 1951; NA, RG 469, Records of the U.S. Foreign Assistance Agencies, 1948-1961, Mission to Iceland, Office of the Director, Subject Files, 1948-1953, Legislation-NATO, Box 9, «Iceland Post Report,» March 1951; NA, RG 84, Classified General Records, 1950-1952, Box 19: Report, «Sources of Tension between Military and Civilians in Iceland: Suggestions for Ameliorating such Tensions,» September 26, 1951; *ibid.*, N.W. Olson to Lawson, September 5, 1951; *ibid.*, Memorandum of Conver-

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<sup>105</sup>See NA, RG 319, General Staff, Assistant Chief of Staff (G-3), 1955, Box 13, Report, «Strategic Importance of Iceland,» September 27, 1955.

<sup>106</sup>NA, RG 59, Box 2352, 511.40/1-2452, «Semi-annual Evaluation Report as of November 30, 1951,» January 24, 1952; see also *ibid.*, Box 3180, 711.56240B/11-2451, U.S. Embassy (Reykjavik) to State Department, November 24, 1951; *ibid.*, Box 3180, 711.56340B/11-2451: State Department to U.S. Embassy (Reykjavik), December 21, 1951; *ibid.*, 711.56340B/12-2951, U.S. Embassy (Reykjavik) to State Department December 29, 1951; NA, RG 341, Air Force - Plans Project Decimal File, Folder: OPD 091 Iceland, Section 8, Box 835, U.S. Embassy (Reykjavik) to State Department, November 24, 1951; *ibid.*, Draft Letter, Matthews Freeman to U.S. Embassy (Reykjavik) December 3, 1951; *ibid.*, Memorandum for Arthur Vandenberg, December 7, 1951; Simon Duke, «U.S. Basing in Britain,» pp. 132-133, 138; Thjóðviljinn, November 25, 1951.

<sup>107</sup>See NA, RG 341, Air Force - Plans Project Decimal File, Folder: OPD 091 Iceland, Section 6, Box 834: R.M. Ramey to SAC, August 29, 1951; see also *ibid.*, Memorandum (Orval R. Cook) «USAF Requirements for Iceland, August 30, 1951; *ibid.*, Memorandum (Harold R. Maddux), October 9, 1951; *ibid.*, CINCLANT [Commander in Chief, Atlantic] to CNO [Chief of Naval Operations], October 24, 1951; *ibid.*, Section 3, Box 834, Memorandum for General Vandenberg, November 14, 1951; Pétur Thorsteinsson, Utanríkisthjóðusta Íslands, I, pp. 376-379; Simon Duke, «U.S. Basing in Britain, 1945-1960,» p. 132; Office of the Historian, Headquarters of the Strategic Air Command, The Development of the Strategic Air Command, p. 31; FRUS, 1952-1954. VI, (Washington, D.C., 1986), Perkins to Matthews, June 12, p. 1516.

<sup>108</sup>Th. I., Ministry of Foreign Affairs, Historical Collection, Defense and NATO 1952-1953, Box 15, Letter (Thor Thors) January 21, 1952, Memorandum of Conversation, Bjarni Benediktsson and Lawson, February 5 and 15, 1952; NA, RG 319, Army Operations, General Decimal File 1952, Box 13, Iceland 091, Chief of Naval Operations to Secretary of Defense, February 5, 1952; FRUS, 1952-1954, VI, Memorandum about additional military rights, March 4, 1952, pp. 1519-1520; *ibid.*, Lawson to State Department, January 16, 1952, pp. 1518-1519; Pétur Thorsteinsson, Utanríkisthjóðusta Íslands, I, p. 383.

<sup>109</sup>NA, RG 59, Box 3504, 740b.5/3-1753. Lawson to Hayden Raynor, March 17

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<sup>110</sup>See Hagstofa Íslands, Kosningaskýrslur [Election Results], II (Reykjavik, 1988), pp. 556-558, 612-515; Matthías Johannessen, Ólafur Thors, II, pp. 228, 231; Political Archives of the Progressive Party, Executive Committee Minutes, 20, September 9, 1953.

<sup>111</sup>See Thórarinn Thórarinsson, Sókn og sigrar, II, pp. 244-245; see also, NA, Department of State, Office of Intelligence Research, IR 6425, Report, «Outlook for Additional Base Facilities in Iceland,» October 14, 1953.

<sup>112</sup>FRUS, 1952-1954. VI, Raynor to Merchant, November 25, 1953, pp. 1523-1525; see also *ibid.*, Kristinn Gudmundsson to Lawson, December 4, 1953, pp. 1526-1527; Lawson to State Department, May 11, 1954, pp. 1531-1533; *ibid.*, Dulles to Lawson, May 14, 1954, pp. 1533-1535; Kristinn Gudmundsson, Frá Raudasandi til Rússía, pp. 142-143, 146; Pétur Thorsteinsson, Utanríkisthjóðusta Íslands og utanríkismál, I, pp. 386-387, 389-391; Th. I., Ministry of Foreign Affairs, Historical Collection, Defense and NATO, Box 15, Meeting Minutes, February 18, 24, 27, and May 11, 1954; *ibid.*, Records of the Embassy in Washington, B/137, 8.A.2. NATO I, 1954-1958, Icelandic Embassy to Foreign Ministry, June 2, 1954; NA, RG 59, Box 26, Lot File No. 59 D 233, Memorandum «Negotiations on the Implementation of US-Icelandic Defense Agreement of May, 1951,» January 28, 1954; *ibid.*, Merchant to Bonbright, April 13, 1954; *ibid.*, Box 3502, 740B.00/4-154, U.S. Embassy (Reykjavik) to State Department, April 1, 1954; *ibid.*, Hanos to Raynor, May 21, 1954; Tíminn, May 14, 1954.

<sup>113</sup>See NA, RG 59, Lot File No. 59, D 233, Box 26, Report, «Biographic Data: John J. Muccio,» July 11, 1955.

<sup>114</sup>Dwight D. Eisenhower Library, White House Office, Office of the Special Assistant for National Security Affairs, Box 12, Folder: NSC 5426, Policy toward Iceland, 7/12/54 (28), July 12, 1954.

<sup>115</sup>NA, RG 59, Box 2352, 511.40B/3-1254: USIS (Reykjavik) to State Department,

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<sup>116</sup>NA, RG 469, *Records of the U.S. Foreign Assistance Agencies, 1948-61, Mission to Iceland, Office of the Director, Subject Files, 1948-53, Funds-Labor, Box 8, Chief, MSA Special Mission to Iceland (Lawson) to SRE/Paris, Chief, Information Division, February 23, 1953.*

<sup>117</sup>See Þórarinn Þórarinsson, *Sókn og sigrar, II*, pp. 254-255; see also NA, RG 59, Box 3502, 740B.00/9-2454, *U.S. Embassy (Reykjavik) to Secretary of State, September 24, 1954; Thorleifur Fridriksson, Undirheimar íslenskra stjórn mála [The Underworld of Icelandic Politics] (Reykjavik, 1988), p. 44.*

<sup>118</sup>See Althingistíðindi, 1955, D (Reykjavik 1956), 228-231, 235-253;

<sup>119</sup>See Ingimundur Sigurpálsson, «Herinn og hagkerfid. Efnahagsleg áhrif varnarliðsins» [The Military and the Economy: The Economic Impact of the Icelandic Defense Force], *Fjármálatíðindi*, 23,1 (January-June 1976), 35.

<sup>120</sup>See Þórarinn Þórarinsson, *Sókn og sigrar, II*, pp. 250-251; see also Thorleifur Fridriksson, *Undirheimar íslenskra stjórn mála*, pp. 78-83.

<sup>121</sup>Dwight D. Eisenhower Library, *White House Office of the Special Assistant for National Security Affairs, Policy Papers, Box 12, NSC 5426, Folder: Policy Toward Iceland, 9/755 (8), «Progress Report on Iceland by the Operations Coordinating Board,» September 7, 1955.*

<sup>122</sup>See Th. I., *Records of the Prime Minister Office, B-64, Economic Matters, 1955-1965, Icelandic Embassy (Washington) to Foreign Office, May 6, 1955; ibid., Aide Memoire, April 6, 1954; ibid., Ólafur Thors to Thor Thors, May 20, 1955; ibid., Thor Thors to Kristinn Gudmundsson, May 23, 1955; ibid., Memorandum of Conversation, Kristinn Gudmundsson and John Foster Dulles, June 15, 1955; NA, RG 59, Lot File No. 59 D 233, Box 26, Memorandum of Conversation, Raynor, Stanford and Thor Thors, May 2, 1955.*

<sup>123</sup>Dwight D. Eisenhower Library, *Ann Whitman File, Box 5, Folder, 207th Meeting of the NSC, Folder: Memorandum of Discussion, NSC Meeting, July 22, 1954; FRUS, 1952-1954, VI, «Progress Report NSC 5426,» December 7, 1954, p. 1543.*

<sup>124</sup>Th. I., *Records of the Embassy in Washington, B-127, ECA, 1949-1960, Thor Thors to Foreign Ministry, March 6, 1954; FRUS, 1952-1954, VI, «Progress Report NSC 5426,» December 7, 1954, p. 1546; NA, RG 59, Box 3502, 740B.00/12-1654: Muccio to Dulles, December 16, 1954; ibid., Box 4421, 840B.332/11-1755, Memorandum, International Cooperation Administration and State Department, November 17, 1955.*

<sup>125</sup>Political Archives of the Progressive Party, *Executive Committee Minutes, 16, November 19, 1949.*

<sup>126</sup>Althingistíðindi, 1955, A, 662-663.

<sup>127</sup>NA, RG 59, Box 3174, 740B.00/4-656, *State Department to Embassy (Paris), April 6, 1956.*

<sup>128</sup>See NA, RG 59, *Records Relating to State Department Participation in the Operations Coordinating Board and the National Security Council, 1947-1953, Box 19, «Analysis of Internal Security Situation in Iceland and Recommended Action,» May 2, 1956; ibid., Report, «Importance of the Icelandic Action to U.S. and NATO Security Plans,» April 18, 1956.*

<sup>129</sup>NA, RG 59, Box 3174, 740B.00/4-656, *Muccio to Dulles, April 7, 1956.*

<sup>130</sup>NA, RG 59, Box 3174, 740B.00/5-3056, *C. Burk Elbrick to Herbert Hoover, July 11, 1956.*

<sup>131</sup>See PRO, FO 371/122491, *Memoranda June 8 and 11, 1956; see also NA, RG 59, Box 4421, 840B.254/6-1456: Winthrop Williams Aldrich to Dulles, June 14, 1956.*

<sup>132</sup>See Bundesarchiv, Koblenz, Band 122, No. 546, *Report, West German Embassy (Reykjavik) to Foreign Ministry (Bonn), May 25, 1956; see also NA, RG 59, Box 4418, 840B.00/4-1857, Memorandum of Conversation, April 18, 1957; Pétur Thorsteinsson, Utanríkistjórnasta Íslands og utanríkismál, II, pp. 577-588; Matthias Johannessen, Ólafur Thors, II, p. 275; Politisches Archiv des Auswärtigen Amtes [PAAA] [Political Archives of the German Foreign Ministry], Bonn, Abteilung [Abt.] 4, 410, Band 88, Hilger van Scherpenberg to West German Embassy in Washington and Reykjavik, August 16, 1956; ibid.; Adenauer to Ólafur Thors, June 22, 1956 signed by State Secretary Walter Hallstein; Th. I., *Records of the Prime Minister's Office, B-163, Hannes Jónsson to Foreign Office, June 22, 1956; ibid., Ólafur Thors to Dr. H. Kuhl, June 23, 1956.**

<sup>133</sup>Hagskýrslur Íslands. Althingiskosningar 1953 [Economic Statistics: The 1953 Elections] (Reykjavik, 1953), p.29; ibid., Althingiskosningar 1956 (Reykjavik, 1956), pp. 13-15.

<sup>134</sup>See NA, RG 59, Box 3124, 740B.00/6-2756, *Muccio to Marselis Parson, June 27, 1956.*

<sup>135</sup>Public Record Office [PRO], Foreign Office [FO] 371/102550: *Curle to Gilchrist, July 7, 1953.*

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<sup>139</sup>NA, RG 59, Box 3178, 740B.15/7-3156, *U.S. Embassy (Oslo) to Secretary of*

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<sup>140</sup>See Dwight D. Eisenhower Library, White House Office, NSC Staff April-Nov. 1956, Box 36, Folder: Iceland #4 (6), Memorandum for Roy M. Melbourne, August 3, 1956; FRUS 1955-1957, IV (Washington 1986), Memorandum «Northern European Chiefs of Mission Conference, London, September 19-21, 1957, Summary of Proceedings,» pp. 621.

<sup>141</sup>NA, RG 59, Box 3175, 740B.00/9-2656, Memorandum of Conversation, Vilhjálmur Thór, September 26, 1956; *ibid.*, 740B.00/9-1956: Muccio to Parson, September 10, 1956.

<sup>142</sup>NA, RG 59, Box 3175, 740B.00/7-3056, Elbrick to Hoover, July 30, 1956; see also *ibid.*, NA, RG 59, Box 4418, 840B.10/9-1156, U.S. Embassy (Paris) to State Department, September 11, 1956; Th. I., *Records of the Prime Minister's Office*, B-163, Kristinn Gudmundsson and Helgi Briem to Foreign Ministry, August 10, 1956; PAAA, Abt. 4, 410, Band 88: Memorandum of Conversation, Kristinn Gudmundsson and Hilger van Scherpenberg, August 8, 1956; *ibid.*, Kurt Oppler to Foreign Ministry, August 31, 1956; *ibid.*, Memorandum (von Lupin), September 3, 1956; Meseck to von Lupins, October 26, 1956; Memorandum of Conversation, Hilger van Scherpenberg and Elim O'Shaughnessy, August 10, 1956; *ibid.*, West German Embassy (Washington) [Heinz Krekeler] August 21, 1956.

<sup>143</sup>NA, RG 59, Box 3175, 740B.00/9-2656, Memorandum of Conversation with Vilhjálmur Thór, September 26, 1956.

<sup>144</sup>Th. I., *Records of the Embassy in Washington, NATO 1958-1962*, 1990 B/138, 8.A.2, NATO 1958 I, Meetings in State Department, October 1 and 3, 1956; see also NA, RG 59, Box 2887, U.S. National Security, 1955-1959, Memoranda, «Informal-Confidential Discussions between the Secretary of State and Under Secretary and the Icelandic Interim Foreign Minister Emil Jónsson, October 1 and 3, 1956; *ibid.*, Box 2477, 611.40B/10-256, Memorandum, «Discussions between the Under Secretary and Mr. Vilhjálmur Thor, General Manager, National Bank of Iceland,» October 25, 1956; *ibid.*, Box 4421, 840B.2514/10-2356, Memorandum, «Iceland — Upper Sog Hydroelectric Project,» October 23, 1956; *ibid.*, Box 2887, U.S. National Security, 1955-1959, 711.56340B/10-256, Elbrick to Hoover, October 2, 1956; Emil Jónsson, *Á milli Washington og Moskva*, pp. 151-152.

<sup>145</sup>See NA, RG 59, Records Relating to State Department Participation in the

Operations Coordinating Board and the National Security Council, 1947-1963, Box 19, Memorandum, «Recent Reports Concerning Possible Soviet Loan to Iceland,» no date; see also Th. I., *Records of the Prime Minister's Office*, Economic Matters, 1955-1965, B-64, Hermann Jónasson to Vilhjálmur Thór, October 12, 1956.

<sup>146</sup>NA, RG 59, Box 4418, 840B.10/10-256, Memorandum, «Discussions between the Under Secretary and Mr. Thor,» October 25, 1956; see also *ibid.*, Box 3182, 740B.5-MSP/10-2256: Elbrick to Hoover, October 22, 1956; Th. I., *Records of the Prime Minister's Office*, Economic Matters, 1955-1965, B-62, Vilhjálmur Thór to Hermann Jónasson, October 26, 1956.

<sup>147</sup>NA, RG 59, Box 4417, 840B.00/10-2556, Muccio to Dulles, October 25, 1956.

<sup>148</sup>Stiftung Archiv der Parteien und Massenorganisationen der DDR im Bundesarchiv (Berlin) [East German Communist Party Archives], Zentralkomitee der Sozialistischen Einheitspartei Deutschlands [ZK der SED], IV 2/20/286, Memorandum of Conversation with Einar Olgeirsson, February 28, 1957; Árni Snaevarr, «Flokkurinn og fyrirmyndarríkin» [The Socialist Party and the Model States], in *idem and Valur Ingimundarson*, *Lidsmenn Moskva. Samskipti íslenskra kommúnista við austantjaldsríkin* [Moscow's Allies: The Relationship between Icelandic Communist Party and the East Bloc] (Reykjavík, 1992), pp. 127-128; Thjóðviljinn, October 27, 1956; Tíminn, November 6, 1956; Althýdubladid, November 6, 1956; Althingistíðindi, 1956, A. (Reykjavík, 1957), 214-215; PRO, FO 371/122492: Andrew Gilchrist to Foreign Office, November 14, 1956; NA, RG 59, Box 2887, U.S. National Security, 1955-1959, 711.56340B/11-12356, Memorandum of Conversation with Vilhjálmur Thór, November 12, 1956.

<sup>149</sup>NA, RG 59, Box 2887, U.S. National Security, 1955-1959, 711.56340/11-2756, Hoover to Muccio, November 17, 1956; *ibid.*, Box 2887, U.S. National Security, 1955-1959, 711.56340B/11-2756, Hoover to U.S. Embassies (Paris and Reykjavík), November 27, 1956; NA, RG 84, Classified General Records, 1956-1959, Box 1: U.S. Embassy (Reykjavík) to State Department, December 4, 1956; *ibid.*, Muccio to Secretary of State, December 4, 1956; Dwight D. Eisenhower Library, White House Office, NSC Staff, April - November 1955, Box 36, Folder: Iceland #5 (2), Memorandum, «OCB [Operations Coordinating Board] Minutes - Briefing on the Icelandic Base Negotiations,» November 30, 1956; Emil Jónsson, *Á milli Washington og Moskva*, p. 156.

<sup>150</sup>Morgunbladid, December 30, 1956; see also PRO, FO 371/128761, Andrew Gilchrist to State Department, January 2, 1957.

<sup>151</sup>NA, RG 59, Box 4421, 840B.2614/2-157, Memorandum of Conversation with

Vilhjálmur Thór, February 1, 1957; *ibid.*, Box 4418, 840B.10/2-857: John Hollister to John Foster Dulles, February 8, 1957; *ibid.*, Box 4420, 840B.14/2-1157: Elbrick to Murphy, February 11, 1957; *ibid.*, Box 4419, 840B.10/2-557, Dulles to U.S. Embassy (Reykjavik), February 13, 1957.

<sup>152</sup>PAA, Abt. 4, 410, Band 88: Hirschfeld to Foreign Ministry, April 9, 1957.

<sup>153</sup>PRO, 371/128761: Gilchrist to Foreign Office, March 15, 1957.

<sup>154</sup>NA, RG 59, Box 4418, 840B.00/4-1857, Memorandum of Conversation with Vilhjálmur Thór, April 18, 1957; see also *ibid.*, Box 3175, 740B.00/5-357, Memorandum of Conversation with Vilhjálmur Thór, May 3, 1957.

<sup>155</sup>PRO 371/128750, Andrew Gilchrist to Foreign Office, April 8, 1957; NA, RG 59, Box 3175, 740B.00/4-2457, Memorandum of Conversation, D.L. Benest and Ernest de W. Mayer, April 24, 1957; see also PAAA (Berlin), A13159, Memorandum of Conversation, Walkow, Handke, Astawin, May 24, 1957; *ibid.*, Memorandum, «Kredit an Island,» May 20, 1957; *ibid.*, A13159: Handelsvertretung Island [Commerce Representation in Iceland] to East German Foreign Ministry, May 21, 1957; *ibid.*, Memorandum, May 27, 1957; *ibid.*, Handke to Fred Oelßner, June 3, 1957.

<sup>156</sup>PRO, FO 371/128756, Hans G. Andersen to Paul-Henri Spaak, July 1, 1957.

<sup>157</sup>PRO, FO 371/128755, Permanent British Delegation to NATO to Foreign Office, July 9 and 10, 1957; *ibid.*, British Foreign Office, July 12, 16, 17, 1957; *ibid.*, FO 371/128756: Permanent British Delegation to NATO to Foreign Office, July 25, 1957; *ibid.*, Paul-Henri Spaak to Representative of NATO Member States, August 8, 1957; *ibid.*, British Embassy (Washington) to Foreign Office, August 10, 1957; *ibid.*, Memorandum (Thomas Brimelow), «NATO Aid to Iceland,» August 8, 1957.

<sup>158</sup>PRO, FO 371/12856; British Embassy (Washington) to Foreign Office, August 10, 1957; see also *ibid.*, FO 371/12857, Permanent British Delegation to NATO to Foreign Office, September 11, 1957; *ibid.*, British Foreign Office to Permanent Delegation to NATO, October 1; *ibid.*, FO 371/12858, Permanent Representative to NATO (Frank Roberts) to Foreign Office, October 3 and 8, 1957.

<sup>159</sup>PRO, FO 371/12858, Permanent Representative to NATO (Frank Roberts) to Foreign Office, October 3, 1957.

<sup>160</sup>NA, RG 59, Box 3182, 740B.5-MSP/12-1957, Memorandum of Conversation with Vilhjálmur Thór, December 19, 1957; see also *ibid.*, Box 4419, 840B.10/2-358, U.S. Embassy (Reykjavik) to Secretary of State, February 3, 1958; Pétur Thorsteinsson, Utanríkisthjonusta Íslands og utanríkismál, II, p. 581.

<sup>161</sup>See PAAA, Abt. 4, 410-85.00-9411, Band 254, Memorandum (Curtius), March 28, 1958; *ibid.*, Telephone Conversation, Curtius and Mittendorff, March 29,

1958.

<sup>162</sup>See Thórarinn Thórarinnsson, Sókn og sigrar, III (Reykjavik, 1987), pp. 17-20; NA, RG 59, Box 3176, 740B.00-/12-1957, U.S. Embassy (Reykjavik) to State Department, December 19, 1957; *ibid.*, 740B.00/2-558, U.S. Embassy (Reykjavik) to Department of State, February 6, 1958; Thjóðviljinn, December 18, 1957; February 9 and 13, 1958; Tíminn, December 17, 1957; February 8 and 11, 1958; Morgunbladið, December 18, 1958.

<sup>163</sup>See NA, RG 59, Box 3176, 740B.00/4-2457, Memorandum, «British Views and Plans with Regard to Iceland,» April 24, 1957.

<sup>164</sup>See Morgunbladið, April 15, 1958; see also Tíminn, April 15, 1958; NA, RG 59, Box 3176, 740B.00/4-1758, U.S. Embassy to State Department, April 17, 1958.

<sup>165</sup>See NA, RG 59, Box 3176, 740B.0022-/5-958, State Department to U.S. Embassy (Reykjavik), May 9, 1958; see also *ibid.*, Box 3178, 740B.022-/6-558, State Department to U.S. Embassy (Reykjavik), June 5, 1958.

<sup>166</sup>NA, RG 59, Box 3178, 740B.022-/6-558, Permanent U.S. Representative to NATO to Secretary of State, June 26, 1958; see also *ibid.*, Box 3176, 740B.00/8-288, U.S. Embassy (Reykjavik) to State Department, August 28, 1958; *ibid.*, Box 1654, 740B.022-/2-2360, February 23, 1960; *ibid.*, Box 1654, 740B.022-/5-2660, USRO/Paris to Secretary of State, May 26, 1960; PRO, FO 371/143075, British Embassy (Reykjavik) «Annual Report for 1958,» February 9, 1959; *ibid.*, FO 371/151651; «Annual Report for 1959,» January 26, 1960; *ibid.*, FO 371/166063; «Annual Report for 1959,» January 1, 1960; Thórarinn Thórarinnsson, Sókn og sigrar, III, pp. 74-75, 81-93.

<sup>167</sup>Dwight D. Eisenhower Library, Ann Whitman File, NSC Series, Box 8, Folder: NSC, 32 meeting, May 16, 1957 (4), NSC Minutes, «U.S. Policy toward Iceland,» May 16, 1957.

<sup>168</sup>NA, RG 59, U.S. National Security 1955-1959, Box 2888, 711.56340B/8-1657, Robert Murphy to Donald Quarles, August 18, 1957; see also *ibid.*, 711.56340B/8-1657, Robert Murphy to John Foster Dulles, October 3, 1957.

<sup>169</sup>See NA, RG 218, Records of the Joint Chiefs of Staff, Geographic File, 1957, Chairman's File, Admiral Radford, 091, 1953-1957, Iceland, Box 9, Memorandum for Admiral Radford, July 1, 1957; see also NA, RG 469, Records of the U.S. Foreign Assistance Agencies, 1948-1961, Mission to Iceland, Office of the Director, Subject Files, 1948-1953, NATO Program, Box 10, Jerauld Wright to the Secretary of Defense, October 11, 1957.

<sup>170</sup>See NA, RG 59, Records of the Policy Planning Staff, 1957-1961, Box 140, Memorandum of Conversation with Secretary McElroy on Withdrawal of Ground

*Troops from Iceland (D.E. Boster), March 28, 1958; see also NA, RG 59, U.S. National Security 1955-1959, Box 2888, 711.56340B/4-1158, John Foster Dulles to U.S. Embassy (Reykjavik), April 11, 1958.*

<sup>171</sup>*See NA, RG 59, U.S. National Security 1955-1959, Box 2888, 711.56340B/7-258, Robert Murphy to John Foster Dulles, February 7, 1958.*

<sup>172</sup>*About nuclear weapons and Greenland see the publication by the Dansk Udenrigspolitisk Institut [Danish Foreign Policy Institute], Grønland under den kolde Krieg: Dansk og amerikansk sikkerhedspolitik 1945-68 (Copenhagen, 1997).*

<sup>173</sup>*NA, RG 59, U.S. National Security 1955-1959, Box 2888, 711.56340B/7-758, Memorandum for Robert Murphy, July 7, 1958.*

<sup>174</sup>*NA, RG 59, U.S. National Security 1955-1959, Box 2888, 711.56340B/9-155, C. Burke Elbrick to Mansfield Sprague, September 13, 1958; NA, RG 59, U.S. National Security 1955-1959, Box 2888, 711.56340B/12-2258, Muccio to Department of State, December 22, 1958.*

<sup>175</sup>*See NA, RG 59, U.S. National Security 1955-1959, Box 2888, 711.56340B/11-2559, State Department to U.S. Embassy (Reykjavik), November 25, 1959; see also *ibid.*, 711.56340B/12-1159, U.S. Embassy (Reykjavik) to State Department, December 11, 1959.*

<sup>176</sup>*See Th. I, Ministry of Foreign Affairs, Historical Collection, «Fréttatilkynningar» [Press Releases], August 7, 29, 31; September 8, 12, 18; see also, NA, RG 59, U.S. National Security 1955-1959, Box 2888, 711.56340B/8-859, State Department to U.S. Embassy (Reykjavik), August 11, 1959; *ibid.*, 711.56340B/8-2659, Muccio to Secretary of State, August 26, 1959; 711.56340B/9-559, Muccio to Secretary of State, September 5, 1959; *ibid.*, 711.56340B/9-1059, U.S. Embassy (Reykjavik) to Secretary of State, September 11, 1959; *ibid.*, 711.56340B/9-1159, Memorandum of Conversation, «Icelandic Protest over Defense Incidents,» September 11, 1959; *ibid.*, 711.56340B/9-1959, September 19, 1959.*

<sup>177</sup>*NA, RG 218, Records of the Joint Chiefs of Staff, Central Decimal File, Folder: 9191.2/3410, Iceland (12 Oct 1959), Box 151, Report, «Transfer of Keflavik Airport and Support of Iceland Defense Force to U.S. Navy,» April 15, 1960.*

<sup>178</sup>*See NA, RG 59, Box 1655, 740B.56311/4-2160, Memorandum, «State-Defense Examination of Future Defense Requirements in Iceland,» April 21, 1960; see also *ibid.*, 740B.56311/1-661, CINCLANT to Secretary of State, January 7, 1961; *ibid.*, 40B.56311/2-2461, State Department to U.S. Embassy (Reykjavik), February 24, 1961; NA, RG 273, Mill Papers, «Review of United States, Military Bases,» April 1960.*

<sup>179</sup>*See Dwight D. Eisenhower Library, Ann Whitman File, NSC Series, Policy Papers Subseries, Box 21, NSC 5712/1 U.S. Policy toward Iceland, 5/1/57 (9), «Progress Report on Iceland,» May 1, 1957.*

<sup>180</sup>*See NA, RG 218, Records of the Joint Chiefs of Staff, Geographic File, 1957, Box 9. Chairman's File, Admiral Radford, 091 1953-1957, Memorandum, H.D. Felt to Arthur Radford, «Withdrawal of Army Forces from Iceland,» July 1, 1957; see also *ibid.*, Box 24, CCS 660.2 Iceland (8-20-43), Facilities in Iceland, Section 1, «Report of Iceland Defense Force Capability to Perform Assigned Missions,» no date [November 1954?]; *ibid.*, Section 13: Commander-in-Chief, Iceland Defense Force (COMICEDEFOR) to CINCLANT April 10, 1956.*