



INTERNATIONAL SECURITY AFFAIRS

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ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

March 9, 1976

In reply refer to:  
1-2403/76

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Memorandum of Conversation of Visit of Ambassador of Iceland --  
INFORMATION MEMORANDUM

Iceland

~~(C)~~ Attached is the memorandum of ~~conversation of the March 1 meeting~~ with Icelandic Ambassador Kroyer in which you participated. We have since discussed with State and our Ambassador to Iceland the UK-Iceland fishing dispute and the Icelandic request for more civilian equipment and training assistance.

~~(C)~~ Regarding the fishing dispute, we believe we should continue to promote Sec Gen Luns' mediation efforts, while we provide whatever private assistance we can to bring the Icelanders and British to resume negotiations.

~~(C)~~ As to the question of additional civilian equipment and training assistance for Iceland, we are asking the--Embassy in Reykjavik and our Commander, Iceland Defense Force, to provide an assessment of which additional assistance, if any, would be most important to the fulfillment of US defense and other objectives. With this assessment in hand, we can then determine the appropriateness of funding through DoD, FAA, NATO, or a US foreign assistance program.

*[Signature]*  
Amos A. Jordan  
Acting Assistant Secretary

Attachment  
a/s

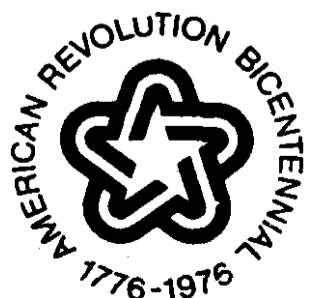
SEC DEF HAS BEEN  
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SECRETARY OF DEFENSE

Classified by Director, European Region  
SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE OF  
EXECUTIVE ORDER 11652, AUTOMATICALLY DOWNGRADED  
AT TWO YEAR INTERVALS. DECLASSIFIED ON 12/31/82

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ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

In reply refer to:  
1-2403/76

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting With Ambassador of Iceland

Iceland Participants

The Ambassador of Iceland, Haraldur Kroyer  
First Secretary, Thorsteinn Ingolfsson

United States

The Secretary of Defense, Donald Rumsfeld  
Military Assistant, Rear Admiral M. Staser Holcomb, USN  
Acting Assistant Secretary of Defense (ISA), Amos Jordan  
Deputy Assistant Secretary (European & NATO Affairs), Harry E. Bergold  
Director, Foreign Military Rights Affairs, Philip E. Barringer  
Assistant for Northern Europe, Charles T. Lloyd

Time: 1530-1620, 1 March 1976

Place: Mr. Jordan's office

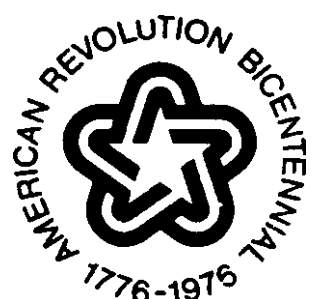
~~(c)~~ Mr. Jordan welcomed the Ambassador and noted that Deputy Secretary Ellsworth had planned to meet with him but had become ill and gone home. Mr. Jordan said Secretary Rumsfeld hoped to be able to join the meeting. Ambassador Kroyer expressed his appreciation for the meeting and said he would like to discuss some matters concerning the October 1974 agreements, and the fishing jurisdiction dispute with the UK. He noted that after the signing of the 1974 agreements Foreign Minister Agustsson had mentioned to Secretary Kissinger and Secretary Schlesinger that there were subjects which had not been specifically covered because of the urgency of concluding the agreement. Both Secretaries had said that Iceland would be free to bring the matters up and that they would be willing to help.

~~(c)~~ Civil Aviation Equipment and Training. Ambassador Kroyer referred to the report of a DOD-FAA survey team last May regarding deficiencies in safety measures at the Keflavik airport. He said Iceland agrees with the report's recommendations, and he hoped the US would take a broad interpretation of what equipment should be provided. He noted that the

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US had provided civilian aviation training initially. Then the Icelandic Government had carried the costs for a time. Now, with the deterioration of the Icelandic economy, it would be important to his Government if the US could provide the training under the 1951 Agreement Annex, for future air safety not only for the base but for all of Iceland. Moreover, many of those previously trained were going into retirement. Mr. Jordan said that if there were a request by the Government of Iceland proposing a particular plan we would be happy to consider it, within the limits of our authority. Mr. Barringer noted that legally any expenditure by the Defense Department, whether for training or providing equipment, must be for a military purpose. The Ambassador said the Foreign Office had been having difficulty pinpointing a program but he was looking only for a preliminary indication of US willingness to provide training and equipment replacement. Mr. Jordan said the US was mindful of the importance of the air safety situation in Iceland, particularly for the US forces, and the US would like to be as responsive as the situation permits. He indicated that Mr. Bergold and Mr. Barringer would consult with State and FAA about the possibilities.

~~(C)~~ Fishing Dispute. The Ambassador said that Iceland's immediate concern is the danger of the reckless ramming by British frigates; there had been a severe ramming the previous day. He likened the potential effect in Iceland of any loss of Icelandic life to what might be expected in the US if a nuclear weapon were dropped on a major city. He said Iceland had only six ships and needed more, so it would be unlikely that it was instigating the ramming. The prime difficulty was how to contain public reaction. He noted that Iceland has had no armed conflict in 1100 years and that the UK's actions might result in the dissolution of the Icelandic nation, because many of its citizens would leave for other homelands. The British would do this by systematic fishing in the conservation grounds and causing the Icelandic economy to collapse. Although a month ago the UK said it was ready to cease fishing in the conservation waters, spot checks in the area show that 95% of the fish are now under legal size and immature. The British had respected the conservation zones during the two years of the Agreement, but now even the strongest NATO proponents in Iceland are getting exasperated by the UK methods.

~~(C)~~ Mr. Jordan said we recognize and sympathize with Iceland's concerns; but we have not felt it wise to take a public stance. We support the efforts of Secretary General Luns and hope that both sides will work with him. We would not like further deterioration in the Alliance. Ambassador Kroyer said Iceland fully understands the US not involving itself in the substance of the dispute, but he noted that last week the Prime Minister had told him the situation is jeopardizing Icelandic and US defense interests and would certainly do harm if the Government could not contain the public reaction. The Ambassador asked if the US could prevail directly on the British Government to desist from ramming.



He thought the frigate captains were behaving contrary to the orders from London and then alleging that the Icelandic Coast Guard vessels were the instigators of the rammings.

~~(C)~~ In response to a question by Mr. Bergold, the Ambassador said that the recent Nordic Council meeting had shown a full understanding of the seriousness of the problem for Iceland, and it was the Council's evaluation that the presence of British naval vessels was the obstacle. He said Prime Minister Hallgrimsson would be talking with the Norwegian Prime Minister in Copenhagen that same day.

~~(C)~~ Ambassador Kroyer also noted that the general strike was over, and that the Prime Minister had prevailed upon the groups that had barricaded US installations to lift the blockage the previous day. He noted that the barricading had been done by members of the Independence Party who support NATO and the US in order to pre-empt the situation and avoid such actions by elements hostile to the US and NATO. He said the Prime Minister is afraid of a snowball effect which the small Icelandic police force would not be able to handle. Mr. Bergold asked to what extent the general strike and picketing the base related to the economy and was separate from the fishing dispute. The Ambassador said the strike had been primarily economic because of the inflation problem. Although Labor leaders might admit they had asked for too much the year before, they had reduced the request this year but were adamant that it not be compromised. This might indicate an attempt to discredit the government, he said. In his view, the action at the base was mainly about the fishing problem and separate from the general strike.

~~(C)~~ The Ambassador said the withdrawal of the Icelandic Ambassador from the UK will temporarily fend off a demand for action by the Icelandic population, but it does not buy many weeks.

~~(C)~~ Secretary Rumsfeld and RADM Holcomb joined the meeting at this point. The Secretary expressed his pleasure at meeting the Ambassador. He noted that the fishing dispute is a matter of interest to the Alliance as a whole. The Ambassador conveyed the greetings of Foreign Minister Agustsson. He described the present Government in Iceland as the best pro-NATO and pro-US Government that could be in power, but the British are making it difficult for that Government to contain the situation in Iceland. The British are acting with too much force for what is at stake for them, and everything is at stake for Iceland. The Secretary said he was aware of the intensity and importance of the problem, and would be discussing the matter with Mr. Jordan.




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4

(U) Mr. Jordan concluded the meeting by saying that there should be support for Secretary Luns and that he was hopeful about a solution.

Prepared by:  
Mr. Lloyd

Approved by:



Acting Assistant Secretary of Defense, ISA

Distribution:

Date: March 9, 1976

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