

Munich, 25 August 1978 (RAD/Devlin).

The report that NATO was about to have its first Communist premier turns out, after all, to have been premature. Two days after the announcement in Reykjavik that Premier-designate Ludvik Josefsson, leader of the independent-communist People's Alliance, had reached agreement with the Social Democrats and the centrist Progressive Party, the center-left coalition plan has been blocked by the refusal of the Social Democrats to serve under Josefsson.

Details of this development are not yet available. One report (Sueddeutsche Zeitung, August 25) said that the Socialists refused to accept Josefsson, because he had not presented a complete governmental program. It had, however, been announced several days earlier that the three parties had reached agreement on an economic program, urgently needed to tackle the grave crisis of Iceland's fishing industry and an inflation rate now running at 40 per cent a year, through a wage freeze (which the Communists had earlier opposed) and a 15 per cent devaluation of the krona. Other reports suggest that the disagreement was over the People's Alliance's attitude to NATO -- even though the party had announced a sudden, and rather obviously opportunistic, change in that attitude. The first indication that the three-party coalition would not, after all, be formed came with a report on August 22 that Social Democratic Party Chairman Benedikt Groendal had said that he thought it was "improper" that a man who had campaigned to remove Iceland from the Atlantic Alliance should head the government of a NATO member state.

The NATO issue, in fact, means the question of the US air base at Keflavik, which is of great strategic importance for reconnaissance of the growing Soviet military presence in the North Atlantic. In their demand for the closing down of the base with its 3,000 personnel, the Communists were able to exploit nationalist sentiment and a certain cultural xenophobia. The People's Alliance had, in the past, participated as a junior partner in coalition governments, in 1956-1958 and 1971-1974, without changing its position on NATO membership and the US base. But obviously a government headed by a Communist Eldjarn to try to form a government -- leaders of the conservative Independence Party and of the Social Democratic Party having earlier failed to do so -- he soon let it be known that the Communist stand on this issue was, after all, subject to modification.

#### Italian Communist Comment

While the interparty negotiations were going on, the Italian Communist daily published an article manifesting the close attention which it was devoting to developments of direct relevance to its own political preoccupations. It quoted Josefsson as saying that the People's Alliance "cannot realistically hope to close the American air base at Keflavik and get Iceland to withdraw from NATO, since the two parties which would probably be members of the future coalition government would never accept this." (1) It went on:

(1) Angelo Mataracchiera, "Il 'caso Islanda' e il problema NATO," l'Unità, 20 August 1978.

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According to other reports from Reykjavik, the Communists are preparing to bring out a document in which their position on the two problems -- the Keflavik base and the country's membership in NATO -- will be further "clarified." It cannot -- realistically -- be expected that they will express a "favorable" position on the maintenance of the base, just as it cannot be expected that they will take a "favorable" attitude to the division of the world into blocs, and hence to Iceland belonging to one of them. It is rather a matter of finding ways of letting negotiations develop on this extremely important and delicate matter -- the Communists being, however, aware that to maintain their position would mean blocking the possibility of getting a government of wide democratic composition, with a strong and decisive presence of the Left, and a Communist prime minister.

Whatever an eventual "clarification" of the People's Alliance's position on NATO and Keflavik might involve, any change could only strengthen an independence that, for more than a decade, has made it questionable whether it can be described as belonging to the international communist movement. The People's Alliance maintains no relations with almost all other communist parties -- including the CPSU -- and has boycotted international communist meetings, such as the Moscow international conference of 1969, the Brussels West European conference of 1974, and the East Berlin pan-European conference of 1976.

### Socialist Gains

The fact that this independent Marxist party has now been blocked in its approach to the premiership by the Social Democrats draws attention both to the advance of Iceland's Left, in the June 25 elections, and to the redistribution of forces within the Left. During the postwar period, Iceland has been the one Nordic country in which the Socialists were much weaker politically than the Communists. As a result, there was nothing approaching a political dialogue between them, and when the People's Alliance entered coalition governments, the Socialists were left in opposition with the conservative Independence party. The June elections, ending a center-right coalition, in which the Progressive Party was a junior partner under Independence Party leader Geir Hallgrimsson, changed that picture. In a general shift to the left, the conservatives dropped from 25 seats to 20, and the centrists from 17 to 12 -- whereupon the Progressives said that they would not rejoin a coalition that was still numerically possible. On the left, the People's Alliance won 14 seats, a gain of 3. But the big winners were the Socialists who, from having only 5 seats, also went to 14. The fact that another small leftist party, the Liberal and Leftist Union, lost both of only two seats in the Althing accentuated the new division of the Icelandic Left between two roughly equal components, the reformist Communists and the traditionally anticommunist Socialists. One might perhaps

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see it as a division between Eurocommunism and social-democracy. Rivalry between the two will not simplify the task of Progressive Party leader Olafur Johansson who, after the failure of Josefsson (as earlier of the Social Democratic and Independence Party leaders), has now, in his turn, been asked to take on the daunting task of trying to form a coalition government to cope with the country's grave economic crisis.

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