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CELANDIC EMBASSY

PRIME MINISTER'S

LONDON SWIW 8EY

TELEPHONE: 01-730 5131-2 21 February 1982.

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Prime Plinite

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Dear Prime Minister,

The President of Iceland who left Great Britain to-day, has asked me to convey to You the following message:

"Leaving Great Britain at the end of a most memorable official visit, I extend to You and Her Majesty's Government my heartfelt gratitude for the warmth and hospitality that made my stay so thoroughly enjoyable.

I am convinced that the bonds of friendship between our two nations have been further strengthened and that the old ties of our common cultural heritage traced back to our ancestors in the Middle Ages have become still closer.

Thank You for Your initiative which led to this excellent visit.

I send You my sincerest wishes for a prosperous future of Your country and the British people.

Vigdís Finnbogadóttir, President of Iceland "

Yours sincerely,

Sigurður Bjarnason,

Ambassador

The Rt Hon Mrs Margaret Thatcher,
Prime Minister,
10 Downing Street,
London.

Iceland



10 DOWNING STREET

From the Private Secretary

17 February 1982

Visit of the President of Iceland

President Vigdis called on the Prime Minister at noon today.

The Prime Minister and the President spent half an hour in tête-à-tête discussion, accompanied only by the Private Secretary to the President and myself. The conversation was restricted to non-political subjects, given the constitutional role of the President of Iceland. The main subjects covered - all in the most general terms - were the state of the Icelandic economy, the development of energy sources in Iceland, the nature of the education system and scientific exchanges between Britain and Iceland. Few specific points are worth recording. President Vigdis said that she hoped that inflation in Iceland had now reached its peak and that this year it would be no higher than 42%, which was a considerable fall from the earlier figure of 60%. She gave the Prime Minister an account of the plans for developing power supplies, explaining that Iceland had already embarked on a large power station in the south of the country which was designed to serve an aluminium smelter and that there were plans for another power station in the north. At a later point the discussion turned to nuclear power. President Vigdis asked whether we in the United Kingdom were not afraid of the possible consequences of building nuclear power stations. The Prime Minister replied in the negative. There had been no lives lost in the nuclear power field. The dangers of producing power from oil or coal were in fact much higher. Was it the case the Icelanders worried about nuclear power? President Vigdis said that they did so, primarily because they had no direct experience of it. It was the fear of the unknown which caused the problem.

At 1230 the President and the Prime Minister were joined by the Foreign and Commonwealth Secretary, the Icelandic Foreign Minister, Ambassador Hordur Helgason and Ambassador Bjarnason. The discussion was again of a very general nature. It covered the role of women in politics, the functioning of the Icelandic Parliamentary system and the contribution of Iceland to NATO. Reference to the latter led to an exchange of views about the growing burden imposed by international consultations. Both the

Prime Minister and the Foreign and Commonwealth Secretary expressed the view that the development of European co-operation in the foreign policy field had played a useful role in preventing problems arising and limiting their scope once they had arisen. The discussion ended at 1300 hours.

A. J. COLES

Francis Richards, Esq., Foreign and Commonwealth Office.

SPEAKING NOTES

FOR

VISIT BY THE PRESIDENT OF ICELAND (PRESIDENT VIGDIS)

MADAM PRESIDENT,

We were delighted to welcome you in London Last July for

THE WEDDING OF THE PRINCE AND PRINCESS OF WALES.

But your visit this week is the first official

one by an Icelandic Head of State to Britain

since 1963.

FAR TOO LONG A GAP.

As the first woman Prime Minister of this country, it

GIVES ME SPECIAL PLEASURE TO WELCOME YOU
THE ONLY DEMOCRATICALLY ELECTED WOMAN HEAD OF

STATE IN THE WORLD.

/ BUT THEN,

BUT THEN, ICELAND HAS ALWAYS BEEN A PIONEER OF DEMOCRACY.

YOUR PARLIAMENT, THE ALTHING, HAD BEEN SITTING

FOR CENTURIES BEFORE OUR OWN MOTHER OF

PARLIAMENTS FIRST MET.

WOMEN IN ICELAND GAINED THE VOTE SOME TEN YEARS

BEFORE THEIR COUNTERPARTS HERE.

OUR TWO COUNTRIES ARE LINKED BY HISTORY, TRADE, TOURISM

AND POLITICAL IDEALS.

THE ICELANDIC/VIKING CONTRIBUTION TO BRITISH HISTORY AND

CULTURE IS WELL DOCUMENTED.

IT WAS THE SUBJECT LAST YEAR BOTH OF AN

EXHIBITION AND OF LIVELY CONTROVERSY IN THE

COLUMNS OF THE TIMES:

/ WERE THE

WERE THE VIKINGS GREAT SAINTS OR GREAT SINNERS?

Whatever your answer to that Question, we can all agree

that the Icelanders were great poets.

The Sagas are among the great monuments of

European civilisation.

WE HAVE BEEN ONE OF YOUR THREE MOST IMPORTANT TRADING PARTNERS FOR MANY YEARS.

AND LOOKING BACK, WE SHALL NEVER FORGET THAT

DURING THE SECOND WORLD WAR ICELAND PLAYED A

VITAL PART IN HELPING TO KEEP THE SEA LANES

OPEN AND THE UK SUPPLIED WITH FISH.

MANY ICELANDERS LOST THEIR LIVES DOING SO.

/ I LIKE

I LIKE TO THINK THAT BRITAIN STOOD AS GODPARENT AT THE BIRTH OF THE REPUBLIC IN 1944 - WHEN WE SENT TROOPS TO PREVENT A GERMAN INVASION.

Your country has been good enough not to hold this occupation against us.

You now welcome British travellers in increasing numbers.

ATTRACTED BY YOUR SCENERY, BIRD-LIFE AND SALMON FISHING.

Among them, the Prince of Wales, the first Royal visitor to call on you in 1980 after your inauguration.

/ BRITAIN

BRITAIN GREATLY VALUES THE ICELANDIC CONTRIBUTION TO

THE SECURITY OF THE WESTERN COMMUNITY.

ICELAND HAS ACCEPTED THE RESPONSIBILITY

IMPOSED BY HER CRUCIAL GEO-STRATEGIC

POSITION AND HAS PROVED A KEY MEMBER OF THE

NORTH ATLANTIC ALLIANCE.

WE AND YOU SHARE THE SAME VALUES AND IDEALS

AND PURSUE THE SAME OBJECTIVES:

WORLD PEACE, THE RULE OF LAW AND

INTERNATIONAL TRADE AND COOPERATION.

As you yourself said, Madam President, in your inauguration speech:

/ "WE ARE ALL,

"WE ARE ALL, AS CITIZENS OF THE WORLD,

DUTY BOUND TO CONTRIBUTE TO OUR UTMOST

ABILITY TO THE CONTINUING PROGRESS OF

THE SPIRIT OF HUMANITY".

LIST OF GUESTS ATTENDING THE LUNCHEON TO BE GIVEN BY THE PRIME MINISTER AND MR. DENIS THATCHER IN HONOUR OF HER EXCELLENCY VIGDIS FINNBOGADOTTII PRESIDENT OF THE REPUBLIC OF ICELAND ON WEDNESDAY, 17 FEBRUARY 1982 AT 1.00 PM FOR 1.15 PM

The Prime Minister and Mr. Denis Thatcher

Miss Carol Thatcher

Her Excellency Vigdis Finnbogadottir

His Excellency Dr. Ólafur Jóhannesson and Mrs. Jóhannesson

Minister for Foreign Affairs

His Excellency Ambassador Hordur Helgason Permanent Under Secretary for and Mrs. Helgason Foreign Affairs

His Excellency the Icelandic Ambassador

and Mrs. Bjarnason

His Excellency Ambassador Ólafur Egilsson Private Secretary and Mrs. Egilsson

HM Government

Rt. Hon. Lord Carrington and Lady Carrington

Rt. Hon. George Younger, MP and Mrs. Younger

Labour Party

Mr. James Johnson, MP and Mrs. Johnson

Chairman, British Icelandic Parliamentary Group

Liberal Party

Rt. Hon. Jo Grimond, MP and Mrs. Grimond

SDP

Mr. Richard Crawshaw, MP and Mrs. Crawshaw

Conservative Party

Sir Walter Clegg, MP and Lady Clegg

Business and Industry

Mr. David Aylesbury and Mrs. Aylesbury

Mr. Philip Shelbourne

Mr. T.W. Bewsey and Mrs. Bewsey

Member, British Icelandic Parliamentary Group

Managing Director, Racal Decca Navigator, Ltd.

Chairman, BNOC.

Director, British Marine Equipment Council

Media

Mr. Magnus Magnusson and Mrs. Magnusson

Mr. Ferdinand Mount

Mr. Charles Douglas-Home and Mrs. Douglas-Home

Others

Mr. Jon Sigurjonsson and Mrs. Sigurjonsson

Dr. David Wilson and Mrs. Wilson

Mr. Peter Ustinov and Mrs. Ustinov

Dr. David Bellamy and Mrs. Bellamy

Mr. Ian Presst and Mrs. Presst

Officials

Mr. Robin Ibbs and Mrs. Ibbs

Mr. Julian Bullard

10 Downing Street

Mr. John Coles

Journalist and TV presenter.
Perhaps the best known member of the Icelandic community in the United Kingdom

The Spectator

Foreign Editor, The Times

Chairman of the Anglo-Icelandic Society

Director, British Museum. Will be meeting the President when she tours the Museum after the lunch. Organised'The Vikings in Britain' exhibition

A regular visitor to Iceland

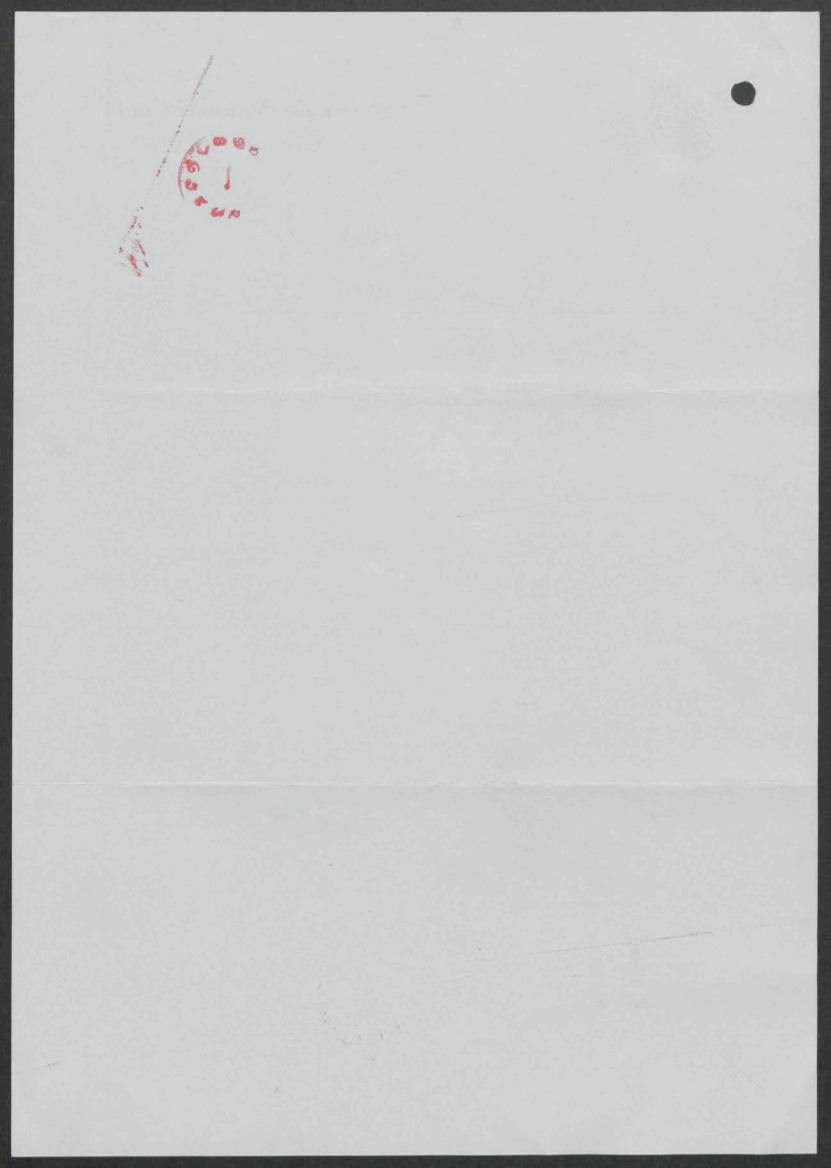
Botanist writer and journalist has visited Iceland on a number of occasions

Director of Royal Society for the Protection of Birds. Interested in Iceland as many of their birds winter here.

Central Policy Review Staff

Foreign and Commonwealth Office

Prime Minister to see Foreign and Commonwealth Office London SW1A 2AH 16 February 1982 Visit by President Vigdis Finnbogadottir of Iceland: 17-19 February Before her meeting with the Icelandic President tomorrow, the Prime Minister will wish to be aware that The Queen will be awarding an honorary GCMG to President Vigdis during her call at the Palace on Thursday 18 February. The Prime Minister may also welcome some further biographical details which have come to light since my last letter. Firstly, we understand that the President made legal history in Iceland when after a long legal battle she was allowed to adopt a daughter, Astridur, although she was a single parent and a divorcee. Secondly, we have discovered more about Vigdis's French connections. She has studied French language and literature at the Sorbonne and the University of Grenoble where she also specialised in drama. She later went on to study French philology in Sweden. In 1970 Vigdis took a sabbatical and went to France where she studied communications and cultural relations between Icelanders and Frenchmen during the great French Schooner era in the 19th century, when French schooners fished Icelandic waters extensively. On her return to Iceland Vigdis taught French both in Reykjavik High School and on television. She went on to teach French drama at Reykjavik University before taking up the post of director of the Reykjavik Theatre Company, the first woman to hold this post. President Vigdis is greatly interested in the history and culture of Iceland and was a summertime tour guide for foreign visitors for a number of years. President Vigdis also claims descent from an Irish princess captured by Viking raiders. (F N Richards)
Private Secretary A J Coles Esq 10 Downing Street



PRIME MINISTER Visit by President of Iceland She is called simply President Vigdis. You agreed earlier that the talks would be tete-a-tete, with Private Secretaries present, from noon until 1230. I suggest that you may then care to join the two Foreign Ministers in the White Drawing Room for a further half hour of talks. These will be attended by: Lord Carrington Dr. Johannesson (Foreign Minister) Mr. Bjarnason (Ambassador in London) and Mr. Gladstone (FCO). I attach some speaking notes, since I imagine you will wish to make a short, informal speech after lunch. A. t. C. Z P.S. I have just heard that the Owen will give President Vigelia a G.C. N.G. on Thirday. 16 February, 1982

SPEAKING NOTES

Madam President,

We were delighted to welcome you in London last

July for the wedding of the Prince and Princess of Wales.

But your visit this week is the first official one by an

Icelandic Head of State to Britain since 1963. Far too long
a gap.

As the first woman Prime Minister of this country, it gives me special pleasure to welcome you - the only democratically elected woman Head of State in the world.

But then, Iceland has always been a pioneer of democracy.

Your Parliament, the Althing, had been sitting for centuries before our own mother of Parliaments first met. Women in Iceland gained the vote some ten years before their counterparts here.

Our two countries are linked by history, trade, tourism and political ideals.

The Icelandic/Viking contribution to British history and culture is well documented. It was the subject last year both of an exhibition and of lively controversy: were the Vikings great saints or great sinners?

/Whatever

Whatever your answer to that question, we can all agree that the Icelanders were great poets. The Sagas are among the great monuments of European civilisation.

We have been one of your three most important trading partners for many years. And looking back, we shall never forget that during the Second World War Iceland played a vital part in helping to keep the sea lanes open and the UK supplied with fish. Many Icelanders lost their lives doing so.

I like to think that Britain stood as godparent at the birth of the Republic in 1944 - when we sent troops to prevent a German invasion. Your country has been good enough not to hold this occupation against us.

You now welcome British travellers in increasing numbers.

Attracted by your scenery, bird-life and salmon fishing.

Among them, the Prince of Wales, the first royal visitor to call on you in 1980 after your inauguration.

Britain greatly values the Icelandic contribution to the security of the Western community. Iceland has accepted the responsibility imposed by her crucial geo-strategic position and has proved a key member of the North Atlantic Alliance. We and you share the same values and ideals and pursue the same objectives:

World peace, the rule of law and international trade and co-operation.

As you yourself said, Madam President, in your inauguration speech:

"We are all, as citizens of the world, duty bound to contributing to our utmost ability to the continuing progress of the spirit of humanity".



Foreign and Commonwealth Office

London SW1A 2AH

15 February 1982

Dear John.

Visit by President Vigdis Finnbogadottir of Iceland

President Vigdis is visiting the UK from 16 to 19 February as a guest of Her Majesty's Government. This is the first official visit by an Icelandic President since the State Visit of President Asgeirsson in November 1963 (although President Eldjarn visited the Isle of Man in 1979 for the Millenium celebrations and President Vigdis herself attended the Royal Wedding).

The Cod War has passed into history and Anglo-Icelandic relations have returned to normal. The purpose of this visit therefore, both from our own and the Icelandic point of view, is to underline this fact. In addition we want to bring Iceland to the notice of the general business public as trade with Iceland has shown an overall decline over the last few years (see Brief No 3).

The President will be accompanied by the Icelandic Foreign Minister Dr Johannesson who will have talks with Lord Carrington in the FCO before joining the Prime Minister and President Vigdis.

There are no fixed agendas for either meeting. However, we understand that the President is likely to be interested in discussing Education (see Brief No 1A), Equal Opportunities, Conservation of the Environment (see Brief No 1C) and Inflation (see Brief No 2C). As a non-executive Head of State, President Vigdis prefers to avoid substantive discussion of major political issues.

Our main objective in both talks will nevertheless be to encourage the Icelanders to continue to adopt the robust stand they have taken on recent world events and especially Poland (see Brief No 2B). Iceland's geo-strategic position is of crucial importance to NATO, but her political system and a national inclination to isolationism mean that she cannot be taken for granted.

For the Prime Minister's talks I attach the following Annexes:

- (a) Programme
- (b) Draft Speech
- (c) Personality Notes
- (d) List of Briefs
- (e) Check-list of Points to Make
- (f) Briefing Pack 1-3

A J Coles Esq 10 Downing St (F N Richards)

654 VISIT OF HER EXCELLENCY VIGDIS FINNBOGADOTTIR, PRESIDENT OF THE REPUBLIC OF ICELAND 16 - 21 FEBRUARY 1982 ADMINISTRATIVE ARRANGEMENTS (to be read in conjunction with the programme) TUESDAY 16 FEBRUARY Sir Edwin Arrowsmith, Special Representative of 1010 the Secretary of State for Foreign and Commonwealth Affairs arrives at London Heathrow Airport Brabazon VIP Lounge. His Excellency Ambassador Sigurdur Bjarnason 1020 and Mrs Bjarnason arrive at London Heathrow Airport, Brabazon VIP Lounge. The Lord Skelmersdale, Lord in Waiting to Her 1030 Majesty The Queen arrives at London Heathrow Airport, Brabazon VIP Lounge. a representative of has landed As soon as the aircraft the British Airports Authority will escort the greeting party from the VIP lounge to the bottom of the aircraft steps. The Icelandic Ambassador will board the aircraft and accompany the President to the tarmac where he will present the following (in order): The Lord Skelmersdale, Lord in Waiting to Her Majesty The Queen. Sir Edwin Arrowsmith, Special Representative of the Secretary of State for Foreign and Commonwealth Affairs Mrs Bjarnason Mr D A S Gladstone, Western European Department, Foreign and Commonwealth Office Brigadier J A C Cowan, Secretary, Government Hospitality Fund The Hon Diana Makgill, Lady Ceremonial Officer Mr Neville Coppel, Escort Officer, Government Hospitality Fund The party will proceed to the VIP lounge where the Icelandic Ambassador will present the members of the official suite. Transport Cars are provided for the official suite throughout the period of the visit as indicated in Annex 1. /WEDNESDAY

WEDNESDAY 17 FEBRUARY

Call by the Secretary of State for Foreign and Commonwealth Affairs

The following will also be present:

ICELAND

His Excellency Dr Olafur Johannesson

His Excellency Ambassador Hoerdur Helgason

His Excellency Ambassador Sigurdur Bjarnason

His Excellency Ambassador Olafur Egilsson

UNITED KINGDOM

Private Secretary
Mr D A S Gladstone

Call by Secretary of State for Trade

The following will also be present:

ICELAND

His Excellency Dr Olafur Johannesson

His Excellency Ambassador Hoerdur Helgason

His Excellency Ambassador Sigurdur Bjarnason

His Excellency Ambassador Olafur Egilsson

UNITED KINGDOM

Private Secretary

Mr D A S Gladstone

Ambassador S Bjarnason and Mr D A S Gladstone will be present at the talks at the Foreign and Commonwealth Office.

Talks with the Prime Minister

The Private Secretaries of the President and the Prime Minister will be present at the Tête-à-tête Talks. At 1230 they will be joined as indicated in the programme;

Ambassador S Bjarnason Mr D A S Gladstone

will also be present.

Juncheon given by Her Majesty's Government

The following are also invited:

His Excellency Dr Olafur Johannesson and Mrs Johannesson

His Excellency Ambassador Hoerdur Helgason and Mrs Helgason

His Excellency Ambassador Sigurdur Bjarnason and Mrs Bjarnason

His Excellency Ambassador Olafur Egilsson and Mrs Egilsson

Visit to the British Museum

The following will accompany the President:

His Excellency Dr Olafur Johannesson and Mrs Johannesson

His Excellency Ambassador Hoerdur Helgason and Mrs Helgason

His Excellency Ambassador Sigurdur Bjarnason and Mrs Bjarnason

His Excellency Ambassador Olafur Egilsson and Mrs Egilsson

Mr D A S Gladstone and Mrs Gladstone

Tour of the National Theatre and theatre/supper party

The following will accompany the President:

His Excellency Dr Olafur Johannesson and Mrs Johannesson His Excellency Ambassador Hoerdur Helgason and Mrs Helgason His Excellency Ambassador Olafur Egilsson and Mrs Egilsson Mr D A S Gladstone and Mrs Gladstone

THURSDAY 18 FEBRUARY

Visit to Pimlico School

The following will accompany the President:

His Excellency Dr Olafur Johannesson and Mrs Johannesson

His Excellency Ambassador Hoerdur Helgason and Mrs Helgason

His Excellency Ambassador Sigurdur Bjarnason and Mrs Bjarnason

His Excellency Ambassador Olafur Egilsson and Mrs Egilsson

Mr D A S Gladstone and Mrs Gladstone

The programme at the school includes visits to the Fifth year chemistry class, First year integrated science class and First year mathematics class. After coffee with the Headmaster, other senior members of the staff, senior officials of the Inner London Education Authority and a boy and girl from both the first and sixth years, the President and her party will see examples of art produced by pupils at the school. The final twenty minutes of the programme will be with musicians for which the school is particularly noted.

Luncheon with Her Majesty The Queen The following are also invited: His Excellency Dr Olafur Johannesson and Mrs Johannesson His Excellency Ambassador Sigurdur Bjarnason and Mrs Bjarnason Visit to the House of Commons, Dinner given by the Lord Mayor and Corporation of London The following are also invited: His Excellency Dr Olafur Johannesson and Mrs Johannesson His Excellency Ambassador Hoerdur Helgason and Mrs Helgason His Excellency Ambassador Sigurdur Bjarnson and Mrs Bjarnason His Excellency Ambassador Olafur Egilsson and Mrs Egilsson Mr D A S Gladstone and Mrs Gladstone FRIDAY 19 FEBRUARY Visit to Oxford and Stratford-upon-Avon The following will accompany the President:

His Excellency Dr Olafur Johannesson and Mrs Johannesson

His Excellency Ambassador Hoerdur Helgason and Mrs Helgason

His Excellency Ambassador Sigurdur Bjarnason and Mrs Bjarnason (Oxford only)

His Excellency Ambassador Olafur Egilsson and Mrs Egilsson Mr D A S Gladstone

june A.L. Re- 1

10 February 1982

J H W Reid (Miss) Visits Section Protocol and Conference Department FOREIGN AND COMMONWEALTH OFFICE

CAR PLAN

Tuesday 16 February

London Heathrow Airport to Hyde Park Hotel

Car 1 Her Excellency the President

His Excllency Sigurdur Bjarnason

The Hon Diana Makgill

Security Officer

Car 2 His Excellency Dr Olafur Johannesson

> Mrs Johannesson Mrs Bjarnason Mr Neville Coppel Security Officer

Car 3 His Excellency Ambassador Hoerdur Helgason

> Mrs Helgason Mr W R McQuillan Mrs McQuillan

Car 4 His Excellency Ambassador Olafur Egilsson

Mrs Egilsson

Wednesday 17 February

Hotel to Foreign and Commonwealth Office

Car 2 His Excellency Dr Olafur Johannesson

> Ambassador S Bjarnason Mr D A S Gladstone Group Captain A O'Neill

Hotel to 10 Downing Street (at 1145 hours)

Car 1

Her Excellency the President His Excellency Ambassador Olafur Egilsson

The Hon Diana Makgill Mr Neville Coppel Security Officer

Hotel to 10 Downing Street (at 1245 hours)

Car 3 His Excellency Ambassador Hoerdur Helgason

Mrs Johannesson Mrs Helgason Mrs Egilsson

10 Downing Street to British Museum; British Museum to Hotel Car 1 Her Excellency the President Dr D M Wilson (to British Museum only) The Hon Diana Makgill Security Officer Car 2 His Excellency Dr Olafur Johannesson Mrs Johannesson Mr Neville Coppel Security Officer Car 3 His Excellency Ambassador Hoerdur Helgason Mrs Helgason Mr D A S Gladstone Mrs Gladstone Car 4 His Excellency Ambassador Olafur Egilsson Mrs Egilsson Hotel to National Theatre, Savoy Hotel and return to Hotel Car 1 Her Excellency the President The Hon Diana Makgill Mr Neville Coppel Security Officer His Excellency Dr Olafur Johannesson Car 2 Mrs Johannesson Security Officer Car 3 His Excellency Ambassador Hoerdur Helgason Mrs Helgason Mr D A S Gladstone Savoy to FCO Mrs Gladstone His Excellency Ambassador Olafur Egilsson Car 4 Mrs Egilsson Thursday 18 February Hotel to Pimlico School and return to Hotel Her Excellency the President Car 1 The Hon Diana Makgill Mr Neville Coppel Security Officer His Excellency Dr Olafur Johannesson Car 2 Mrs Johannesson Security Officer

His Excellency Ambassador Olafur Egilsson Car 4 Mrs Egilsson

Mrs Helgason

Mrs Gladstone

Car 3

His Excellency Ambassador Hoerdur Helgason

Mr D A S Gladstone)outward journey only

notel to Buckingham Palace, Buckingham Palace to House of Commons and return to Hotel

Car 1 Her Excellency the President

The Hon Diana Makgill Mr Neville Coppel Security Officer

Car 2 His Excellency Dr Olafur Johannesson

Mrs Johannesson Security Officer

Hotel to House of Commons and return to Hotel

Car 4 His Excellency Ambassador Horrdur Helgason

Mrs Helgason

His Excellency Ambassador Olafur Egilsson

Mrs Egilsson

Hotel to Mansion House and return to Hotel

Car 1 Her Excellency the President

The Hon Diana Makgill Mr Neville Coppel Security Officer

Car 2 His Excellency Dr Olafur Johannesson

Mrs Johannesson Security Officer

Car 3 His Excellency Ambassador Hoerdur Helgason

Mrs Helgason

Car 4 His Excellency Ambassador Olafur Egilsson

Mrs Egilsson

Friday 19 February

Hotel to Oxford, Stratford-upon-Avon and return to London

Car 1 Her Excellency the President

The Hon Diana Makgill Mr Neville Coppel Security Officer

Car 2 His Excellency Dr Olafur Johannesson

Mrs Johannesson Security Officer

Car 3 His Excellency Ambassador Hoerdur Helgason

Mrs Helgason

Mr D A S Gladstone

His Excellency Ambassaodr Olafur Egilsson Car 4 Mrs Egilsson NOTE: The Lord Lieutenant of the County of Oxfordshire, Sir Ashley Ponsonby will travel with the President from the John Radcliffe Maternity Hospital to the Nuffield Orthapaedic Centre, thence to Green College. During this time Mr Coppel will travel in Car 2. Sunday 21 February Hotel to London Heathrow Airport as on inward journey

DISTRIBUTION Buckingham Palace Private Secretary to Her Majesty The Queen (2) Press Office (2) 10 Downing Street Private Secretary (2) Press Officer (2) Icelandic Embassy (10) Foreign and Commonwealth Office Private Secretary (2) Private Secretary/Lord Privy Seal (2) Private Secretary/Permanent Under Secretary (2) Mr J L Bullard Mr A C Goodison Mr D A S Gladstone (2) WED (Mr Duncan) (6) News Department (Mr Hannaby) (3) Resident Clerk Miss Lothian PCD (6) Medical Advisory Service Dr Semmence (2) Ministry of Defence Major B Cockroft (2) Department of Trade Private Secretary (2) Mr R Devonshire, Exports to Europe Branch (1 Victoria St R 362) Government Hospitality Fund Department of Education and Science Private Secretary/Minister for the Arts (2) Miss Carpenter Mr G W Woodward, Inner London Education Authority Chief Supt G Brown (4) Thames Valley Police Headquarters

13 FEB 1982



VISIT OF THE PRESIDENT OF THE REPUBLIC OF ICELAND HER EXCELLENCY VIGDIS FINNBOGADOTTIR

17-19 FEBRUARY 1982

PROGRAMME

Date/Time	<u>Event</u>	Remarks
Tuesday 16	February	
1200	Arrival at London Hear Flight FI 432. Braba Suite. Cermonial Guard Proceed to Hyde Park No official engagement	zon VIP dale, Sir Edwin Arrowsmith Hotel
	Interview with 'Women BBC, and 'Afternoon F	

Wednesday 17 February

1000	Secretary of State for Foreign and Commonwealth Affairs will call on the President at the Hotel
1030	Secretary of State for Trade will call on the President at the Hotel
1100	Meeting with Rescue Team at Hyde Park Hotel
1145-1230	Secretary of State for Foreign and Commonwealth Affairs will have talks with Dr Johannesson
1200	Prime Minister and President will have talks 10 Downing Street Private Secretaries only
1235	Lord Carrington and Dr Johannesson will join the Prime Minister and President
1300 for 1315	Luncheon hosted by the Prime Minister at 10 Downing Street

(2)

1500-1600

Visit to British Museum

1815

Tour of National Theatre accompanied by Mr P Channon, Minister for the Arts followed by Theatre/Supper evening ''On the Razzle'' Lyttleton Theatre

Supper at Savoy Grill

Supper at Savoy Gril

Thursday 18 February

1000-1130 Visit to Pimlico School

Lupus Street

1300 Arrive Grand Entrance

Luncheon with The Queen at

Buckingham Palace

1515 Arrive Member's Entrance,

House of Commons, met by James Johnson MP, Chairman

of the Anglo-Icelandic Parliamentary

Group

Tea with British-Icelandic Group

1900 for 1930 Dinn

Dinner given by the Corporation

of London at Mansion House

Friday 19 February

0830 Depart Hotel for Oxford

1000 Visit to Radcliffe Infirmary

Coffee

10 20-1050 Visit Specialised Baby-Care Unit

1105-1135 Visit Orthopaedic Engineering Unit

1115 for 1215 Lunch at Green College, Oxford

University, hosted by Sir Richard Doll

and Lady Doll

1315 Depart Oxford

1430 Arrive Stratford-on-Avon

Tour of Royal Shakespeare Company

premises

Tea

1600

Depart Stratford-on-Avon

1830

Arrive London

Sunday 21 February

1500

Depart on flight FI 205, Kingsford-Smith Suite

Delighted to welcome President Vigdis here today. Though

Vigdis

the President attended the wedding of the Prince and Princess

of Wales last July, her visit this week is the first official

visit by an Icelandic Head of State to Britain since 1963.

Far too long a gap, glad we are now making up for it. It

gives me, as the first woman Prime Minister of this country,

especial pleasure to welcome President Vigdis as the only

democratically elected woman Head of State in the world.

That is a notable achievement. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence. It is also evidence that It is also evidence to evidence that It is also evidence that It i

Histories of our two countries are closely intertwined.

Icelandic/Viking contribution to British history and

Culture is well documented, and a subject last year both of
an exhibition and of lively controversy: were the Vikings
great saints or great sinners? All agreed that they

(Icelanders) were great poets. Sagas have enriched all our
lives: among great monuments of European civilisation.

Recent excavations in York have added to our knowledge of
everyday Viking life in Britain. Understand President Vigdis
is the official Icelandic patron of the Jorvik Trust.

The Jorvik/York Archaelogical Trust sponsored the excavation

at the Coppergate in York since 1976.

Whatave your answer to that we can bet all open that we had all open that all open tha

geo-strategic position and has proved a key member of
the Atlantic Alliance. Britian and Iceland share the same
values and ideals and pursue the same objectives: world
peace, the rule of law and international trade and
cooperation. As you yourself have nobly said, Madam
President, 'We are all of us citizens of the world . . .
duty bound to contribute . . . to our . . . utmost
ability to the continuing progress of the spirit of
humanity.' [President Vigdis's inauguration speech].

In conclusion, horoured to have had the opportunity to talk to you today. Your visit underlines and has served to strengthen the traditional warm friendship which exists between our two countries. I am confident that the friendship can only deepen still further in the years to come.

in vous

Our ancestors were well acquainted with the land of fire and ice. One of Drake's fire ships sent against the Spanish Armada at Cadiz was named after your volcano Hekla, still giving a good account of herself last year. In the mid-19th century Iceland rediscovered by Western Europe and North America. We shall never forget that during the second World War Iceland played a vital part in helping to keep the sea lanes open and the UK supplied with fish. Many Icelanders lost their lives.

Like to think that Britain stood godparent at the birth of the Republic [in 1944]. Actually we sent troops to prevent German invasion. Glad to see that Icelanders have not held our 'occupation' against us and welcome British travellers in increasing numbers. Attracted by scenery, bird life and salmon fishing. Among them the Prince of Wales, the first Royal visitor to call on you in 1980 after your inauguration. Appropriate since I know that one of your shared concerns is the conservation of the environment.

Tourisms remind me that Iceland has many and varied commercial lins with Britain. We have been one of your 3 most important trading partners for many years. Samband, your unique Federation of Cooperative Societies, has had an office in the UK for more than 60 years. [Subject to final Guest List] and I am pleased to welcome here tonight Mr Sigurdsson, Director of Samband UK (Reserve for No 35, 36 on draft list]. Britain greatly values Icelandic contribution to strength of Western community. Iceland has accepted the responsibility imposed by her crucial

Delighted to welcome President Vigdis here today. Though the President attended the wedding of the Prince and Princess of Wales last July, her visit this week is the first official visit by an Icelandic Head of State to Britain since 1963. Far too long a gap; glad we are now making up for it. It gives me, as the first woman Prime Minister of this country, especial pleasure to welcome President Vigdis as the only democratically elected woman Head of State in the world.

That is a notable achievement. It is also evidence that Iceland has always been a pioneer of democracy. Your Parliament, the Althing, had been sitting for centuries before our own Mother of Parliaments first met. Icelandic woman gained the vote some 10 years before woman in the UK. Britain has been glad to learn from your example.

Histories of our two countries are closely intertwined. Icelandic/Viking contribution to British history and Gulture is well documented, and a subject last year both of an exhibition and of lively controversy: were the Vikings great saints or great sinners? All agreed that they (Icelanders) were great poets. Sages have enriched all our lives: among great monuments of European civilisation.

Recent excavations in York have added to our knowledge of everyday Viking lifetin Britain. Understand President Vigdi: is the official Icelandic patron of the Jorvik Trust.

The Jorvik/York Archaelogical Trust sponsored the excavation at the Coppergate in York since 1976.

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geo-strategic position and has proved a key member of
the Atlantic Alliance. Britian and Iceland share the same
values and ideals and pursue the same objectives: world
peace, the rule of law and international trade and
cooperation. As you yourself have nobly said, Madam
President, 'We are all of us citizens of the world . . .
duty bound to contribute . . . to our . . . utmost
ability to the continuing progress of the spirit of
humanity.' [President Vigdis's inauguration speech].

In conclusion, honoured to have had the opportunity to talk to you today. Your visit underlines and has served to strengthen the traditional warm friendship which exists between our two countries. I am confident that the friendship can only deepen still further in the years to come.

VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND 17-19 FEBRUARY 1982

LIST OF BRIEFS

- 1. Education
- 2. Equal Opportunities for Women
- 3. Conservation of the Environment
- 4. Internal Scene
- 5. East West/NATO
- 6. Economic
- 7. Bilateral Relations including Trade
- 8. Personality Notes

VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND:

17-19 FEBRUARY 1982

EDUCATION

POINTS TO MAKE

- I <u>Organisation of Secondary Schools</u> (understand Iceland is introducing Comprehensive secondary schools).
- II <u>School Curriculum</u> (understand Iceland has compulsory schooling from 7-15).
- III 16-19 (Iceland has many separate vocational schools).
- IV Overseas Students' Fees (If raised).
 - 1. Government policy to welcome overseas students, but to ensure that cost of providing for them is covered by the fees. Public expenditure constraints prevented us from continuing to subsidise overseas students' fees; 1979/80 the subsidy running at £100 M a year, or 60% of average real cost of each course. 1971 to 1979 the number of overseas students rose from 39,000 to 87,000, an increase of 123%.
 - 2. We are monitoring the effects of introducing full cost fees. The Overseas Students Trust, a voluntary body founded by industry, is reviewing policy options on overseas students' fees, and we will consider their recommendations carefully when they are available.

VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND: 17-19 FEBRUARY 1982 BACKGROUND FACTS

- 1. 1979 legislation removed compulsion on local authorities to phase out the remaining selective Grammar schools; some authorities took advantage of this to reverse Comprehensive plans.

 In 1981 89% of all secondary pupils were in Comprehensive schools. The Government's Assisted Place Scheme supports able children from less well-off families at independent schools, giving them a wider range of educational opportunities.
- 2. Primary schools have an overriding responsibility to teach English and Mathematices, as part of a broad curriculum.

 Secondary school pupils up to 16 should also follow a broad curriculum, covering key subjects, but related to life outside the school. Recent report by Professor Cockroft concludes that Mathematics teaching is unsatisfactory and that major changes are needed in the way Mathematics is taught.
- 3. Because of falling pupil numbers, local authorities have been urged to review their provision for the 16-19 age group.
- 4. Proposals for a new pre-vocational examination at 17+ for both school and college use, have been published.
- 5. Measures costing some £500 million aimed at relieving acute unemployment were announced in July. They included £60 million next year to enable 50,000 more young people to continue in full-time education.
- 6. Proposals for a new Youth Training Scheme, and an expansion of the present unified vocational preparation schemes were contained

in December's White Paper 'A New Training Initiative: Proposals for Action'.

ICELANDIC STUDENTS IN UK

- 7. 124 students from Iceland studying in the UK from 1979/80.
 94 in universities (43 under-graduates; 51 post-graduates); 20 in advanced further education; 10 in non-advanced further education.
- 8. In 1980/81 (the first year affected by increased overseas students' tuition fees) the total dropped to 96: 78 in universities (36 under-graduates; 42 post-graduates); 15 in AFE, 3 in NAFE.
- 9. Five Icelandic post-graduate students were offered bursaries under the Bursary Scheme for Talented Students, administered by the Committee of Vice-Chancellors and Principals, for 1981/82.

VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND: 17-19 FEBRUARY 1982

EQUAL OPPORTUNITIES FOR WOMEN

POINTS TO MAKE

- 1. The United Kingdom Government is fully committed to eliminating discrimination and promoting equal opportunities for women.
- 2. The United Kingdom plays a full part in the work of the United Nations, European Community and Council of Europe and supports the activities undertaken by those bodies to improve the status of women.

of Government time being made available for their implementation in the near

5. The legislation does not permit "reverse discrimination" : for example, it is unlawful to discriminate in favour of women in recruitment or promotion. It does, however, permit employers to encourage women to train for a particular form of work or to give preference to women in allocating training places, provided it can be shown that women have been under-represented in that work over the previous twelve months. Training bodies may provide training courses to meet women's special needs (for example, courses for women returning to work after bringing up a family) and a further exception permits trade unions and professional organisations to take positive action to ensure that both sexes are fully represented at various levels in the organisation.

The United Nations Convention on the Elimination of all Forms of Discrimination against Women.

- The United Kingdom signed the Convention in June 1981 and the Government is now actively pursuing consultations in the hope that it will prove possible to ratify the Convention. This will take some time, partly because the Convention itself covers a very wide field and bears on the responsibilities of many Government Departments, and partly because of the need to consult the Channel Islands, the Isle of Man and the Dependent Territories. There is also more than one legal system to take into account.
- 7. Iceland has signed but not yet ratified the Convention.

Home Office 10 February 1982 VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND: 17-19 FEBRUARY
TITLE OF BRIEF: CONSERVATION OF THE ENVIRONMENT
BACKGROUND INFORMATION

NATURE CONSERVATION

- 1. The main area of a potential divergence of views between the UK and Iceland is in respect of whales. HMG's policy is to seek an indefinite ban on all commercial whaling within the International Whaling Commission (IWC) framework, until catch limits can be determined to prevent a continuing decline in stocks and until satisfactory killing methods can be developed.
- 2. Annual IWC Meeting in Brighton in July 1981 agreed, with strong
 UK support to extend the existing ban on use of cold-grenade (nonexplosive) harpoon to Minke whales as well as other species.
- 3. Iceland has exercised her right under the 1946 Whaling Convention to object to this measure, which will therefore not be binding on Icelandic operations (Norway and Japan have made similar objections). UK has formally expressed 'disappointment' at the Icelandic and other objections with the hope that they can be withdrawn as soon as possible.

4. The IWC has also agreed a ban on the taking of Sperm whales from the 1982 season until a resumption can be agreed on the basis of scientific advice. There is an exemption for 1982 in the North Atlantic to enable Iceland to phase out its operations.

DOE

VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND: 17-19 FEBRUARY FORESTRY IN BRITAIN EXTENT 1. Britain has 1.8 million hectares of productive woodlands divided equally between the Forestry Commission and the private sector. These comprise 9% of the total land area which, but for Ireland, is the lowest percentage in the European Community. They produce 9% of the domestic wood requirements and production is expected to rise to between 15% and 20% by 2025. The predominant species are coniferous because most of the land available for forestry is too poor or too exposed to support broadleaves satisfactorily. ADMINISTRATION 2. The Forestry Commission, whose responsibilities do not extend to Northern Ireland, was set up in 1919. In its forestry authority role it is responsible for advising on and implementing forestry policy, grant-aid to the private sector, research and plant health. It also manages the forestry enterprise, ie the government-owned woodlands. The present Chairman is Sir David Montgomery. The Commission post-dates the Icelandic Forest Service which was established before the first World War. POLICY 3. Successive governments have supported the expansion of forestry and the mixed economy approach. On 10 December 1980 the present /government

government reaffirmed its support for further expansion in order to reduce the nation's dependence on imported wood and to provide continued employment in forestry and the wood-using industries. The government considered that there was scope for expansion to continue for the immediate future at broadly the historic rate of the last 25 years (30,000 hectares per annum) while preserving an acceptable balance with other rural interests. There would, however, be greater participation by the private sector, and in accordance with the policy of reducing public expenditure the Forestry Commission's dependence on the Exchequer would be reduced by the proceeds of selling some of its land and plantations. Sales are now proceeding.

AID FOR THE PRIVATE SECTOR

4. A new grant scheme was introduced last October, old schemes are being phased out. There are differential rates of grant in recognition of the higher costs of small-scale planting and of planting broadleaves. The initial response has been encouraging and suggests a return of confidence in the industry. These are special income tax and CTT arrangements for forestry which recognise the long-term nature of the industry.

WOOD MARKETS

5. Markets and prices for wood have been depressed, reflecting the general economic situation, and markets for small roundwood have also suffered from the closure of pulpmills at Fort William, Ellesmere Port and Bristol. The effects of the closures have been partly alleviated by exports to Scandinavia but the aim for

the longer term is to encourage new investment at home, steps are being taken to this end. There has been recent new investment in the sawmilling of British grown softwoods which is expected to increase as the sawlog supply doubles over the next 15 years.

EMPLOYMENT

6. Total employment in forestry and the wood processing industries is about 30,000.

CONTACTS WITH THE ICELANDIC FOREST SERVICE

7. The Forestry Commission has contacts with the Icelandic Forest Service and is at present helping them with research on spruce seed collected from British Columbia. Mr Sigurdur Blondal, Director of the Icelandic Forest Service, toured Commission forests in Scotland in May 1978. The topics discussed included new afforestation, crop protection, wildlife, landscaping and conservation.

ICELAND: INTERNAL POLITICAL BRIEF

1. A former Danish dependency, independent since 1944.

Parliamentary elections required every four years, but governments usually unstable coalitions. Party strengths in Althing and list of Cabinet attached. Political equivalents with UK (approx) as follows:

Independents = Conservatives

Progressives = Farmers and Cooperatives

Peoples' Alliance = Left-wing Socialists with Communist

elements

Social Democrats = Labour

- 2. The formation of a Coalition Government under Gunnar Thoroddsen in February 1980 was a surprising move since it involved his departure, with two other Independence Party colleagues, from the main body of the party, which remained in Opposition. Although a loose system of consultation was instituted between the two wings of the Independence Party, Thoroddsen, as Vice Chairman, was initially seen by fellow members as having betrayed the party by going behind the back of its leader, Geir Hallgrimsson.
- 3. The government itself appears stable, although with a majority of only one it could fall at any time. Gunnar Thoroddsen himself at 71 may be a weak link. Though unorthodox, the government does not appear unpopular and the inclusion of Olafur Johannesson (Progressive Party), as Foreign Minister, can have done nothing but good for the coalition.

PARTY REPRESENTATION IN THE ICELANDIC PARLIAMENT AND CABINET

PARLIAMENT

Independence Party 22
Progressives 17
Social Democrats 10
People's Alliance 11
60

CABINET

 Independents
 3

 Progressives
 4

 People's Alliance
 3

 10

THE ICELANDIC GOVERNMENT

Ministers

Prime Minister

Foreign Affairs

Agriculture

Fisheries and Communications

Industries

Education and Culture

Commerce

Health, Insurance and Social Affairs

Justice and Ecclesiastical Affairs

Dr Gunnar Thoroddsen, Vice-Chancellor, Independence Party

Olafur (David) Jóhannesson, Progressive Party

Palmi Jóhnsson, Indpendence Party

Steingrimur Hermannsson, Chairman, Progressive Party

Hjorleifur Guttormsson, Peoples' Alliance

Ingvar Gislason, Progressive Party

Tómas Arnason, Progressive Party

Svavar Gestsson, Peoples' Alliance

Fridjón Thórdarson, Independence Party

ICELAND - BASIC STATISTICS, 7.7.81

Population (thousands)	1979	228
Labour Force (thousands	1979	94.5 (estimate)
Unemployed (% of labour force)	1979	0.4%
Gross Domestic Product (US \$)	1979	2.47
	1980	2.80
Annual Rate of Growth of Volume of GDP (%)	1979	2.7
	1980	1.3
Annual Rate of Growth of Industrial Production (%) (Manufacturing Industry)	1979	5.5
Fish Catch (%)	1979	+5.4
	1980	-8.9
Consumer Prices (change over year earlier) (%)	1979	27.0
	1980	54.6
Balance of Payments on Current Account (US \$ million)	1979	-23.1
	1980	-100 (OECD estimate)
Trade with United Kingdom		
UK Exports to Iceland	1980	£47.2 million
UK Imports from Iceland	1980	£82.0 million

VISIT OF PRESIDENT VIGDIS FINNBOGADOTTIR 17 - 19 FEBRUARY

EAST/WEST: POLAND

POINTS TO MAKE

Icelandic Attitude

1. Welcome Iceland's firm public stand on Poland, and funds for humanitarian assistance.

VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND 17-19 FEBRUARY

EAST-WEST: POLAND

Background Information

Icelandic Attitude

1. Icelandic statements on Poland have been robust and in line with other NATO Allies. Although the Icelanders are not taking active measures against Poland, they have now provided funds for humanitarian assistance to Poland. At the NAC Meeting on 3 February, the Icelandic representative reported that a Soviet approach on the possibility of three Soviet factory ships carrying out experimental fishing off Iceland had been rejected.

EASTERN EUROPEAN AND SOVIET DEPARTMENT
10 FEBRUARY 1982

VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND: 17-19 FEBRUARY

NATO ISSUES

POINTS TO MAKE

Iclandic Contribution to NATO

Value Iceland's contributuion through facilities available at Keflavik. Vital rôle in defending Western security interests in North Atlantic.

VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND: 17-19 FEBRUARY

NATO ISSUES

BACKGROUND INFORMATION

Icelandic Contirbution to NATO

Iceland has never had armed forces. Only reluctactly joined NATO, but clear majority of Icelanders now support membership. Principal contribution is through Defence Agreement of 1951 with US, which grants latter use of Keflavik. Of crucial importance in wartime as base for surveillance, interception, air defence and attack operations against Soviet naval movement into the North Atlantic.

VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OR ICELAND: 17-19 FEBRUARY 1982

THE ICELANDIC ECONOMY

BACKGROUND INFORMATION

Economic Structure and Output

1. Iceland has a small open economy with exports dominated by fish products (75%). Real GNP grew at 3½% p.a from 1975 to 1980, then by 1½% last year and it is projected by the OECD to grow another 1% in 1982. The economy is at full employment - in fact there are labour shortages.

Balance of Payments

2. A current account deficit of 31% of GNP in 1980 was all but eliminated in 1981 due to sustained growth in exports by the fishing and energy-intensive industries (aluminium and ferrosilicon processing).

Interest rates

3. Real interest rates were negative for several years with consequently low household savings. Government bonds now give a real rate of return of 3-6%. Investment fell last year and is below the level achieved in 1974.

Inflation

- 4. Iceland's major economic problem: it rose from 30% pa in 1977 to 57% in 1980, was 55% in 1981, and is forecast by the OECD to be 40% this year. The cost-of-living index has not been rebased since 1964 and gives excessive weight to agricultural produce (which have government-influenced prices for milk and meat).
- 5. Wage negotiations will begin again in May.

Monetary and fiscal policy

6. Monetary targets are not set. Kronur M3 rose 55% in the year to October 1980 and 85% in the next 12 months. Central government ran a fiscal surplus in 1981.

Exchange rate

7. The consequence of Iceland's inflation rate persistently exceeding the rest of the OECD's has been a fall in the exchange rate from 119 US cents per Kronur in 1973 to $10\frac{1}{2}$ cents per Kronur now.

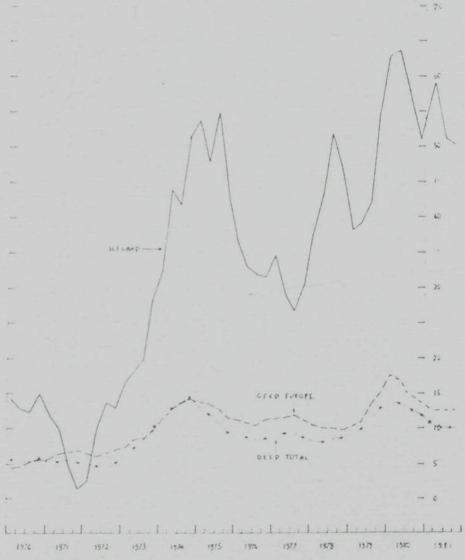
VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND:
- 19 FEBRUARY 1982

ICELANDIC INFLATION POLICY

BACKGROUND INFORMATION

- 1. Attached graph shows Iceland's rate of inflation since 1970 compared with the average for the OECD and for OECD Europe. Clearly demonstrates the effect of imported inflation (from oil price rises of 1973 and 1979) on an economy where virtually everything is automatically increased with rises in cost-of-living index. Not only are wages and pensions index-linked, but also other transfer payments, farmers' incomes and some financial instruments. Profits too, tend to be index-linked because of standard mark-up rules on costs.
- 2. Iceland faces classic problem of a small country where trade is important to it but world prices of exports and imports are beyond its control. Price of oil is set in global markets and dollar price of fish products is determined largely in USA. The Kronur/\$ exchange rate is therefore set, and so the country has an exchange rate policy, not a monetary policy.
- 3. Apart from increasing the coverage of indexation, one major attempt was made in 1975 to control inflation with an incomes policy. Resulted in a 12% fall in real wages and a backlog of pent-up wage claims which caused another bout of wage inflation in 1977 and price inflation in 1978 (see graph).
 - 4. Because of openness of economy (50% of GNP is exported) country's exposure to potential external shocks is very large and present system of full indexation causes a once-and-for-all inflationary shock to spiral round for years. Solutions mooted include either strict, but temporary, mandatory price and wage controls, or alteration of the cost-of-living index to exclude indirect taxes, or energy costs or all imports. The last option would reduce the general vulnerability of Iceland's price level to external shocks very substantially.

 $\frac{\text{Lockandse} - \text{Consumer prices} + \text{Comparison with the OLCD}}{P_{\text{Polished}} + \text{constraints} + \text{comparison with the OLCD}} \xrightarrow{\text{as crage}}$



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VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND: 17-19 FEBRUARY

BILATERAL RELATIONS

BACKGROUND INFORMATION

- 1. The Cod war is four years behind us and relations have returned to their traditional warmth. A list of recent official visits is attached.
- 2. A Convention for reciprocal health care and social security arrangements is currently in the final stages of negotiation and it is hoped to bring the Convention into force during 1982.
- 3. There are no major problems in relations although the Icelanders may raise the following topics:
 - a) revocation of import licences for Icelandic sheapmeat
 - b) UK Icelandic air services

Briefs are attached.

BILATERAL RELATIONS

BACKGROUND

Vots from Iceland 1980

April Mr Arnason, the Minister for Commerce

July Mr Johnsson, the Minister of Agriculture, had talks

with Mr Walker

Visits to Iceland 1980

The Prince of Wales called on President Vigdis during a private fishing holiday.

Visits from Iceland in 1981

January Director of the National Bank, Mr Vilmundarson

Chairman of the Social Democratic Party, Mr Johannsson

Vice Chairman of Progressive Party, Mr Asgrimsson

called on Mr Hurd

May Minister for Fisheries and Communication,

Mr Hermansson, called on the Lord Privy Seal

(All above were COI Category I visitors)

July The President visited the UK for the Royal Wedding.

VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND: 17 - 19 FEBRUARY

IN RTS OF ICELANDIC SHEEPMEAT (REVOCATION OF THE OFFICIAL CERTIFICATE)

POINTS TO MAKE (ONLY IF RAISED)

- 1. Hope Iceland has understood why it was not possible for us to treat them differently from all our other suppliers.
- 2. Never our intention to prevent production of national dish ("burnt sheeps head"). Only concern was that meat entering the UK should be from approved slaughterhouses.
- 3. (If necessary) Total trade involved no more than £150,000 (256 tonnes).

VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND: 17 - 19 FEBRUARY INDRIES OF ICELANDIC SHEEPMEAT (REVOCATION OF THE OFFICIAL CERTIFICATE) BACKGROUND INFORMATION Under both Community and UK meat hygiene regulations, sheep heads must be de-horned and skinned prior to post mortem inspection. In 1980, a MAFF veterinary inspector found that this requirement was not being met in Icelandic slaughterhouses. The Icelanders' explanation was that keeping sheep heads whole was essential for making "burnt sheeps head" - a national delicacy. We informed the Icelandic authorities that, regrettably, we could make no exceptions and that only meat from slaughterhouses where the requirement was met could be accepted for import into the UK. The Icelanders replied that it was not practicable for them to differentiate between slaughterhouses, so that their whole trade with the UK would have to cease. This trade amounted to only 256 tonnes (of offal) in 1980. addition, the requirement in question had only recently and reluctantly been accepted by our major overseas suppliers (new Zealand and Australia). Given also the public health considerations, we felt obliged to confirm our intention to revoke the Official Certificate approving Icelandic exports but agreed to delay implementing our decision until 31 December 1981 to allow time for existing contracts to expire. We have now informed the Icelandic authorities that revocation 6. of their Official Certificate will take place on 12 February 1982.

VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND:

AIR SERVICES
BACKGROUND INFORMATION

Icelandair enjoys a monopoly on the route between the United Kingdom and Iceland. They extend 3 flights a week to cover the section Glasgow to Copenhagen. In 1978 British Airways complained that Icelandair's operations on the Glasgow - Copenhagen section was affecting their own interests on this route, and following protracted negotiations, in 1980 Icelandair were cut back to 1 flight a week. British Airways subsequently withdrew from this route, and in the absence of any other UK airline wishing to take it on Icelandair were, last November, granted increased frequency to 3 flights a week between Glasgow and Copenhagen.

Mr Biffen has been briefed in detail on Air Services by the Department of Trade.

MARITIME, AVIATION AND ENVIRONMENT DEPARTMENT

10 February 1982



VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND: 17-19 FEBRUARY 1982

GENERAL TRADE QUESTIONS

POINTS TO MAKE

- 1. Bilateral trade balance 2:1 in Iceland's favour, British companies hope to do better in your market.
- 2. Glad to offer continuing market here for Iceland's fish.
- 3. UK, within Community, attaches importance to trade relations with old EFTA partners.
- 4. Prospects for Icelandic economy?



VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR OF ICELAND: 17-19 FEBRUARY

GENERAL TRADE QUESTIONS

BACKGROUND INFORMATION

- 1. In 1980 UK exports to Iceland were worth 47m, and UK imports £82m (of which £38m of fish). Fish accounts for 75% of total Icelandic exports; the trade is price sensitive and demand is currently low, especially in the USA.
- 2. The UK takes 9% of Icelandic exports of fish and fish products.

 Many of their catches are landed direct in UK ports. Icelandic

 finance is participating in British fish processing, mainly on

 Humberside.
- 3. The Icelanders have expressed some concern at the use of the Community reference price system for fish products. In the summer of 1981 a proposed Community regulation would have suspended imports of Icelandic frozen cod fillets for four months (because they were too cheap compared with the reference price). After representations from the Icelanders, however, the regulation was amended to their satisfaction.
- 4. Iceland's other significant natural resource is cheap hydroelectric and geo-thermal energy (used for eg. aluminium production).



British companies hope to sell equipment for developing this resource.

- 5. Iceland has to import most capital and consumer goods. The UK share of the market is 10%. There are no important obstacles to UK exports. All industrial trade is duty-free under the Community's 1972 Free Trade Agreement with Iceland.
- 6. Zero growth in Iceland's economy is expected in 1982. The rate of inflation was 58% in 1980 but only 40% in the first ten months of 1981. The Krona is devalued periodically. Unemployment is almost negligible.

Department of Trade 10 February 1982 VALUE OF UNITED KINGDOM TRADE WITH ICELAND (£ million) UK Balance (£ million) UK Imports UK Exports + 0.3 9.0 9.3 1970 9.3 + 2.7 12.0 1971 9.3 13.4 1972 + 0.6 13.9 1973 14.5 12.8 20.8 1974 16.2 24.9 1975 31.7A 44.9C 26.2 1976 39.3B 1977 63.8 44.4 - 19.4 1978 - 34.8 48.5 83.3 1979 - 34.8 82.0 1980 47.2 Source: UK Overseas Trade Statistics A = Mainly due to the increase in Non ferrous metals (£9.8m). B = General increase in exports. C = Mainly due to increases for feeding stuff for animals, animal oils and fats, fats and non ferrous metals

8

FINNBOGADOTTIR, Vigdis

President of Iceland, since 1980

Born 1930, daughter of a well-known Professor. Her mother is President of the Icelandic Nursing Association.

Read French Literature at the Sorbonne, English at University of Iceland and History of the Theatre in Copenhagen.

Librarian at the National Theatre 1962-8, teacher at a Reykjavik High School 1968-72, Director of the Reykjavik City Theatre 1972-80.

She became a candidate in the Presidential Election of 1980 partly to demonstrate that a woman could be considered for the highest office. Besides those supporting her for this reason, she had the support of most left-wing sympathisers, and her attractive personality and good TV technique secured her 33% of the vote. She thus became President by a margin of 1% over her nearest competitor in a four-cornered contest.

President Vigdis is an opponent of the US military presence in Iceland and took part some years ago in demonstrations against the Keflavik base. But this does not mean that she is anti-West: her attitudes are those of an Icelandic nationalist mainly interested in culture. She seeks to play the part of President of the whole nation, not just her supporters, with correct regard to Constitution which leaves foreign policy to Ministers and Parliament.

Despite her city and cosmopolitan education, she is well versed in the Icelandic countryside, traditions and landscapes and an accomplished guide for visitors. Was briefly married: has an adopted daughter of 7, called Astridur.

Speaks excellent English and French.

JOHANNESSON, OLAFUR (DAVID)

Minister for Foreign Affairs.

Born 1913

Educated Akureyri and University of Iceland

Lawyer and auditor for the Federation of Iceland, Co-operative societies 1939-1943. Member of the Commercial Council 1943-1944. Legal Adviser of the Federation of Iceland Co-operative Societies 1944-1947. Professor of Law at the University of Iceland 1947-1971. Member of the State Radio Council 1946-1953. Delegate to the United Nations Assembly 1946. Member of the Board of Directors of the Central BAnk of Iceland 1957-1964. Member of the Central Committee of the Progressive Party since 1946. Vice-Chairman of the Progressive Party 1960-1968 and Chairman 1968-1970. Alternate Member of the Althing 1957 and Member of the Althing since 1959. Alternate Member of the Nordic Council 1959-1963 and Member 1964-1969. Parliamentary leader of the Progressive Party 1969-1971. Representative to the Council of Europe Parliamentary Assembly 1971-1972. Prime Minister and Minister of Justice and Ecclesiastic Affairs 1971-1974. Minister of Commerce and of Justice and Ecclesiastical Affairs 1974-1978. Prime Minister 1978-1979.

As Prime Minister of the 1971-1974 coalition with the People's Alliance and Left-Wing Liberals, his main attention was engaged on the review of the defence agreement with the United States and the fisheries dispute with Britain. When he judged the moment to settle the latter had been reached in the Downing Street talks of 1973 he made up his mind and stuck to it. As Minister of Justice in the 1974-1978 administration, he was directly responsible for the tactics of the Icelandic Coastguards in harassing British and German trawlers and cutting their warps, and cast himself for the role of the strong man, behind the relatively concilliatory Prime and Foreign Ministers.

His second premiership (1978-1979) was difficult and unfruitful owing to constant disagreements between his coalition partners, the People's Alliance and the Social Democrats. He made it clear that he would not be party to any change of policy as regards the Defence Agreement with the United States, a position he has reaffirmed as Foreign Minister.

Solid, professional, stubborn, crafty, evasive, opportunist, inscrutable and at times irascible.

Olafur's forte is the waiting game. His emergence as Prime Minister after his party had suffered more than any other in the 1978 elections showed that he has no match as a tactician. But it is probably true that he half hankered to end his days back in the Law Faculty (he only resigned his professorship in late 1978), and genuinely felt as events indeed showed that no one else could form an administration and that the hiatus had gone on too long. When in 1979 he resigned from the chairmanship of the party, which passed to his thrustful young colleague, Steingrimur Hermansson, this impression was strengthened. But his return to the office as Foreign Minister shows how hard it is for the old master to give up, and incidentally ruled his out as a possible President in 1980.

Married, Dora, who has been a research chemist, and both speak English fairly well.

ICELAND

SIGURDUR BJARNASON

AMBASSADOR TO LONDON SINCE 21 JUNE 1976

Born 1915. Graduated in Law at the University of Iceland. Further studies at Cambridge in 1945. Chairman of Isafjorour Town Council 1946-1950. Member of the Althing (Parliament) 1942-1970. Speaker of the Lower House of the Althing 1949-1956 and again 1963-1970. Chairman of the Foreign Relations committee of the Althing 1963-1970. Member of the Central Council of the Independence Party since 1953. Political Editor of the Paper Morgunbladid 1947-1956, editor of the same paper 1956-1970.

Ambassador Copenhagen 1969, and concurrently to Irish Republic 1970, Turkey 1970 and China 1973.

Because of the fisheries dispute he had to wait nine months including the break in Diplomatic Relations after agrément had been conveyed before taking up his appointment in London.

Well disposed towards Britain, talkative and anxious to appear friendly. Remained on easy and friendly terms with HM Ambassador in Copenhagen during the fisheries dispute.

Married with one son and one daughter. He and his wife speak good English. Mrs Bjarnason is a sculptress of some distinction.



VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR: 17 - 19 FEBRUARY CHECK-LIST OF POINTS TO MAKE

Trade and Economy (Briefs No 2-3)

- 1. UK attaches importance to trade with EFTA partners. British companies hope to do better in your market. UK market for Icelandic fish.
- 2. Interested to hear President's views on attempts to combat high level of inflation. Reasons for low unemployment?

Education (Brief No 1A)

3. Interested to hear more about Icelandic policy on introducing comprehensive secondary schools, and on vocational schools.

[If asked about student fees: government will study carefully the findings of the Overseas Student Trust currently undertaking a review.]

Equal Opportunities for Woman (Brief No 1B)

4. UK is fully committed to eliminating discrimination and promoting equal opportunities for women. UK plays a full part in the work of the UN, EC and Council of Europe in this field. What is the position in Iceland as regards equal opportunities?

Conservation of the Environment (Brief No 1C)

- 5. Understand President spoke at length in New Year's address about this subject, especially afforestation. Understand UK Forestry Commission is in touch with Iceland authorties. What are other areas of concern to Iceland? [If asked about whaling: regret Icelandic decision not to ban cold-grenade harpooning. Express hope that decision can be reviewed.]
- 6. Because the President is not the head of government the following points may be appropriately made when Dr Johannesson is present:

NATO Issues (Brief No 2B)

Value Icelandic contribution to Alliance. Strategic position of Iceland of crucial importance.

East-West: Poland (Brief No 2B)

Welcome Iceland's firm public stand on Poland, and funds for humanitarian assistance.

CONFIDENTIAL

June Reed (P & C. Dept. Estal



Iceland Visit - 17 February

The Foreign Office would like to know urgently whether it is all right for the following to attending the talks from 12.30 onwards

The Two Foreign Ministers

Icelandic Ambassador HE

Mr. David Gladstone (acting as our Ambassador, Rejkjavik who is ill)

Lord Carrington's Private Secretary

12 February 1982

- Service

VISIT OF HER EXCELLENCY VIGDIS FINNBOGADOTTIR, PRESIDENT OF THE REPUBLIC OF ICELAND

16 - 21 FEBRUARY 1982

ADMINISTRATIVE, ARRANGEMENTS

(to be read in conjunction with the programme)

TUESDAY 16 FEBRUARY

Sir Edwin Arrowsmith, Special Representative of the Secretary of State for Foreign and Commonwealth Affairs arrives at London Heathrow Airport Brabazon VIP Lounge.

His Excellency Ambassador Sigurdur Biarnason

His Excellency Ambassador Sigurdur Bjarnason and Mrs Bjarnason arrive at London Heathrow Airport, Brabazon VIP Lounge.

The Lord Skelmersdale, Lord in Waiting to Her Majesty The Queen arrives at London Heathrow Airport, Brabazon VIP Lounge.

As soon as the aircraft has landed a representative of the British Airports Authority will escort the greeting party from the VIP lounge to the bottom of the aircraft steps. The Icelandic Ambassador will board the aircraft and accompany the President to the tarmac where he will present the following (in order):

The Lord Skelmersdale, Lord in Waiting to Her Majesty The Queen.

Sir Edwin Arrowsmith, Special Representative of the Secretary of State for Foreign and Commonwealth Affairs Mrs Bjarnason

Mr D A S Gladstone, Western European Department, Foreign and Commonwealth Office Brigadier J A C Cowan, Secretary, Government Hospitality Fund

The Hon Diana Makgill, Lady Ceremonial Officer

Mr Neville Coppel, Escort Officer, Government Hospitality Fund

The party will proceed to the VIP lounge where the Icelandic Ambassador will present the members of the official suite.

Transport

Cars are provided for the official suite throughout the period of the visit as indicated in Annex 1.

WEDNESDAY 17 FEBRUARY Call by the Secretary of State for Foreign and Commonwealth Affairs The following will also be present: ICELAND His Excellency Dr Olafur Johannesson His Excellency Ambassador Hoerdur Helgason His Excellency Ambassador Sigurdur Bjarnason His Excellency Ambassador Olafur Egilsson UNITED KINGDOM Private Secretary Mr D A S Gladstone

Call by Secretary of State for Trade

The following will also be present:

ICELAND

His Excellency Dr Olafur Johannesson His Excellency Ambassador Hoerdur Helgason His Excellency Ambassador Sigurdur Bjarnason His Excellency Ambassador Olafur Egilsson

UNITED KINGDOM

Private Secretary Mr D A S Gladstone

Ambassador S Bjarnason and Mr D A S Gladstone will be present at the talks at the Foreign and Commonwealth Office.

Talks with the Prime Minister

The Private Secretaries of the President and the Prime Minister will be present at the Tête-à-tête Talks. At 1230 they will be joined as indicated in the programme;

Ambassador S Bjarnason Mr D A S Gladstone

will also be present.

Luncheon given by Her Majesty's Government

The following are also invited:

His Excellency Dr Olafur Johannesson and Mrs Johannesson

His Excellency Ambassador Hoerdur Helgason and Mrs Helgason

His Excellency Ambassador Sigurdur Bjarnason and Mrs Bjarnason

His Excellency Ambassador Olafur Egilsson and Mrs Egilsson

Visit to the British Museum

The following will accompany the President:

His Excellency Dr Olafur Johannesson and Mrs Johannesson

His Excellency Ambassador Hoerdur Helgason and Mrs Helgason

His Excellency Ambassador Sigurdur Bjarnason and Mrs Bjarnason

His Excellency Ambassador Olafur Egilsson and Mrs Egilsson

Mr D A S Gladstone and Mrs Gladstone

Tour of the National Theatre and theatre/supper party

The following will accompany the President:

His Excellency Dr Olafur Johannesson and Mrs Johannesson His Excellency Ambassador Hoerdur Helgason and Mrs Helgason His Excellency Ambassador Olafur Egilsson and Mrs Egilsson Mr D A S Gladstone and Mrs Gladstone

THURSDAY 18 FEBRUARY

Visit to Pimlico School

The following will accompany the President:

His Excellency Dr Olafur Johannesson and Mrs Johannesson

His Excellency Ambassador Hoerdur Helgason and Mrs Helgason

His Excellency Ambassador Sigurdur Bjarnason and Mrs Bjarnason

His Excellency Ambassador Olafur Egilsson and Mrs Egilsson

Mr D A S Gladstone and Mrs Gladstone

The programme at the school includes visits to the Fifth year chemistry class, First year integrated science class and First year mathematics class. After coffee with the Headmaster, other senior members of the staff, senior officials of the Inner London Education Authority and a boy and girl from both the first and sixth years, the President and her party will see examples of art produced by pupils at the school. The final twenty minutes of the programme will be with musicians for which the school is particularly noted.

Luncheon with Her Majesty The Queen The following are also invited: His Excellency Dr Olafur Johannesson and Mrs Johannesson His Excellency Ambassador Sigurdur Bjarnason and Mrs Bjarnason

Visit to the House of Commons, Dinner given by the Lord Mayor and Corporation of London

The following are also invited:

His Excellency Dr Olafur Johannesson and Mrs Johannesson
His Excellency Ambassador Hoerdur Helgason and Mrs Helgason
His Excellency Ambassador Sigurdur Bjarnson and Mrs Bjarnason
His Excellency Ambassador Olafur Egilsson and Mrs Egilsson
Mr D A S Gladstone and Mrs Gladstone

FRIDAY 19 FEBRUARY

Visit to Oxford and Stratford-upon-Avon

The following will accompany the President:

His Excellency Dr Olafur Johannesson and Mrs Johannesson

His Excellency Ambassador Hoerdur Helgason and Mrs Helgason

His Excellency Ambassador Sigurdur Bjarnason and Mrs Bjarnason (Oxford only)

His Excellency Ambassador Olafur Egilsson and Mrs Egilsson Mr D A S Gladstone

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10 February 1982

J H W Reid (Miss)
Visits Section
Protocol and Conference Department
FOREIGN AND COMMONWEALTH OFFICE

CAR PLAN

Tuesday 16 February

London Heathrow Airport to Hyde Park Hotel

Car 1 Her Excellency the President

His Excllency Sigurdur Bjarnason

The Hon Diana Makgill

Security Officer

Car 2 His Excellency Dr Olafur Johannesson

Mrs Johannesson Mrs Bjarnason Mr Neville Coppel Security Officer

Car 3 His Excellency Ambassador Hoerdur Helgason

Mrs Helgason Mr W R McQuillan Mrs McQuillan

Car 4 His Excellency Ambassador Olafur Egilsson

Mrs Egilsson

Wednesday 17 February

Hotel to Foreign and Commonwealth Office

Car 2 His Excellency Dr Olafur Johannesson

Ambassador S Bjarnason Mr D A S Gladstone Group Captain A O'Neill

Hotel to 10 Downing Street (at 1145 hours)

Car 1 Her Excellency the President

His Excellency Ambassador Olafur Egilsson

The Hon Diana Makgill Mr Neville Coppel Security Officer

Hotel to 10 Downing Street (at 1245 hours)

Car 3 His Excellency Ambassador Hoerdur Helgason

Mrs Johannesson Mrs Helgason Mrs Egilsson

10 Downing Street to British Museum; British Museum to Hotel	
Car 1	Her Excellency the President Dr D M Wilson (to British Museum only) The Hon Diana Makgill Security Officer
Car 2	His Excellency Dr Olafur Johannesson Mrs Johannesson Mr Neville Coppel Security Officer
Car 3	His Excellency Ambassador Hoerdur Helgason Mrs Helgason Mr D A S Gladstone Mrs Gladstone
Car 4	His Excellency Ambassador Olafur Egilsson Mrs Egilsson
Hotel to National Theatre, Savoy Hotel and return to Hotel	
Car 1	Her Excellency the President The Hon Diana Makgill Mr Neville Coppel Security Officer
Car 2	His Excellency Dr Olafur Johannesson Mrs Johannesson Security Officer
Car 3	His Excellency Ambassador Hoerdur Helgason Mrs Helgason Mr D A S Gladstone)Savoy to FCO
Car 4	His Excellency Ambassador Olafur Egilsson Mrs Egilsson
Thursday 18 February	
Hotel to Pimlico School and return to Hotel	
Car 1	Her Excellency the President The Hon Diana Makgill Mr Neville Coppel Security Officer
Car 2	His Excellency Dr Olafur Johannesson Mrs Johannesson Security Officer
Car 3	His Excellency Ambassador Hoerdur Helgason Mrs Helgason Mr D A S Gladstone)outward journey only Mrs Gladstone)
Car 4	His Excellency Ambassador Olafur Egilsson Mrs Egilsson

Hotel to Buckingham Palace, Buckingham Palace to House of Commons and return to Hotel

Car 1 Her Excellency the President

The Hon Diana Makgill Mr Neville Coppel Security Officer

Car 2 His Excellency Dr Olafur Johannesson

Mrs Johannesson Security Officer

Hotel to House of Commons and return to Hotel

Car 4 His Excellency Ambassador Horrdur Helgason

Mrs Helgason

His Excellency Ambassador Olafur Egilsson

Mrs Egilsson

Hotel to Mansion House and return to Hotel

Car 1 Her Excellency the President

The Hon Diana Makgill Mr Neville Coppel Security Officer

Car 2 His Excellency Dr Olafur Johannesson

Mrs Johannesson Security Officer

Car 3 His Excellency Ambassador Hoerdur Helgason

Mrs Helgason

Car 4 His Excellency Ambassador Olafur Egilsson

Mrs Egilsson

Friday 19 February

Hotel to Oxford, Stratford-upon-Avon and return to London

Car 1 Her Excellency the President

The Hon Diana Makgill Mr Neville Coppel Security Officer

Car 2 His Excellency Dr Olafur Johannesson

Mrs Johannesson Security Officer

Car 3 His Excellency Ambassador Hoerdur Helgason

Mrs Helgason

Mr D A S Gladstone

His Excellency Ambassaodr Olafur Egilsson Car 4 Mrs Egilsson The Lord Lieutenant of the County of Oxfordshire, Sir Ashley Ponsonby will travel with the President from the John Radcliffe NOTE: Maternity Hospital to the Nuffield Orthapaedic Centre, thence to Green College. During this time Mr Coppel will travel in Car 2. Sunday 21 February Hotel to London Heathrow Airport as on inward journey

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Government Hospitality Fund

Department of Education and Science

Private Secretary/Minister for the Arts (2) Miss Carpenter

Mr G W Woodward, Inner London Education Authority

Chief Supt G Brown (4) Thames Valley Police Headquarters

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CF Photograph origined a corrapped

NOTE FOR THE FILE

The Prime Minister should give a large colour signed photograph to the President of Iceland who is lunching with her on Wednesday 17 February. Could this be put in her box for signature over the weekend 13/14 February? The President's name is Mrs. Vigdis Finnbogadottir. After signature please put in a leather frame and gift wrap.

es.

29 January 1982

I have taken the guest

list off the file and am circulating it.

Sue Goochild

Cela d CONFIDENTIAL 19321 - 1 PP REYKJAVIK GRS 159 CONFIDENTIAL 34 FCO 171530Z JULY 1931 TO PRIORITY REYKJAVIK TELEGRAM NUMBER 45 OF 17 JULY AND TO SAVING OSLO, COPENHAGEN, STOCKHOLM, HELSINKI FROM WED GUEST OF GOVERNMENT VISIT BY PRESIDENT VIGDIS FINNBOGADOTTIR 1. THE PRIME MINISTER HAS AGREED THAT PRESIDENT VIGDIS INNBOGADOT-TIR SHOULD BE INVITED TO THE UNITED KINGDOM IN FEBRUARY L982 AND PROPOSES TO OFFER TALKS AT 12 NOON FOLLOWED BY LUNCH ON WEDNESDAY 17 FEBRUARY. THE QUEEN WILL ALSO OFFER LUNCH: THE DATE AND TIME WILL BE CONFIRMED ONCE WE HAVE PRESIDENT VIGDIS'S ACCEPTANCE OF THE PROPOSED DATES (SEE MIFT). THE PRINCE OF WALES HAS BEEN APPROACHED BUT WE CANNOT EXPECT AN EARLY REPLY. WE SHOULD THEREFORE PREFER TO ISSUE THE FORMAL INVITATION NOW AND EXPLORE THE POSSIBLE INVOLVEMENT OF THE PRINCE OF WALES IN DUE COURSE. HMG WILL ALSO PROVIDE ACCOMMODATION FOR UP TO SIX OFFICIALS OF THE PRESIDENT'S SUITE WHO ARE TAKING A FULL PART IN THE PROGRAMME. MIFT CONTAINS THE TEXT OF THE FORMAL INVITATION WHICH YOU MAY NOW GIVE TO THE MINISTRY OF FOREIGN AFFAIRS. CARRINGTON Cardine (Brino) NNNN DISTRIBUTION COPIES TO: LIMITED G.H.F. WED PCD NEWS DEPT PS/LPS PS/PJS MRBULLARD CONFIDENTIAL

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Tedud

29 June 1981

BF

President of Iceland

The Prime Minister has seen your letter to me of 25 June and has agreed to see Mrs. Finnbogadottir for talks at 12 noon, followed by lunch, on Wednesday 1% February.

MICHAEL ALEXANDER

F.N. Richards, Esq., Foreign and Commonwealth Office.

MR. ALEXANDER

MR. ALEXANDER

MR. ALEXANDER

Visit by President of Iceland

Talks at 12 noon followed by lunch on Wednesday, 17 February, would be very convenient for the Prime Minister. I am also keeping Wednesday, 10th, free just in case the 17th does not suit Mrs. Finnbogadottir.

01.

gred pl

25 June, 1981.

019



Foreign and Commonwealth Office

London SW1A 2AH

25 June 1981

Dear Milad,

Guest of Government Visit by President of Iceland

At the last Royal Visits Committee meeting it was agreed in principle that the President of Iceland, Mrs Vigdis Finnbogadottir, should be invited to visit Britain as a Guest of Government in 1982 and that The Queen and The Prince of Wales should be involved in the programme. It was suggested that, since The Queen's diary is already quite full from March onwards, the visit should take place early in the year.

President Vigdis, who is Europe's first elected woman Head of State, paid a State Visit to Denmark in 1980 and is expected to visit Norway, Sweden and the United States in the latter half of 1981. I enclose a copy of the Personalities Report on her.

We have consulted HM Embassy at Reykjavik who advise that the week 14-20 February would be particularly suitable since it coincides with the Icelandic Midwinter Feast (Thorrablot) for which an Anglo/Icelandic celebration involving the Icelandic community in Britain will anyway be arranged.

Icelanders are traditionally well-disposed to Britain. The Cod War is four years behind us and relations are once again very good. Iceland is a small but nevertheless important member of NATO and we want her to remain committed to the Alliance. There has been no official visit to the UK by an Icelandic President since 1967 (although former President Eldjarn visited the Isle of Man, at the invitation of the Manx Government, in 1979).

As President Vigdis would be coming as the guest of the Government, we envisage that the Prime Minister would need to be involved personally, to the extent perhaps of a luncheon and a short talk; I shall write again about details as soon as we have received a reply from Buckingham Palace about Royal involvement in the President's programme. If you can confirm that the Prime Minister is content, we shall approach the Palace.

M O'D B Alexander Esq 10 Downing Street

CONFIDENTIAL

CONFIDENTIAL FINNBOGADOTTIR, Vigdis President of Iceland, 1980. Born 1930, daughter of a well known Professor. Read French Literature at the Sorbonne, English at University of Iceland and History of the Theatre in Copenhagen. Librarian at the National Theatre 1962-8, teacher at a Reykjavik High School 1968-72, Director of the Reykjavik City Theatre 1972-80. She became a candidate in the Presidential Election of 1980 partly to demonstrate that a woman could be considered for the highest office. Besides those supporting her for this reason, she had the support of most left-wing sympathisers (most people involved in the Arts in Iceland tend that way),

and her attractive personality and good TV technique secured her 33% of the vote. She thus became President by a margin of 1% over her nearest competitor in a four-cornered contest. President Vigdis is an avowed opponent of the US military

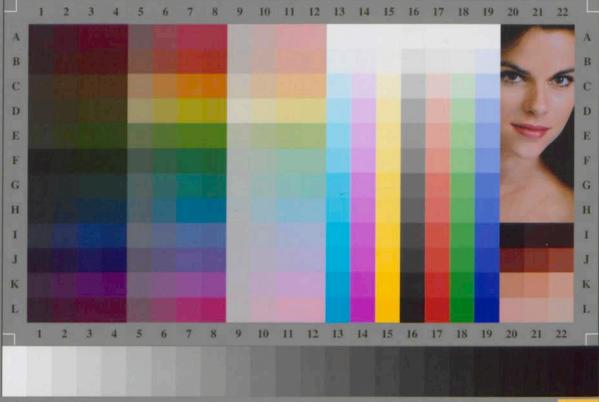
presence in Iceland and took part some years ago in demonstrations against the Keflavik base. But this does not mean she is anti-West: her attitudes are those of an Icelandic nationalist mainly interested in culture. She is likely to seek to play the part of President of the whole nation, not just her supporters, with correct regard to the Constitution which leaves foreign policy to Ministers and Parliament.

Despite her city and cosmopolitan education, she is well versed in the Icelandic countryside, traditions and landscapes and an accomplished guide for visitors.

Was briefly married: has an adopted daughter of 7, called Astridur, under all too little control.

Speaks excellent English and French.





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