

2015

Þjóðarspegilinn

Ráðstefna í félagsvísindum XVI

Proposals to Sell, Annex or Evacuate Iceland, 1518–1868

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Stjórn málafræðideild

Ritstjóri:

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Rannsóknir í félagsvísindum XVI. Erindi flutt á ráðstefnu í október 2015

Reykjavík: Félagsvísindastofnun Háskóla Íslands

ISBN: 978-9935-424-19-8



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The renowned Icelandic poet Jon Thorlakksson could speak for most of his fellow countrymen, when in 1812 he ruefully wrote:

Poverty has been my wife
since I came into this life.
Two years short of three score and ten
we have been together then.
Whether henceforth we shall divide,
He alone knows who gave me my bride.
(Translated by Scudder, 2012, p. 101).

Iceland then was, and had long been, a very poor country, indeed one of the poorest countries in Western Europe. By chance rather than design, she had become a Danish dependency in 1380, but Danish kings took little interest in this remote, windswept North Atlantic island, frequently ravaged by epidemics, earthquakes, volcanic eruptions, cold spells, famines and even pirate attacks. Indeed, the Danish kings unsuccessfully tried several times to sell Iceland to the King of England and once to German merchants. In late 18th century, Iceland's rulers in Copenhagen even thought that conditions on the island were becoming so harsh that they discussed evacuating the whole population to other parts of the Danish realm. The British government resisted all ideas, put forward in late 18th century and early 19th century, of annexing the island. When the U.S. government in the 1860s briefly considered purchasing Iceland from Denmark, the idea was ridiculed in Congress. Iceland was not only poor; she seemed unwanted. In this paper, the proposals to sell, annex or evacuate Iceland in the period 1518–1868 will be briefly discussed, with a few comments also on their historical and political relevance and on some possible “Icelandic futures”, if those proposals had been implemented.

Early Plans to Sell or Evacuate Iceland

While Iceland herself was poor and barren, the fishing grounds off the island were, and still are, some of the most fertile ones in the world. When Henry VIII ascended the English throne in 1509, the presence of his subjects in Icelandic waters was by no means insignificant. Records show that in one year, 1528, a total of 440 fishing vessels were registered in England, of which 149 sailed to Iceland. One of the new king's first acts was to abolish a statute from 1429—which had almost always been disregarded—requiring all English subjects wishing to buy stockfish to do so only in Bergen in Norway. The Danish king, Christian II, watched the English presence in Icelandic waters with some concern. But he also saw therein an opportunity. In 1518, he sent an envoy to King Henry VIII, secretly asking for a loan of 100,000 florins, pledging Iceland as collateral. The envoy was instructed to go as far down if necessary as 50,000 florins. Nothing came out of this (Thorsteinsson, 1961). Today, 50,000 florins would be equivalent to around 6.5 million U.S. dollars (Gissurarson, 2015). In 1523, King Christian II was forced to abdicate and leave Denmark. Shortly before he left, he

appointed Tyle Petersen from Flensburg as Governor of Iceland and the Faroe Islands. Having previously served in Iceland as Deputy Governor, in 1517–21, Petersen was unpopular with the Icelanders. Seen as an agent of the deposed Danish king and possibly with a mission to bring Iceland under the English king, the Icelanders executed him in the autumn of 1523. When King Henry VIII heard of this, he angrily told King Christian's emissary that as a consequence he was not interested in acquiring Iceland, not even in accepting it as collateral for a loan. King Christian II tried once again, in 1524, to obtain a loan from King Henry VIII, pledging Iceland as collateral, but without success. In 1535, Danish King Christian III sent an envoy to King Henry VIII, offering to pawn Iceland for a loan, but again, King Henry was not interested. Thus, in the span of only eighteen years, Iceland had thrice been offered to King Henry VIII by Danish kings, and thrice been rejected by him (Thorsteinsson, 1961).

German fishermen and merchants were also present in Iceland, especially after the 1550s when a Danish force had succeeded in driving English merchants out of the island, even if English fishermen continued sailing to the fertile fishing grounds off the country. In 1645, King Christian IV of Denmark considered using Iceland as collateral for a loan from Hanseatic merchants. In a letter to his son in law (Vigfusson, 1861, p. 107), the king wrote:

Recently I was visited by a person from Hamburg by the name of Uffelen, sent by some merchants there. He offered me a 500,000 thalers loan if they get Iceland as a collateral. I accepted with a few conditions. Now we will see how this exchange will go. These days, everything can be done with money, if our God Almighty would provide me with them.

Nothing came out of the deal. Probably Iceland was too far away from Germany. Today, 500,000 Thalers would be equivalent to around 6,4 million U.S. dollars, almost equivalent to the price Christian II was willing to accept more than a century earlier (Gissurarson, 2015). But in late 18th century, a series of misfortunes hit the country, the worst of which was a massive volcanic eruption in the Southwest from July 1783 to February 1784. Black ash from the volcano poured over the island, blocking sunlight, bringing down the temperature and poisoning the soil. The famine which followed was called the "Mist Famine" after the ensuing mist. One fifth of the population, around 10,000 people, starved to death. In addition, in the summer of 1784, an earthquake destroyed many farmhouses in the South of Iceland (Karlsson, 2000, pp. 177–181). Indeed, so dire were the circumstances that Danish government officials discussed desperate remedies. The British Charge d'Affairs in Copenhagen wrote to the Foreign Office in London (Agnarsdottir, 1992, p. 87): "I understand it was lately in Agitation to evacuate the Island of Iceland, and to transplant the People to the different Quarters of the Danish Dominions." Other countries were also affected by the fires in Iceland. The mist was spread by winds, Benjamin Franklin (1785, p. 359) observing that in the summer of 1783, "there existed a constant fog over all Europe, and great part of North America". This caused cold spells and bad harvests in Europe, probably contributing to the shortage of bread which was a factor in the 1789 French Revolution.

Plans for the United Kingdom to Annex Iceland

In the midst of the Mist Famine, some however saw an opportunity. The European country geographically closest to Iceland is Scotland, and a Scot, the Hon. John Cochrane, was one of the first British subjects to suggest, in 1785, that the United Kingdom should annex Iceland. In numerous memorials, Cochrane argued that it would benefit the United Kingdom to acquire Iceland, asserting that not only were the sulphur

mines in Iceland “inexhaustible”, but that the cod fishery in the Icelandic waters could become even more lucrative than the British Newfoundland fishery. Moreover, Iceland could be used as a penal settlement. The British authorities did not express any interest in Cochrane’s proposals until Denmark decided, in the summer of 1800, in effect to join a continental coalition against the United Kingdom. In retaliation, the British government seized Danish colonies in the West Indies and Danish settlements in India and ordered the Royal Navy to fight the Danes. On this occasion, in January 1801, Cochrane sent yet another memorial to the British government (Agnarsdottir, 1992, p. 89), suggesting that Iceland could be seized with only a few troops, “Scotsmen to be preferred as the climate will agree but with them”. Now, the government in London suddenly became interested. It turned to an Englishman with first-hand knowledge of the country, Sir Joseph Banks, President of the Royal Society, who had toured Iceland in 1772. Sir Joseph wrote a lengthy report on Iceland, describing the inhabitants as generally mild, inoffensive, timid, and unhappy with their Danish masters. Therefore, only 500 men with a very few guns could “subdue the island without striking a blow”. Nevertheless, Sir Joseph doubted that the United Kingdom would gain anything economically from annexing the island. The fisheries were not as important as those of Newfoundland, and the sulphur mines could not rival those of Italy. Nevertheless, he recommended Iceland’s annexation on political and even moral grounds. The inhabitants would be emancipated from their “Egyptian Bondage” under the Danes. When Sir Joseph’s report was delivered to the government at the end of January 1801, the threat from a continental coalition against the United Kingdom was however disappearing, so there seemed to be no reason for alienating Denmark by annexing Iceland. Sir Joseph’s proposal was consequently shelved (Agnarsdottir, 1994).

In the autumn of 1807, when Denmark was joining Napoleon’s coalition against the United Kingdom, the Royal Navy seized Danish possessions in the West Indies and in India, as had been done in 1801. The war soon affected Iceland. In the autumn, the Royal Navy captured several Danish merchant ships going from Iceland to Denmark, bringing them to Leith and other British ports. When Sir Joseph Banks heard of this, he hastened to contact his friends in high office, explaining that Iceland could hardly survive without foreign trade. It was decided to release the ships detained and to allow trade with Iceland subject to licences and strict surveillance by British authorities. The British government turned again to Sir Joseph Banks for advice on Iceland. In December 1807, he was ready with a report. He argued that the acquisition of Iceland was “highly desirable” for the “glory of the British crown”. A military expedition was not necessary, as there was no army in Iceland and no weapons to speak of there. The island could simply be conquered by sending a frigate there, negotiating with the Icelanders a transfer of allegiance from the Danish to the British crown. The Icelanders would retain their religion, laws and customs, and the prerogatives of the Danish crown would be transferred to the United Kingdom. While the Icelanders had suffered under Danish misrule, they would become “animated, active and zealous” as subjects of the British crown, providing the Royal Navy with plenty of hardy sailors (Banks, 1807). But again, the British government decided not to follow Sir Joseph’s advice of annexing Iceland.

Sir Joseph Banks continued however to plead the cause of his Icelandic friends. In early 1810, the British government issued an Order-in-Council, drafted by Sir Joseph. It was stated in the Order that the King, “being moved by compassion for the sufferings of these defenceless people”, placed them in a state of neutrality and amity with the United Kingdom. Trade was allowed between the United Kingdom and Iceland, and Icelanders in British dominions were to be regarded as “stranger friends” not as alien enemies. While Danish sovereignty over Iceland was recognised, the island was taken under the protection of the United Kingdom (“Order in Council”, 1810). This was really an exceptional decision for which the Icelanders were, understandably, very grateful. In

1813, Sir Joseph wrote yet another report on the country, claiming that the inhabitants had told him in 1772 that they wanted “to partake of the Blessings of British liberty”. He also emphasised the fertility of the Icelandic fishing grounds and suggested that Iceland should gain a similar status as Guernsey, as a possession of the Crown (Banks, 1813). Yet again, the British government remained unpersuaded by Sir Joseph’s argument. The simplest explanation is that the British government did not think it worth the effort to annex Iceland. The benefits would have been, besides prestige, the ability to harvest fish in the Icelandic waters and to trade with the Icelanders. But these benefits were uncertain and negligible to the British. The costs greatly outweighed the benefits. An important consideration was that the annexation of Iceland would probably have required some form of local garrison which the British government was reluctant to provide. Also, Denmark was not traditionally an enemy of the United Kingdom, even if the two countries found themselves at war for a while. Moreover, the Royal Navy could essentially do what it wanted in the Icelandic waters. It did not need the annexation of Iceland to achieve its purposes (Agnarsdottir, 2002, pp. 508–511). Indeed, so unwanted and marginal was Iceland that in the negotiations prior to the 1814 Treaty of Kiel between Denmark on the one hand and Sweden and the United Kingdom on the other hand, Sweden—which had just acquired Norway from Denmark as a compensation for Finland, which she had lost to Russia—did not even ask for Iceland or for the other ancient Norwegian dependencies in the North Atlantic (Gustafsson, 2014).

Plans for the United States to Purchase Iceland

In 1864, in a war against Prussia and Austria, Denmark lost the two duchies of Schleswig and Holstein to Prussia. In desperation, Danish politicians briefly discussed whether Prussia could be given Danish possessions in the West Indies and possibly Iceland in exchange for the overwhelmingly Danish-speaking Northern part of Schleswig. When it became clear that the Prussians would reject such an offer, it was decided not to make it formally (Kristjansson, 1964). Only three years later, however, some influential politicians in the United States became interested in Iceland. That very year, the U.S. Secretary of State, William H. Seward, concluded the purchase of Alaska from Russia and negotiated a treaty with Denmark by which the United States bought the Danish West Indies. In the summer of 1867, while Seward was negotiating with the Danes, a former Secretary of the Treasury, Robert J. Walker, now an influential Washington lawyer, suggested to him that Greenland, and possibly Iceland, should also be bought from Denmark. Seward asked Walker to prepare a report on the matter, which Walker did by enlisting the assistance of the U.S. Coast Survey. In the latter half of 1867, Benjamin M. Peirce, a young mining engineer and son of the Coast Survey’s Superintendent, compiled the report. He drew attention to the fact that Iceland was much closer to Greenland—widely recognised as a part of the Western hemisphere—than to European countries. “It thus seems to be rather American in its connections than European” (Peirce, 1868, p. 9). Walker contributed an introduction to the report where he succinctly summed it up:

The population of Iceland is about 70,000, but in view of its pastures and arable lands, its valuable mines, its splendid fisheries, and its unsurpassed hydraulic power, it could, when fully developed, sustain a population exceeding 1,000,000. It has been greatly neglected by Denmark.

Walker added that Iceland, together with Greenland, would as U.S. possessions become valuable for a possible future independent U.S. line of interoceanic telegraph. His

conclusion was that the United States should indeed purchase Iceland and Greenland, especially the latter, for political and commercial reasons. An ardent expansionist, Walker also pointed out that the newly founded Dominion of Canada, in British America, would then be encircled by the United States which could induce the Canadian provinces, “peacefully and cheerfully,” to join the United States (Peirce, 1868, pp. 1–2, 4).

Upon receiving the report on Iceland and Greenland, Secretary Seward had it printed. Meanwhile, he was seeking ratification by the U.S. Congress of the treaty with Denmark on the Danish West Indies, encountering much stiffer opposition than expected. On 1 July 1868, Representative Cadwallader C. Washburn of Wisconsin spoke against the purchases of Alaska and the Danish West Indies, predicting that there would be more to come. The audience broke out in laughter when Washburn said that the U.S. government was even negotiating with Denmark the purchase of Greenland and Iceland. Representative Benjamin F. Butler of Massachusetts submitted that only an insane person would “buy the earthquakes in St. Thomas and ice-fields in Greenland” (Dyer, 1940). Representative Thomas Williams of Pennsylvania commented sarcastically on buying the glaciers of Greenland and the geysers of Iceland. Secretary Seward found himself in a difficult political situation. Shortly before the report on Iceland and Greenland came out, the U.S. Congress had unsuccessfully tried to impeach President Andrew Johnson whom Seward had loyally served. Angered by this, the U.S. Senate refused to ratify the treaty with Denmark which had been accepted both by the Danish Parliament and in a plebiscite in the Danish West Indies. After much delay, in 1870 it was finally rejected by the Senate. Secretary Seward realized that in the circumstances the idea of acquiring Greenland and Iceland could hardly be pursued any further (Dyer, 1940). However, it should be noted that if the United States had purchased Iceland at the same price per square kilometre as Alaska, the total price would have been equivalent today to 6.2 million U.S. dollars, remarkably close to the prices for Iceland thrown around in 1518 and 1645 (Gissurarson, 2015).

Conclusions

While Iceland certainly is in some ways a remarkable and successful society, in the eyes of the world it has always been marginal (Karlsson, 2000). For the two great powers in the North Atlantic, the United Kingdom and the United States, she remained, until the 20th century, of mainly negative value. Neither of those two powers cared to rule her, but they did not want any other great power to control her. Therefore, almost by default, Iceland stayed with Denmark until she in 1918 gained sovereignty. But the recognition of Iceland’s sovereignty was to some extent a recognition of a *fait accompli*. In the beginning of the First World War, the UK government had practically taken control of Iceland, its Consul in Reykjavik, Eric Cable, deciding on all important matters of foreign trade and negotiating directly with Icelandic officials—who were formally subject to Danish rule. It should be noted that the original purpose of sending Consul Cable to Iceland was to try and monitor German activities on the island (Jensdottir, 1986). Shortly after the beginning of the Second World War, the United Kingdom occupied Iceland, not least to prevent the Germans from gaining control of the island. Fourteen months later, in the summer of 1941, the United Kingdom was replaced by the United States, Iceland remaining within the American sphere of influence, and interest, until 2006. In the Second World War and the Cold War, for the two great powers in the North Atlantic, the United States and the United Kingdom, Iceland was perhaps for the first time not merely of negative value (Whitehead, 1998). Already in 1920, it had been pointed out by Vladimir Lenin at a Comintern Congress that with the appearance of submarines and aeroplanes Iceland was becoming strategically important (Gissurarson,

2011, p. 16). During the Cold War, Iceland was indeed regarded as an “unsinkable aircraft carrier”, and also as crucial for the surveillance of Soviet fighter jets and nuclear submarines (Johannesson, 2013, p. 127). But after the unilateral withdrawal of the U.S. military force in 2006, Iceland relapsed into her relative geopolitical obscurity. While no longer poor, she seemed unwanted again, or at least expendable—even if this may change again in the future.

Finally, it is an fascinating thought experiment what would have happened if any of the proposals discussed here had been implemented. If Henry VIII had not rejected repeated requests by Danish kings of loans with Iceland as a collateral, then the country might have become part of England and ultimately of the United Kingdom. This is what happened to the Orkney Islands and Shetland in 1472: they became parts of Scotland when King, James III seized them, as they had served as collateral for a debt owed to him by King Christian I of Norway and Denmark, which had not been paid. Then Iceland, as a remote corner of a European great power, would have become even more marginal than it is now. Probably English would soon have replaced Icelandic; and the most gifted and enterprising Icelanders would have left for London or Edinburgh, while Iceland herself would have turned into a mere fishing camp. If the British government had in the early 1800s followed the advice of Sir Joseph Banks, another intriguing possibility would however have presented itself: that Iceland would have acquired a status similar to that of Guernsey within the British realm, a dependency of the Crown, ruled by herself, and not by the British government. Then, the Icelanders might have maintained their own language (like the people of Guernsey who spoke French late into the 19th century) and would have enjoyed home rule. Of course, this is speculation, but like Guernsey, Iceland might even have been a special territory outside the European Union, becoming a successful financial centre reluctantly tolerated by the United Kingdom.

If Iceland had however been purchased by the United States in the late 1860s, as Secretaries Seward and Walker were considering, then it could have faced at least two alternative futures, and possibly many more. One future is the historical path of Alaska which after the purchase from Russia was initially governed by the U.S. military, becoming an organized territory in 1912 and a full state in 1959, electing two senators and one representative to the U.S. Congress. The comparison is not all that far-fetched: In 1960, the population of Alaska was 226,000 and that of Iceland 174,000 (U.S. Census, Alaska, 2015; Statistics Iceland, 2015). The other possible future would have been that of the Danish West Indies which, after another failed attempt in 1902, were finally sold to the United States in 1917, and renamed the Virgin Islands of the United States. With an area of only 346 square kilometres, in 2010 the U.S. Virgin Islands had 106,000 inhabitants and the legal status of an unincorporated, organized U.S. territory (U.S. Census, Virgin Islands, 2015). It is administered from Washington DC, but with some self-rule. The inhabitants are U.S. citizens, but without the right to vote for President or for members of Congress. They send however one non-voting delegate to Congress. If in the late 1860s, Greenland and Iceland had both been purchased by the United States it is not unlikely that Greenland, being much less populous, would eventually have acquired the same legal status as the U.S. Virgin Islands while Iceland would have become the 51st state, after Alaska and Hawai. Again, this is just speculation: The only thing which can be said with some certainty about the different possible futures of Iceland glimpsed from various and sometimes vague proposals within the time span of 350 years, from 1518 to 1868, is that if during the Mist Famine the Icelanders had all been evacuated to different parts of the Danish realm, then the Icelandic nation would hardly exist today.

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