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## **Our Neighbours to the East: Greenland and Iceland <sup>1</sup>**

Canada's location on the North American continent, with 3,986 miles of common border to the south and 1,540 in the northwest, is only one of many indications to show that as far as neighbours go, our main concern will always be with the United States. In addition to the geographical closeness, the sheer disparity in readily available strength generates a constant awareness about a deepening dependence on the southern neighbour. While taking due note of its importance, it should not be allowed to become an obsession. As matters stand today, our preoccupation with Canada-U.S. relations tends to overshadow almost completely the fact that Canada also has neighbours to the East.

Though there is clearly an eastern dimension to our foreign policy, the term "neighbours to the East" sounds unfamiliar. Traditionally, Western Europe has always formed the third corner in Canada's "power triangle", which in terms of fact really meant Britain and France. But with all their historical and contemporary significance, neither of these two countries has been neighbours in the true sense of the word, nor have they been seen as such. This is even more the case with other European countries. Even the European Community, which became the object of a "third option" in the early seventies,<sup>2</sup> remains remote and distant. There are special ties, but the problems which we share with the Europeans are not due to geographical concerns. Europe remains a part of another continent. Despite improved communications the Atlantic Ocean is still sufficiently wide to emphasize this difference. Therefore, in concrete and real terms, our next door neighbours to the east are neither Britain nor France, but two small national entities, *Iceland* and *Greenland*.

For most Canadians the most likely response would probably be—so what? The fact that these two North Atlantic islands are geographically close does not necessarily require any kind of action. With the brief exception of World War II, Canada has consistently

ignored her eastern neighbours. Why should she not continue to do so? There are other demands for priority. In a period of growing global disturbance one could think of a number of areas which would seem to have a much stronger claim to the attention of Canadian authorities. Any move which involves efforts and expenses will have to be justified in concrete terms. And what could Canada possibly gain from extended and intensified relations to such peripheral outposts as Greenland and Iceland? This paper will argue that we can and we should extend and intensify these relations; not just for one, but for a number of reasons. As none of them is obvious, they will have to be spelled out in more detail.

### “VALUE” AND NATIONAL INTEREST

External relations with a country will depend on its “value” in terms of what one expects it to do to promote our interests, or on its “power” to impose restraints which prevent us from fulfilling our national objectives. The essence of foreign policy is a simultaneous interplay of *fears and expectations*. Our great neighbour to the South is a typical case in this respect. We fear the negative implications of the power of the United States to harm and restrain our policies. At the same time we are attracted by its wealth and the many benefits which we expect to flow from an intensified mutual relationship. Our neighbours to the East raise no fears and call for no expectations. At a first glance, there is nothing that they can do for us, and we see no reason why we should do anything for them. In traditional terms the present policy of benign neglect seems as appropriate for the future as it has been in the past.

*Economic Value?*: If we apply a short term perspective, based on the immediate past and a superficial reading of the present, a “no relations, no change” position can be justified. In these terms an overview of our eastern neighbours becomes an exercise in ‘yes, but’. With its more than two million square kilometers, Greenland is the largest island in the world, larger than most so-called great powers. However, it is for the most part covered by a huge permanent icecap which has allowed only 50,000 Danes and Eskimos to carve out a marginal existence on its ragged coasts.

Though smaller than Greenland, Iceland is the second largest island in Europe with a total of 103,000 square kilometers and a population slightly in excess of 200,000. Again, it has little to offer of value that might attract Canadians and provide the traditional arguments for a closer relationship.

The "value" of a given country can never be measured with adequate accuracy. But by looking at its economic, military and political dimensions, one gets at least some basis for assessment. In terms of economic value, there is very little in either of the two countries that could raise Canadian expectations. Our trade with Iceland is negligible, on the export as well as on the import side. The prospect of a future extension seems very dim indeed. Iceland has no mineral deposits, no geological promise of oil and gas. There is a potential for hydroelectric and geothermal energy resources, but it is costly to harness. Even the fisheries which are Iceland's major source of income, are now threatened with decline from over-exploitation.

Greenland has at least a potential value in its assumed reserves of certain minerals. There are proven deposits of uranium, coal, iron, zinc, lead and large reserves of unused hydroelectric power. But these resources are not easily accessible, and the costs of exploitation seem staggering. At the moment the only viable mining operation (Marmorilik) is run by Greenex, a Canadian-owned company which soldiers on, trying to cope with rising costs of production and falling prices of the products. In the early seventies it looked as if there might be off-shore oil and gas deposits on the west coast of Greenland. However, after a couple of years of fruitless drilling, the oil companies gave up and discontinued their explorations. Most of the economic enterprises in Greenland, including the fisheries, would be in the red if the Danish government had not picked up the tab of a total annual deficit of 200 million dollars. With the current trade figures and other data a Canadian policymaker would be hard put to demonstrate the value of extended economic relations to either of the two eastern neighbours.

*Defence Value?:* If we turn to the military dimension, can it be demonstrated that our eastern neighbours have a defence value for Canada? Could we improve our national security by extending and strengthening our relations to Greenland and Iceland?

Defence in the north is a very complex issue. During World War II, both islands played a major role in providing the Western allies with base facilities for naval and air operations in the battle for the Atlantic. At that time they were indispensable. Through the post-war years, the Americans have manned two air bases in Greenland and one in Iceland, all claimed to be of major importance to the NATO alliance. Few would question that assessment. The bases are important for a number of reasons, but as the Americans are firmly established there,

it is not immediately clear what Canada could gain for herself and her allies by insisting on being physically and militarily involved in maintaining these bases.

In 1940 the British strongly urged the Canadian government to take full military responsibility for the island. This request was accepted as a temporary measure, but the then Canadian government of Mackenzie King firmly refused to let the Canadian forces stay. So they all left in April 1941.<sup>3</sup> The next year the Americans took over the military responsibility for Iceland. There is every reason why they should continue in that role. The approximately three to five thousand Americans at the base provide a physical guarantee of protection and a credible deterrent against unwanted interference. In the post-war period neither the two host countries, Iceland and Denmark, nor the Americans have ever suggested a transfer of alliance responsibility from the U.S. to Canada. Nor is it likely that the Canadian government would want to put this additional burden on an already strained budget for national defence.

Thus, using the traditional yardsticks for assessing "value" in either economic or military terms, one cannot really present a credible and plausible case for intensifying Canada's relations to our eastern neighbours; that is, if we are content to base our assessment on the most widely applied clichés, using a short term perspective. If, on the other hand, we adopt a long term projection and a more comprehensive frame of analysis, the issue of which future policies to apply to our eastern neighbours might look quite different.

### POLITICAL CHANGE AND SOCIALIST GAINS

The above assessment of "value" assumes that the status quo which was established in the early post-war period will continue in the foreseeable future without major change. This assumption is no longer valid. During the 1970's a number of changes have taken place. In sum they present us with a situation which is essentially different from what it was in the previous decade.

Perhaps the most recent and significant change is the establishment of a Home Rule arrangement in Greenland.<sup>4</sup> In April 1979 the people of Greenland of which approximately 10,000 (20%) are ethnic Danes, elected a national assembly (landsting) which delegates its authority to a regional government (landsraad). The election was won by the socialist (Siumut) party with thirteen mandates against the non-socialists' (Atassut) eight seats.<sup>5</sup> Foreign, defence and monetary policies remain a prerogative of the Danish government and parlia-

ment (folketing) where Greenland has two of a total of 179 representatives. This means that matters of foreign policy and defence will be channeled through Copenhagen and decided there rather than in Godthaab, Greenland.

As Greenland remains an integral part of Denmark, it is, as a matter of course, NATO territory. Further, it automatically became a part of the European Community when Denmark joined as a member in 1972. However, a majority of the 50,000 Greenlanders voted No to membership. One of the unanswered questions is whether the new regional government will insist on a withdrawal from the Community. The election of Finn Lynge as the Greenland representative to the European Parliament is an indication of the current trend.<sup>6</sup> A referendum on continued membership is scheduled for 1981.

Iceland is a long time member of NATO, but has never considered joining the European Community. Its 225,000 inhabitants have, since 1973, been ruled by a coalition government in which the Communist party (the People's Alliance) has three of a total of nine portfolios.<sup>7</sup> It should be noted that although the socialists in Iceland and Greenland make a big point of their marxist orientation, their major motivating force is nationalism. Neither country has a viable Communist party on the Soviet model. The fact that the Soviet Union takes a keen interest in both islands is another matter.

## AREAS FOR COOPERATION

The problems which Canada is likely to face in future relations with her eastern neighbours do not depend so much on trade and commerce as on a need for joint cooperative arrangements in the Davis Strait and the northern entrances. The governments of Canada and Denmark showed their good will and common sense in 1973 when they agreed to a border arrangement for the Davis Strait and northward based on the principle of the median line. There are no doubts on either side as to what belongs to whom. But drawing lines on a map does not necessarily eliminate the potential for conflict or the need for further cooperation. The fish stocks on the Canadian as on the Greenland side move about in the Davis Strait as freely as they have always done, irrespective of the median or other legal boundaries. Conservation policies to protect the fish stocks from over-exploitation and possible extinction are virtually unfeasible unless the two owners agree on coordinated measures that apply to both sides of the median. Pollution is another issue where the two parties would be better off by adopting parallel regulations and enforcing them jointly.

To insist on diverging practices on the eastern and western side of the median would not make good sense.

The whole area of communication and sea transport also invites cooperation. Floating ice formations make shipping dangerous in all parts of the Davis Strait. Conditions are particularly bad on the western or Canadian side from Ellsmere and Baffin Islands down to Labrador. The severe ice conditions limit the shipping season on the Canadian side to just a few months in the summer which reduces the value of Canada's northern resources, be it oil, liquid gas or mineral products. As the waters off the southern and western coast of Greenland are practically ice free through most of the year, it has been suggested that instead of shipping the resources overseas in an unrefined form, Canada should enter into a cooperational arrangement with the Danes and the Greenlanders to establish refineries in Greenland. One could use the short summer season in the Canadian Arctic to run a shuttle service, ferrying a maximal amount of the raw resources on the Canadian side over to refineries on the south-west coast of Greenland, process them and ship the finished products from there all through the year. Few doubt the operational merits of such a cooperative arrangement, but the political obstacles may be as great as the economic ones. The new government in Greenland has expressed reservations about large industrial enterprises. This does not exclude an arrangement, but unless the governments agree in principle and some capital is made available, it may not happen.

It would be to the mutual advantage of the two countries to strengthen the ethnic ties between the Canadian Inuits and the Greenland Eskimos. Though having the same ethnic roots, there are many differences in traditions, cultural background and way of life. Even so, the native people of Greenland and those of Canada's Eastern Arctic have more in common than any other major groups in the northern area. In their belated struggle for development, the Greenlanders and the Canadian Inuit are faced with many practical problems which might be easier to handle if they were dealt with in a jointly sponsored cooperative context rather than pursued separately. In community building as in resource development, a Canadian initiative might lead to a series of shared enterprises of mutual benefit to both partners.<sup>8</sup>

#### CANADA AND THE AMERICAN MILITARY PRESENCE

Changed conditions and the predominance of political factors may also affect the problems relevant to national security. As noted above,



Canadians are apparently satisfied with the present arrangement where the United States carries the burden of costs and responsibility for the protection of our eastern neighbours. This could go on indefinitely—provided there are no major changes in the situation, which has remained basically the same for more than two decades. No status quo is likely to last for very long; in fact, some erosion has already taken place. However, in most cases the changes have been incremental and cumulative which makes it harder to determine when they have passed the critical point where reassessment, with a possible reformulation of policy objectives, becomes necessary.

Of all the factors which have contributed to the new situation the growth of Soviet military capabilities and their forward deployment is probably the most significant one. While no one disputes this fact, the impact of increased Soviet air and naval potential has become an object of diverging interpretations. There are those who feel that the larger numbers and improved equipment of these forces are really not all that important—as long as they are not used. Despite the astounding accumulation of Soviet military forces—with no comparable corresponding response on the Western side—the no-war scenario seems to be gaining ground. Given the strategic nuclear balance, which some consider satisfactory, the Soviet Union will not be able to benefit from its beefed-up military strength. If it were to use these new armed forces, it would invite a nuclear war, which the Soviet leaders must fear as much as their opposite numbers in the West. Thus, while it might now be possible for the Soviet forces to make a successful military incursion on the northern flank or on such North Atlantic islands as Iceland and Greenland, such moves would seem counter-productive. It would disrupt the detente policy, which on the whole has benefited the Soviet Union. The assumption is that the NATO nations would then react by shifting their priorities to stepped-up defence developments which might neutralize the sophisticated weaponry which the Soviet Union has produced under great strains to match the West in military strength. To upset the detente apple cart for some limited gains of barren rocks and islands in the far north does not seem to make good sense. Those who follow this line of thought would maintain that the increases in Soviet military capabilities in the northern areas suggest no real implications for the security of the region. The status quo continues to be satisfactory. All is well on the northern flank!

On the other hand, there are those who feel that accumulation of Soviet military strength in the northern area indicates a design for a

military domination of the North Atlantic islands and seas which could bring them under direct and indirect Soviet control. Whether the ultimate motive is the establishment of a network of air and sea-bases or getting at the transatlantic sea lanes—or both—it would mean a military confrontation.

As of now, Canada has no known position on these issues. A likely reaction would be: 1. A Soviet military westward move is improbable; and 2. If it should happen anyway, it would be an American responsibility to provide the initial response and subsequently suggest appropriate actions from other NATO members. Canada could hardly avoid being involved, but not in the crucial first stages.

A Soviet "blitz-blow" against the North Atlantic islands is clearly a worst-case scenario, which from a Canadian point of view could have very serious consequences. One might get a situation which would look quite similar to the one which existed during World War II. The Americans would be in full and direct control of Greenland and Iceland. As the Canadian defence facilities in that part of the country are rather scarce, the U.S.-controlled area might also include parts of Canada. Even as an emergency measure, only for the duration of the crisis, it would have serious and unpleasant long term consequences. One would think that a Canadian government would take some timely, precautionary measures to prevent that from occurring.

Fortunately, worst-case scenarios do not happen all that often, but it would seem unwise not to be mentally prepared for possible changes in the control patterns for the northern areas that go far beyond what is considered prudently probable today. Change goes on all the time. The past decade has seen shifts in emphasis which brought political rather than military deterrents to the fore. NATO's immediate goal is to maintain the full use of the American bases in Iceland and Greenland. As long as Soviet forces do not move in to take them over, the fulfillment of this goal is a political rather than a military problem. One is reminded that at the only time when a continued use of base facilities has been questioned at all, the threat has been a *political* one. In the middle fifties and again in the middle seventies, during the so-called Cod War between Britain and Iceland, the government of Iceland demanded an American withdrawal from the vital U.S. airbase at Keflavik. The request came from a government which included two Communist ministers. Naturally, ideological elements were a part of the syndrome, but it would hardly be correct to characterize the government's move as the work of a Communist conspiracy. The driving force behind the government's



At the moment (1979) all parties in Greenland as well as in Iceland maintain a moderate pose. Much to the surprise of many observers, no responsible political group in Greenland has so far openly denounced the existence of the American bases. But as most new nations, they are very sensitive about their freshly gained sovereignty and their national pride. With the undercurrent of a combined socialism-nationalism running strong in both countries, neutralist movements could spring into action at a very short notice, aiming at breaking either country away from any military attachments to the NATO alliance.

As an exercise in contingency planning it might be useful to examine in more detail a scenario in which the American government has received a request from either the Iceland or the Greenland national authorities, or both, to evacuate one or more bases. What would the American government do? And how would their reaction affect Canada and Canadian interests in the northern area?

From a Canadian point of view the situation outlined above might in fact be called the "next-worse" scenario. It would certainly not be as bad as if the Soviet Union saw a need to establish physical military control over our neighbours to the east, but it would present a Canadian government with some very difficult and serious choices.

There is a number of reasons why this "next-worse" scenario should be given careful consideration. First, it is not a product of science fiction or concocted by imaginative scenario-builders from some riverbank think-tank. It has actually happened. An Icelandic government, supported by a majority of thoughtful, considerate and responsible Icelandic parliamentarians has on two occasions, in the middle fifties and in the middle seventies, asked the Americans to evacuate the Keflavik base. To insist that it could not happen again would demonstrate either ignorance about the political situation in Iceland or deficiencies in analysis and interpretation. The probability that similar demands may be raised in the 1980's is as high as it was in the 1950's and 1970's.

Second, we are as much in the dark as we were then in predicting the American response. One would expect the same flurry of diplomatic and political activities to avoid a final confrontation, but there is no guarantee that the Icelanders would back down as they did on the two previous occasions. If they should persist in their demand, it would be an American decision whether or not to move out.

The operational area which is being covered by the Keflavik base has increased even further in military significance during the late

seventies. The needs for continued coverage might well be called vital security interests. It seems inconceivable that the U.S. would retreat and call off its present activities because of a new political constellation rising to prominence in Iceland. If they should decide to comply with the request to move, they would have to find replacements elsewhere. The Scandinavian base prohibitions are tighter than drums, and as Greenland may no longer be accessible, U.S. base facilities might be obtained at certain spots in Northern and Eastern Canada. A U.S. appeal to Ottawa for suitable base sites and other cooperative arrangements might be based either on NATO solidarity or on common concern for North American continental security, or both. In either case such suggestions could not easily be rejected.

What then if the United States should choose the other alternative, after all evasive and conciliatory measures had proved ineffective, to declare that the United States would remain on the base site with all the facilities which it considers necessary? It does not take much imagination to visualize the implications of such a decision, internationally as well as domestically, and the turmoil it would cause in a number of countries. For the sake of discussion, let us focus on what might be expected as the Canadian reaction.

### IMPLICATIONS FOR CANADA

An open manifestation of American control in the North Atlantic area might be seen as completing "the American encirclement" of Canada. For more than a century Canadians have been concerned about the potential dangers from our neighbour to the South and to the Northwest. If the Americans should be forced to demonstrate their determination to guarantee, by their physical presence, the future security of Greenland and Iceland, even against the protests of the host countries and some of their allies, an inevitable next step would be to assert themselves in the northern region in a way that would leave little room for other interested parties. This could mean that "our neighbours to the East" would, for all practical purposes turn out to be the Americans, with the indigenous people protesting without being able to change the facts. In the east, south and northwest there would in fact be only one big neighbour, the United States, which in a perceived situation of crisis and emergency would take the measures it might consider necessary for safeguarding the security of the North American continent--with or without the approval of a Canadian government.

A conflict over base sites in these islands would affect adversely the

whole federalist-regionalist-nationalist issue in Canada. It would complicate the already strained negotiations with our native groups in the northern territories and impair the prospects of a mutually satisfactory political settlement. It might also have an unfortunate impact on the Quebec question. An American refusal to evacuate the U.S. military bases in the North Atlantic islands might receive a positive response from people primarily concerned about North American security. The Americans might defend their position quite effectively on these grounds. It might nevertheless incense those who see the United States as the only real threat to Canada. Having what would appear as a nationalist-imperialist confrontation in Greenland or Iceland would fan the flames of general anti-American sentiments and polarize the respective pro and con groups. One might, therefore, get a wave of anti-U.S. reactions in Canada, which, viewed from Washington, might be seen as a stab in the back.

Some people who have not followed the events in the North Atlantic during recent years might find such a view somewhat exaggerated. Greenland and Iceland are such small and remote places. Whatever happens there could not possibly cause so much disturbance. Why then bring up such unpleasant scenarios? Two major points have motivated this exercise. One is to show that stability, which is a precondition for North American as well as European security, may often depend more on political and economic factors than on the military ones. The other point is to emphasize our own needs for long-term planning and analysis, initiated before potentially dangerous issues become real problems. This means that we will have to distinguish more consciously between preventive diplomacy and crisis management.

The Americans have always been good at the latter. When a crisis is on, their huge political and bureaucratic machines swing into action with think-tanks, ex-coms and other emergency measures. But they have often been rather inept in identifying and dealing with problems that have not yet emerged and in finding the subtle means that could prevent them from surfacing. The inadequacies may not necessarily stem from faulty analysis and performance, but from the built-in handicaps which will often impede a superpower in its dealings with small, insecure, and sensitive new nations.

Canada does not *have* to get involved. As in some previous cases where the United States has been opposed by nationalist forces, we might well lean back in our armchairs and resort to backstage advice and dispassionate criticism. But in crises, involving the North Atlan-

tic islands, the passive observer role which Canada has often adopted might be neither desirable nor feasible. Though is not commonly perceived as such, Greenland and Iceland are geographically and geopolitically parts of this continent, attached to Canada's national homeland and thus in a very direct sense our next door neighbours. They are too close and too potentially important to us to justify continued indifference.

As there is a high probability that the issue of the American military presence in Iceland and/or Greenland will be raised again, it would seem prudent and rational to ask *why* a Canadian government should do anything at all in that part of the world, *what* it should do, and *how*. These questions should be raised now, when all is still calm and quiet in the North Atlantic area.

### THE WHY QUESTION

Our neighbours to the East were not included in the government's foreign policy review of 1969-1970, and despite repeated reminders from concerned observers, our Department of External Affairs has so far not suggested any foreign policy objectives for Greenland and Iceland. Even if there is no constructive prescription for what conditions we would like to see there, the recurrent crises connected with the American bases and three "Cod Wars" ought to indicate what we would *not* want to happen on our eastern doorstep. The two scenarios, briefly sketched here as the "worst" and the "next-worst", both indicate that a pitched conflict over almost any issue will lead to a tighter and more direct unilateral American control of the area. This cannot possibly be to Canada's advantage, either in the short or in the long-term.

In "the old days" it was convenient and easy to have the Danes take the care and the cost of providing stability in that part of the world. But as early as 1940, almost a half-century ago, it became evident that the Danish-Greenland connection had already then become anachronistic, out of step with the times. A year later, Britain acknowledged her inability to provide protection for Iceland and the Americans took over the responsibility for the whole area. During the past thirty years the Danish government has made an heroic attempt to make the northernmost county (amt) in the Kingdom an integral part of the realm. The equal rights policy, initiated in 1953, fell short of expectations. The inauguration of the Home Rule government in Greenland on May 1, 1979 indicates that the period of Danish domination may almost be over. On the other hand, the all-American era

has not yet begun. As far as Greenland and Iceland are concerned, we may now be at one of those crossroads, which the flow of international politics occasionally provides, where the old trends and the old forces have been exhausted, and where those with the foresight, the courage and the initiative to stake out new directions can mould the policies for the next stage.

Before any new moves are made, there should be no doubts about Canada's motivations. There are no hidden plans for imposing another structure of neocolonial domination. Canada's record on that score is straight and impeccable. There is the obvious motive of trying to avoid having the same neighbour to the East as we have to the South and North-east. But a new eastern policy ought not and does not necessarily spring from a paranoid fear of "U.S. encirclement." Canada's basic objective is *stability*, a contribution to lowering tensions and the defusion of accumulating conflicts. Perhaps the most durable and most consistent element of Canadian foreign policy has been the untiring search for international stability. A stable world, recognizing basic values and fundamental freedoms, has been Canada's foremost foreign policy goal through the whole post-war period. So far these efforts have been directed towards Asia, the Middle East and elsewhere. There is no good reason why this well established policy of *preventive diplomacy*, supported by a national consensus and by a very distinguished record, should not be equally applicable to our next-door neighbours as to far away places in other continents.

### THE WHAT AND HOW QUESTIONS

What should Canada do and how should she approach the tasks? Let us first suggest what we should *not* do. Canada should not volunteer for any military involvement in either Greenland or Iceland, such as taking over certain functions at any of the bases, nor offer any other kinds of Canadian military presence. This for a number of reasons. First, because the Americans are there already and have proved that they can handle all the military problems more efficiently than could any other NATO member. The task of military protection of the North Atlantic islands cannot be improved by substituting Americans with other alliance members. No other nation's armed forces would accept the kind of segregated hardships which are endured on the American bases. They have also developed a coexistence formula which works as satisfactorily as can reasonably be expected. Nor would any of the two host countries want someone else to replace

the Americans. Second, Canada is already spreading her military forces very thin in order to cover her existing commitments to Central Europe and to the northern flank. It would cause great disruptions if she were to disentangle herself from either. A third major engagement is not feasible at this point. Paramilitary functions, as for instance joint fisheries inspection, is another matter.

Staying away from military involvement on the two islands does not necessarily mean that we should not use the organizational ties provided by the NATO alliance. On the contrary, they might well be intensified. By opting for a non-military framework for cooperation, Canada would have an opportunity to fulfill the intentions of article 2 in the North Atlantic Treaty, which was included at the initiative of a Canadian government. It would give Canada an opportunity to demonstrate in practice what she meant some thirty years ago by insisting that a clause for political and economic cooperation be included in the constitution. In the current situation, the political and economic needs present the most urgent tasks and probably the best opportunities for cooperative approaches.

As indicated above, over recent years there has been an accumulation of economic and political issues related to the Davis Strait syndrome where cooperative measures would seem mutually beneficial for the Danes and the Greenlanders as well as for the Canadians. Canada's strength is in capital investment, management, overall expertise and know-how. The assumption that Canada would have a technological edge in such a partnership may not be true in all areas. In fishing techniques, refining and sales administration, the Danes and Icelanders are among the most advanced in the world. In this field of activity Canada has a lot to learn. Here cooperative arrangements would not necessarily be a one-way street.

This might be even more true for exchange and assistance programmes between the Greenlanders and the Canadian Inuit people. So far there have been no systematic comparative studies of the two Inuit societies, but the indications are that in many areas, such as education, local and regional administration, social and political adaptation, the Greenlanders are ahead of our own Inuit people. We have a lot to learn from them. Their recently acquired Home Rule arrangement may not be readily applicable to the Canadian North, but it has many features which appear both attractive and workable. The Inuits in Canada have been groping for some kind of formal arrangement that can fill their two basic needs: on the one hand, to get adjusted to a modern society which allows them to establish a viable



local and regional economic framework, which on the other hand can also preserve the essential elements of their native identity. For a number of reasons, geographical as well as others, the Home Rule model may not be the answer to our northern territories. It is a political experiment. It may not even work in Greenland. But the experience which has already been gained and the experimentation which now is taking place is of direct relevance to development in Northern Canada. It should, therefore, be followed at the closest possible range.

### FOREIGN AID AND REGIONAL STABILITY

It goes without saying that the kind of exchanges and cooperative programmes which are discussed here will lead to costs that cannot readily be absorbed by the departments which normally are in charge of northern programmes and policies. Greenland, and in certain respects Iceland, are developing areas. We are really talking about aid to developing countries, which has been and still is an important element of Canada's foreign policy. At the moment Canada is spending close to a billion dollars a year in foreign aid,<sup>11</sup> which is about five times as much as we contribute in federal funds to our two northern territories.

The foreign policy objective which motivates our foreign aid programmes is to help new nations build stable societies and become trusted and responsible members of the international community. If we were to make a check of the countries which over the years have received our aid, we might find that the pay-off in these terms has not always met our expectations. Whatever the balance between input and output, foreign aid remains an important aspect of our present foreign policy. There is a great deal of popular support for these programmes. They will continue, but there seems no good reason why we should not divert some of these funds to the developing countries on our own doorstep. Relatively small portions of aid money could contribute substantially to a stabilization of economic and political development in Greenland and Iceland, under conditions which are compatible with the traditions, the way of life and the goals which these two new nations have set for their societies.

As the problems in Greenland and Iceland differ widely, the kind of assistance they might get would take different forms. While Greenland falls into the broad category of a developing nation, slowly emerging from a very primitive past, the term "less developed" is only partially relevant to Iceland. Iceland is in many respects a fully

developed and industrialized society. Its present problems stem partly from the fact that the nation is living beyond its means. But contrary to other Western countries, which may qualify for the same description, Iceland depends on one single source of income, the fisheries, which are now threatened by over-exploitation. The two countries would therefore require two sets of assistance programmes, which might differ essentially in kind as well as in substance.

Canada has always been very careful in her foreign aid policy not to try to interfere in the decision-making process in the countries for which she provides assistance. Even where it might have seemed possible, she has largely refrained from interference, partly on principle, partly because she recognizes that in the long run it would prove counter-productive. As the American experience has shown most eloquently, the stability which remains our goal must come from within the country in question. This is particularly relevant to our two neighbours to the East. The strongest force on the domestic scene is nationalism, a sense of pride in their past and present culture, their way of life and the way their societies work. There is a deeply felt desire in both Iceland and Greenland to avoid external influences which might disrupt these national patterns. Unless this is clearly recognized, we will not get very far.

Their leading politicians, as well as the rank and file of the people, are sensible, knowledgeable people who in most cases give ample proof of sound, balanced judgement. For centuries they have been able to make a living under natural conditions so unfavourable that less qualified peoples would never have made it. Few national societies have passed such severe tests to prove their ability to survive and their claim to continued existence. This experience has given them a concern about national survival which sometimes makes them lose sight of the larger perspectives and leads to misjudgements about the international environment from which they cannot escape. This is a part of the national syndrome which is hard to avoid. There is a streak of fatalism in the northern peoples, an element of stubborn defiance which is both a strength and a weakness. If they feel their survival is threatened, they may strike out with little regard for the long term consequences. The crises which have occurred in the past, such as Iceland's cod wars and her demand for an evacuation of the U.S. bases, have to some extent been acts of desperation, triggered primarily by a fear of isolation, a feeling that all the neighbours and one-time friends had turned against her, that she was left completely alone, boxed-in, fighting against tremendous odds, and that only

some drastic action could break the confinement in which she found herself. By developing close neighborly relations on a day-to-day basis, Canada might help to offset the constraints of being a lonely and isolated actor in the international arena.

Therefore, if we want to intensify our relations to our neighbours to the East, we will have to modify the definitions and our own conceptions of foreign aid. Our contributions must be political, social and cultural as much as financial. Naturally, they will need economic assistance which will cost us thousands of dollars, but what they need more than anything else is the respect, the frank acknowledgement of their special characteristics, their cultural traditions and quality of life. We must come across to our eastern neighbours in a way that makes them feel that we trust them and that they can trust us. Not the least in times of crises, they need someone they can talk to on equal terms, who recognizes values that are not measured by size of population or gross national products. Canada is in a unique position to fill this need. As a large, multi-cultural country, familiar with problems of national identity, and the rampant forces of nationalism and regionalism, she might be in a better position than most others to understand her eastern neighbours and to help them build the kind of stable society which is their goal as much as it is ours.

Therefore, our approaches must reflect the special features of our two eastern neighbours. Cooperative arrangements with Iceland would have to be on a different level from those with Greenland. In some sectors, such as higher education, fish processing, geothermal energy and hydroelectrical development, Iceland seems to offer opportunities of mutual benefit to both countries.

One should also keep in mind the special relationship which exists with the descendants of the Icelanders who emigrated to Canada around the turn of this century. It was the largest emigrant group ever to leave Iceland. The number of Canadians descending from Icelandic ancestors are roughly estimated to be some 30-40,000 people, most of them living in Manitoba. They form a very distinctive group and, in a remarkable way, have retained their identity and their ties with the mother country. They are as proud of their ancestry as their mother country is proud of them. If called upon and given the opportunity, they might form an additional natural link with one of our eastern neighbours for contact and cooperation, based partly on a common heritage, partly on tangible, mutually advantageous exchange programmes. These ethnic affinities between large groups of Canadians and the peoples of Greenland and Iceland constitute a

unique foreign policy asset for cooperative arrangements with our eastern neighbours.

Last but not least, we will have to remind ourselves that foreign policy is inseparable from international relations and vice versa. While most of the exchange and cooperative arrangements will have to be arranged on a bilateral basis, the overriding goal, stability, can hardly be attained if the approaches which Canada may decide to make are not closely coordinated with the two other larger neighbours, Denmark and the United States. This is particularly important in the case of Greenland. The Home Rule agreement gives the Godthaab government internal self-determination, but foreign policy, defence and monetary policies are still directed from Copenhagen. It will require great diplomatic skill on the part of our External Affairs Department to make sure that the appropriate issues are raised in Godthaab or Copenhagen respectively, and that Washington remains well-informed and open for talks on matters of common concern.

The Danes have done a gigantic job in bringing Greenland as close to a modern society as she actually is. There is no exaggeration in saying that unless the Danish participation in Greenland's development is continued in a spirit of trust and friendship, the chances of success for the Greenland experiment are very slim indeed. Therefore, the objective of a Canadian approach must not be to substitute, but to supplement the efforts which the Danes are already making. The precondition for development with stability in the North Atlantic islands is a close cooperative companionship between the three supporting nations, Canada, Denmark and the United States.

## CONCLUSION

Foreign policy is often perceived as a fluctuating process with foreign ministries responding flexibly to stimuli and impulses which may occur in rapid succession on the international and national scene. This is only partly true. Most countries' foreign policies tend to evolve around a small number of central themes and well established practices and routines. In Canada's case the core issues are our relations to the United States, our European heritage and a somewhat vaguely perceived role as an international broker, which all must be adapted to our unique domestic setting of federal-provincial tensions. Our external relations are tied to sets of traditional determinants which tend to be quite conservative. This is characteristic of bureaucracies in most countries. Bureaucratized foreign policy-

making ensures a certain continuity which is indispensable. But it often develops into rigid patterns of prescribed behaviour based on traditional criteria which are not easily adaptable to change. Too much dependence on precedence and narrowly prescribed behaviour may sometimes block new approaches and prevent timely adaptations to problems and situations which might require immediate attention.

Present policy toward our neighbours to the East provides an example of the persistence of traditional concepts which allow only a narrow margin for adaptation to new factors and conditions. Of all the possible explanations, the most obvious one is probably our preoccupation with an increasingly complex domestic situation. Along with the almost obsessive concern about our relations with the United States, we lack an intensive and free-wheeling foreign policy debate to sort out and identify current problems and evaluate the implications before they become ripe for decisions.

On the internal, domestic level it is often hard to find the right channels for discussing what seem to be new and challenging elements in Canada's external relations. Judged by most available criteria, the seventies introduced a whole set of variables which for the most part had not surfaced in the previous decade. It is suggested here that some of these changes require more attention. The task, long overdue, is first to make the organizational arrangements for acquiring the information and insight which is necessary for a continuous assessment of possible future actions. And in order to have an applicable action policy, we must at least be continually and adequately informed about what goes on in areas of immediate concern.

Among the most needed structural adjustments to the new developments in our two eastern neighbour countries is a permanent Canadian representation in the capital city of Iceland, Reykjavik. Establishing a full scale embassy there would not be appropriate at this point. Our present needs can be sufficiently covered by an External Affairs officer with a secretary, formally attached to our embassy in Oslo, but permanently located in Reykjavik. During World War II Canada had a consulate in Greenland. This is hardly necessary now. What is needed at this point is to strengthen our embassy in Copenhagen by adding a well-qualified person to the staff, whose main responsibility would be Greenland and northern affairs. The cost of such minor adjustments are negligible, compared to the risks of not being adequately informed and therefore out of touch.

The sequence of events which is now rapidly unfolding in Greenland, Iceland and the contiguous areas may not necessarily lead

to such crisis situations as suggested in my worst-case scenarios. They are included here to illustrate what might happen if matters are allowed to drift. A Canadian input of the kind suggested here is no panacea. A stronger Canadian presence may not prevent new crises from occurring, but we would know in time what the situation is, and be in a better position to meet it with adequate responses. Our past performance on the international scene gives credibility to a policy which aims for stability without stagnation, for progressive and peaceful change. A determined pursuit of this objective would be to our long-term advantage, while at the same time fulfilling urgent needs in the two island communities. In a strategic and geopolitical context Greenland and Iceland are no longer remote and peripheral places. Both are likely to play significant roles in the new constellations of power and influence in the "grey area" between Europe and North America which, whether we like it or not, seems bound to affect Canada. As we cannot avoid engagement, we might be better off if we started sorting out the ends and means while alternative avenues are still open, rather than waiting until most options have been closed by events beyond our reach.

## NOTES

1. This is a slightly revised version of a paper delivered in Ottawa at a Canadian-American seminar 22 November 1978. It was circulated in the Northern Studies Series of the Queen's University Centre for International Relations (QCIR) in the Spring of 1979.
2. Cf. Mitchell Sharp, "Canada-U.S. Relations: Options for the Future", *International Perspectives* 1972, pp. 1-24 (Special Issue).
3. Donald Bittner, "A Maple Leaf in the North Atlantic: Canada and the Defence of Iceland, 1940", *Canadian Defence Quarterly*, Fall 1977, vol. 7, no. 2, pp. 48-57.
4. Hjemmestyre i Gronland. Bind I. *Hjemmestyreordningen*. Betaenkning 337/1978. J.S. Schultz, Kobenhavn (1978).
5. *Atuagagdluutit* 12/4, 1979.
6. *Hjemmestyreordningen*, s. 35ff.
7. *Nordisk Kontakt* 1/79.
8. Some attempts have been made on private initiatives, apparently with good results. See for example, Northwest Territories-Greenland *Municipal Leaders Conference*, Yellowknife, 17-19 May 1978.
9. Their party tries to avoid the term "Communist", referring to itself as "The People's Alliance".
10. "In small states there can be a complete *volte face* in foreign affairs when there is a change of government. . .", Bjorn Bjarnasson, "Iceland's Security Policy" in C. Bertram and J. Holst, *New Strategic Factors in the North Atlantic*. (Universitetsforlaget, Oslo, 1977), p. 107.
11. CIDA, *Canada and Development Cooperation*, Annual Review 1976-1977 (December 1977), p. 11.