

position Canada would like to see adopted, sometimes in a different form. It is significant, for instance, that both countries are at present represented on several of the peacekeeping missions of the United Nations (the UN Force in Cyprus, the UN Military Observer Group India-Pakistan and the UN Truce-Supervisory Organization).

#### **Soviet naval might**

It is, perhaps, from a strategic point of view that Denmark's international position is of greatest interest to Canada, especially in view of the development of the naval strength of the U.S.S.R. Indeed, in the event of a limited conflict between the countries of NATO and the Warsaw Pact — the only "reasonable" possibility that can be envisaged at present —, access to the Atlantic Ocean would be crucial for the Soviet Union. If it is assumed that the passage from the Baltic Sea to the North Sea will remain under the control of Denmark and other NATO members, then Murmansk, far to the north, is the only ice-free port the U.S.S.R. could use all year round to dispatch its fleet towards the Atlantic. From Murmansk, however, there are only two lines of access to the Atlantic — either through Davis Strait (between Greenland and Baffin Island) or by way of a lengthy passage that includes the Denmark Strait between Greenland and Iceland and the various sea-lanes between Iceland and the Faroes (also under Danish control), the Shetland Islands and Scotland. Apart from engaging in nuclear retaliation, the task of the Soviet submarines would be to force these passages, open the Atlantic to naval elements stationed at Murmansk, and attack Western shipping-links.

Accordingly, through its various territories, Denmark occupies a strategic position in the Arctic and Northeast Atlantic that Canada cannot ignore in its general evaluation of that country's place in its diplomatic relations. These territories will become even more important for Canada as the development of the Arctic's natural resources brings increased commercial shipping to this area (both surface and submarine). Yet the exploration of the Arctic's energy resources has hardly begun and, if it is not undertaken by Americans and Canadians, it may be of the greatest interest to Europeans and the Japanese, who are less well-off in this respect. Denmark, as an Arctic power importing over 90 per cent of its energy, might make a move in this direction. In the long or the short term, then, commercial shipping between the Arctic and the Atlantic is likely to take on new strategic significance. From this point of view, Canada and Denmark have an obvious community of interests.

In spite of these common interests, direct bilateral relations between the two countries have been slow to develop. Canada's first diplomatic mission to Denmark was opened as recently as 1946, in the form of a legation in the charge of a minister, who lived for the first year in Oslo. Ten years passed before the two countries decided to raise their legations to the rank of embassy. In 1956, Denmark was the only NATO member in which Canada was represented only by a minister. Canada's mission in Copenhagen was always modest in size and partly dependent on other Canadian missions in Europe. It was not until 1959, for instance, that a commercial attaché was assigned to it on a permanent basis. The Canadian Embassy now has four resident officers but the military attaché still resides in Oslo; two immigration officers cover Denmark from Stockholm.

Finally, ministerial visits between the two countries were infrequent. The first official visit to Canada by a Danish Foreign Minister took place in 1967, and in 1969 Mitchell Sharp became the first Canadian Secretary of State for External Affairs to visit Copenhagen. Visits by politicians and civil servants have, however, become more numerous during the intervening years.

#### **Trade**

Commercial exchanges have been fairly limited up to now, though there has been an upswing recently. Trade is characterized by a persistent Canadian deficit on finished products (24 per cent of Canada's exports to Denmark are finished products, compared to 58 per cent of Danish exports to Canada). In 1976, Canadian exports to Denmark were valued at \$30 million, and imports from Denmark at \$76 million. Canada, moreover, is Denmark's second most-important market outside Europe, after the United States. Canada exports mainly coal, asbestos, salmon and machinery to Denmark, from which it buys furniture, furs, cheese and machinery. Denmark is the country fourteenth in importance as regards direct investments in Canada (\$21 million in 1974) and the seventeenth as regards Canadian foreign investments (\$40 million out of a total of \$9 billion). Since the visit to Copenhagen of an industrial co-operation mission in 1975, Canada has been trying to improve the composition and importance of its economic exchanges with Denmark. A number of "joint ventures" have already been started (for instance, in the brewing and lumber industries, and in shipbuilding). Moreover, Canada has just sold a DASH-7 aircraft to Greenlandair, and two others may be bought by the same company. Lastly, Canada hopes to sell its CANDU reactor

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