

NATIONAL PRESS CLUB LUNCHEON WITH ÓLAFUR GRÍMSSON

SUBJECT: ICELAND'S PRESIDENT ÓLAFUR GRÍMSSON WILL ADDRESS THE GLOBAL RACE FOR RESOURCES IN THE ARCTIC

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ANGELA GREILING KEANE: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Angela Greiling Keane. I'm a reporter with Bloomberg News and the 106th President of the National Press Club. We are the world's leading professional organization for journalists committed to our profession's future with events such as this while fostering a free press worldwide. For more information about the National Press Club, please visit our website at www.press.org. To donate to programs offered through the National Press Club Journalism Institute, please visit www.press.org/institute.

On behalf of our members worldwide, I'd like to welcome our speaker and those of you in our audience today. Our head table includes guests of our speaker as well as working journalists who are Club members. If you hear applause in our audience, I'd note that members of the general public are also attending so it's not necessarily evidence of a lack of journalistic objectivity.

I'd also like to welcome our C-SPAN and Public Radio audiences. Our luncheons are also featured on our member-produced weekly Podcast from the National Press Club available on iTunes. Today you can follow the action on Twitter using the hashtag NPClunch. After our guest's speech concludes, we will have a question and answer period. I will ask as many questions as time permits. Now it's time to introduce our head table guests. I'd ask each of you to stand briefly as your name is announced.

From your right, Bob Keefe, senior press secretary at the Natural Resources Defense Council. Noel St. John, news photographer. Sanna Kongasharshu[?], spokeswoman for the Embassy of Finland. Alice Rogoff, publisher of the Alaska Dispatch, which includes Arctic Wire. Dorrit Moussaieff, the First Lady of Iceland. Skipping over the podium, Donna Leinwand Leger, a reporter for USA Today, a former President of the National Press Club, and the Speakers' Committee member who organized today's lunch. Thank you, Donna.

Skipping over our speaker for just a moment, Scott Borgerson, cofounder of Arctic Circle. Lisa Friedman, deputy editor of Climate Wire. Andrew Cohen, communications director for the Bertelsmann Foundation. And Sylvia Kofler, Minister and head of The Press and Public Diplomacy Section for the European Union's Delegation to the United States.

[applause]

Our guest today, Icelandic President Ólafur Ragnar Grímsson, says, "We live in an ice-dependent world." Perhaps it comes as no surprise that President Grímsson, the leader of a country with ice in its name, would like the world to take notice of the glaciers and sea ice that dominate his Arctic neighborhood. But President Grímsson's message is no cry for attention for his small island nation. Instead, the British-educated political scientist, elected July 30th to a record fifth term as Island's President, has a global worry, that the North Pole's shrinking ice cap is wreaking havoc on the world's weather systems, ecology, and economies.

The disappearance of the Arctic sea ice is threatening life as we have known it, President Grímsson told French students and scientists at a Paris University lecture in February. Iceland is a member of the Arctic Council, which is eight nations that includes the U.S., Canada, Norway, Finland, Russia, Canada and Sweden, that all have territory in the Arctic. The Council has reached environmental treaties. But deep concerns remain about sovereignty, resources such as oil, gas and fisheries, shipping routes, and now, climate change.

As interest in the polar reaches resources have grown, other nations have asked for a stake in the Arctic, including France, Singapore and China. Last summer, Chinese scientists traveled to the North Pole to research whether polar melting had caused extreme weather in China. Today, Iceland became the first European country to sign a free trade agreement with China. President Grímsson, long an advocate of geothermal energy and sustainable management of natural resources, says the time has come to settle the resource claims in the Arctic and take steps to address the environmental degradation of the polar ice caps. The issues are, well, polarizing. [laughter]

But President Grímsson hasn't shied away from controversy and tough policies. President Grímsson, Iceland's first-ever professor of political science, was first elected to the country's legislature in 1978. He has won the Presidency five times, and was twice

unopposed. He directed innovative radio and television programs from 1966 to 1971. He has edited a newspaper, and served as Iceland's Finance Minister.

In 2008, he presided over Iceland's near economic collapse. The country's unique response, which included social and political reforms, and allowing the country's banks to fail, pulled Iceland back from the brink, without the austerity measures demanded by other European leaders. Perhaps most challenging of all, he has raised twin girls. Please help me give a warm National Press Club welcome back to President Grímsson.

[applause]

ÓLAFUR GRÍMSSON: Thank you. Thank you very much for these words of welcome. And thank you for hosting us at the National Press Club here today, for a very special occasion where I have the privilege, later on in my introduction, to announce the establishment of a new venue aimed at enhancing the dialogue of the cooperation on Arctic issues.

I know sometimes [00:06:15] on the Arctic looks as if it is far away. Perhaps, in the minds of many, still the hidden part of the world as it was in the beginning of the 20th century, where our knowledge of that neighborhood to our countries was still very limited. And it, in fact, remained so, until the first decades of the 20th century.

The cold war brought, however, this territory into the military concerns of not only NATO and the Warsaw Pact, but also every country in the Arctic was subject to a military buildup in our part of the world. But, with the end of the cold war, we saw an enormous transformation in the Arctic. It suddenly turned from being a highly militarized confrontational part of the globe into a very successful demonstration of positive and constructive cooperation.

And, during the Clinton-Gore administration, the eight Arctic countries decided to make it our Arctic, so to speak. Global territory, where the eight countries with geographical position, came together in the Arctic Council, which, in the beginning had a limited mandate, but has, in recent years, started to agree on treaties and further steps in cooperation.

But now, in the second decade of the 21st century, we have certainly seen that what we thought was our Arctic becoming the global Arctic, with countries in faraway places wanting to have a seat at the Arctic table. Last year, for example, to indicate this interest, in every meeting I had with leaders of Asia, whether it was the Prime Minister of China, the Prime Minister of South Korea, the leadership of Singapore, and now last week, also with the Prime Minister and the Foreign Minister of India. In every one of these meetings, the first item they wanted to discuss was not if but when they would acquire a seat on the Arctic Council.

If that should not serve as a wakeup call for us, the eight countries, I don't know what can serve that purpose. But we might ask ourselves, why is it that countries in Asia,

global players in the 21st century economy, have certainly acquired this enormous interest in what we thought, 10 or 15 years ago, was exclusively our Arctic? There are, of course, many reasons.

One is that, with the melting of the Arctic sea ice, we will see, in the near future-- and I emphasize the near future-- opening up of new shipping routes, linking Asia to America and Europe in the same way as the Suez Canal did in its time. One of the reasons why the leadership of China has such a strong interest in the Arctic is that they are already planning for a world where China will be the preeminent trading country in the world. And, if they send their cargo ships through the northern routes, to Europe and Asia, the distance will be shortened by more than 40 percent.

China is already building ships for this purpose. They are already formulating plans, indicating the number of cargo vessels that will, in this decade, sail through this route. Singapore has already got an Arctic ambassador, with the primary mission of finding a location for a big Singapore harbor, somewhere in the Arctic region. So, like the Suez Canal indicated trading transformation of the 20th century, the opening up of the northern sea routes will indicate a fundamental transformation of the global trading system in the 21st century.

The second reason, of course, is the melting of the Arctic sea ice through its impact on the global weather systems. One of the reasons why the Chinese Polar Institute sent the ice breaker Snow Dragon from Shanghai to Iceland last summer, the first time in history a Chinese vessel goes from Shanghai to an Arctic country through the northern route, was that they discovered, in the summer of 2007 and the following winter, that the melting of the Arctic sea ice had tremendous implications for the extreme weather events that occurred in China the following winter.

And, as a result of the expedition last summer, the Chinese authorities could prepare for what happened in January or February of this year. But China experienced in many of its visions destructions of the infrastructure of towns and communities and of the economic operations, perhaps greater than Storm Sandy caused here in the United States a few months before. Storm Sandy, by the way, also being partly caused by the melting of the Arctic sea ice.

And, if you'll remember, this rather symbolic picture of Governor Christie of New Jersey and President Obama embracing a few days before the Presidential election, a political event which was thought impossible by almost every commentator within the U.S. political system, it was the melting of the Arctic sea ice that actually brought them-- that actually brought them together, indicating the implication for the American political system.

But the third reason is, of course, the enormous resources in the Arctic. It has been estimated that about a quarter of the impact energy resources can be found within the Arctic. In addition to various metals or minerals and other important items for a successful 21st century economy. It's one of the reasons why the Prime Minister of South

Korea visited Greenland last year with a big dedication, and why you have a long list of global corporations wanting to engage in the formal agreements with the new self government in Greenland.

So, for all these reasons and many others, the Arctic has become the crucial political strategic and economic theatre of the 21st century. But we should also be respectful and remember that, within the Arctic, there are people who have lived there for thousands of years, people who have made the Arctic, the neighborhood of the ice, their homes and their livelihood. And our states, whether it is the Republic of Iceland or the United States of America or the Federation of Russia, are relatively recent arrivals in their Arctic neighborhood.

So the interrelationship between what happens to the people and the disappearance of the ice and the development of the Arctic could also be a fundamentally political, and even judicial concerns. What are the legal rights of the people who have lived there for thousands of years, compared to the claims made by states and corporations? But there are also similarities between what's happening in the Arctic regions and what is taking place in the Himalayas, where you also have two big countries, like China and India, like Russia and the United States, in the Arctic and a number of smaller countries as well.

And we are increasingly seeing the development of the Arctic cooperation being seen as a model for the countries in the Himalayas, the message being that, what happens in our Arctic neighborhoods is not just of consequence for us in the Arctic or the countries that want to be with us in the utilization of the Arctic, but can also serve as a model for the part of the world where almost two billion people depend on the water systems and the effect of the melting of the glaciers of their economies and their livelihood. In that respect, what happens in the Arctic has also global consequences beyond our own cooperation.

When I first started speaking about this in the first years of my Presidency, Arctic issues were still very, very peripheral in the theatre of political dialogue and international conferences. I was sometimes asked, "Why are you spending your time talking about these issues?" But somehow I realized that, within the near future, my country and others would have to deal with this in a significant way.

So, in recent years, we have seen a number of gatherings coming together on Arctic issues, various organizations, experts, think tanks, and others. But there is a need, especially in the light of the importance of the issues that I have outlined here today, to enhance this dialogue, and to bring more people, more effectively and more productively, together to discuss and deliberate and decide on the future of the Arctic, kind of an open invitation where everybody, not just within the Arctic countries, but also in other parts of the world, can come together.

And that's why Allison Scott[?] and I and a few others started thinking about it last year, how we could do this. And, in cooperation with a number of Arctic leaders in

other countries, we have decided to announce here today, at the National Press Club in Washington, that we are forming what we have decided to call the Arctic Circle, which is a venue, somewhat a play on words, because it indicates both a geographic location, as well as the Democratic tradition of everybody coming together around the table in the same way, where there is no distinction of protocol of who is important and who is not important. But everybody who can contribute and wants to contribute to the Arctic dialogue is welcome.

The essence of this initiative is not to create yet another organization in order to replace others. On the contrary, the essence of the Arctic Circle is that it will be a kind of open tent or a public square, where different organizations, institutes, governments, think tanks, universities, public associations, non-governmental organizations, can come together in their own name, with their own agenda, and through their own decision-making.

But making use of the great number of people who come there in order to deliberate, it will be hopefully the preeminent event every year, where all those major players that have an interest and involvement in the Arctic can come together for a dialogue and discussion, and where also, the countries in faraway places, like China, India, South Korea, Singapore, can come and present their case. Why are they so interested in the Arctic? What is the Chinese agenda in the Arctic? Why does India want to have a seat at the Arctic Council?

And also, the big-- the big corporations in the world, whether they are the oil companies, or the mining companies, and the others, come to present their case. But also a place where the representatives of the indigenous people, those who live in the villages and the small towns all over the Arctic, can also be a part of the dialogue.

The Arctic Council will therefore hope to facilitate a new type of dialogue within the Arctic. And why are we announcing this in Washington? Not only due to the great tradition of the National Press Club, but because, within a few weeks, the Presidency of the Arctic Council will move to North America, where Canada will take over from Russia and those of us in the Nordic countries, that have, in the previous 10 years or so, been responsible for the Presidency of the Arctic Council. This will be the first time since this cooperative organization came of age, where the two North American countries, Canada and the United States, will become responsible for its leadership.

And, after two years of the Canadian Presidency, the United States, the Obama administration, will take over the Chairmanship of the Arctic Council. And that will be, my dear friends, a test in time for the United States, in terms of the scientific community, the political community, the engagement of the business corporations, the think tanks, and the others. Because it will be a testing time indicating how does the United States see the future of the Arctic? What is the direction it wants to give? Not only to the other Arctic countries, but also to India, China, many of the European countries and others, that also want to be a part of the Arctic future? That is why, in addition to the great tradition

of this institution, we were both honored and pleased to use this venue, the National Press Club in Washington, to announce the establishment of the Arctic Circle.

We all live, as was mentioned in the introduction, in an ice-dependent world. We perhaps don't realize, every day, how dependent we are in the ice. But it is melting, and melting fast. That's why the Chinese are already preparing the shipyards for the new sea routes. That's why Singapore has got a special division in its Foreign Ministry looking for a harbor.

I come from a country where we don't have to go to international conferences to realize that the glaciers are melting, and they are melting fast. And our neighbors in Greenland see now every year the big lakes and the rivers that are created on the Greenland ice sheet. And there are villages in the northern parts of Russia, in Alaska, as well as in Greenland, that now face survival tests because of the rising sea levels and the melting of the ice.

Greenland is the America's backyard. Half the size of Europe. Mostly covered with ice. If about half of it melts in the coming decades, together with a small part of Antarctica, we could see a sea level rise of two to three meters. Storm Sandy indicated in this country what could be the consequences of the combination of extreme weather patterns, as well as rising sea levels.

So, if it was only for the security of our cities, whether they are in Florida or on the west coast, or even if they are in China or Bangladesh or India, it's absolutely clear that no threat, apart from a major military catastrophe of a nuclear kind, will be as disastrous for the future of our cities and our nations all over the world, on every continent, as the melting of the ice. And the Arctic is the primary area where this is taking place.

So, with that message, as well as the need to enhance our dialogue and cooperation on this new Arctic future, and be ready to enter the dialogue-rich nations in the faraway places in the world already engaged it on the future of our own backyards and our own territory, it is necessary to try to find new ways to enhance the dialogue on the cooperation on the Arctic.

And those of us, together with distinguished political leaders from other parts of the world, who come together to announce and launch the Arctic Circle, hope that, through this effort, we can bring many more people to this table in a constructive and cooperative way. Because it's not just our Arctic, it is the global Arctic. And, what happens there will have fundamental consequences for every nation in the world. Thank you.

[applause]

ANGELA GREILING KEANE: Thank you. Can you clarify, please, how exactly the Arctic Circle will differ from the Arctic Council? What will be the roles of the two groups and in membership comparisons?

ÓLAFUR GRÍMSSON: The Arctic Council is a formal governmental organization of the eight Arctic countries, the United States, Russia, Canada, and the five Nordic countries. It is an inter-governmental organization, where you have to be a diplomatic representative to be able to speak. It has a few other states, including France. But, as my good friend Michel Rocard, former Prime Minister of France, one of the greater elder statesmen of France said in Paris at this meeting you referred to in your introduction, because he hasn't been in the seat of the permanent observer of France to the Arctic Council meeting, but he has not yet been allowed to say anything in that meeting.

And in Paris a few weeks ago, he said in this public forum, France is not accustomed not to be allowed to speak at international meetings. At the Arctic Circle, everybody will be allowed to speak. Everybody will be able to come there, whether they are concerned citizens, whether they are non-governmental organizations, whether they are scientists and researchers representing universities or think tanks, together with governmental leaders and corporations and others, who either simply want to be there, to be a part of the dialogue, or to hear what people are saying, or because they have a special message and a special agenda.

And, while it might take a while for the Arctic Council to decide on which countries will be given the status of permanent observers, and what would be the role of permanent observers within the Arctic Council, these countries can already send representatives or spokesperson or scientists and others, to a meeting of the Arctic Circle, to demonstrate their case and be a part of the dialogue. In that sense is an open Democratic tent, where everybody who wants to participate will actually be welcomed.

ANGELA GREILING KEANE: From where will the group's funding come?

ÓLAFUR GRÍMSSON: Well first of all, many of those who will come to the Arctic Circle will come through their own funding. They will host their own meetings, their own sessions, and be responsible for the agendas of those sessions and for those meetings. But we will see that collection of support from foundations and from others who have an interest in the Arctic. It will not be a particularly big budget compared to many other initiatives, because it hopes to be a facilitator. It hopes not to be a part of a big organized effort that requires great financial needs.

For example, we know, from a meeting this morning, that Google is interested in being present. There are those responsible for polar law discussions that decided to be there. Another research forum has already agreed to organize the meetings on sessions within the Arctic Circle. But we hope to collect a body of foundations and other sponsors that will provide the necessary seed money. And we have got very positive response from those quarters. And that will be announced in due course. But those will be small on the

scale that you're used to here in the United States, in terms of such funding requires.
[laughter]

ANGELA GREILING KEANE: You addressed the relationship between Iceland, other Arctic countries and China. How would you, in your own words, describe Iceland's relationship with China? You also talked about what China might want from you. What do you want in return from China?

ÓLAFUR GRÍMSSON: The relationship between China and Iceland is, in many ways, an interesting example of how China is gradually playing, in my opinion, a constructive role in the world. I have often said, as I indicated to you in my speech, that due to the relationship between the melting of the Arctic sea ice, between the melting of the ice in my neighborhood of the world and the extreme weather events in China-- China has a legitimate reason to study and do research on the Arctic sea ice.

So, at the meeting that took place earlier today in China, where we were the first country to sign a free trade agreement with China, the first European country to sign a free trade agreement with China, it was also announced in the meeting between our Prime Minister and the Prime Minister of China that we will continue our dialogue on cooperation on the Arctic.

The other major reason why China is interested in cooperation with Iceland is our clean energy transformation, especially our geothermal transformation. Iceland, as some of you might know, was, in the early decades of my life, dependent on imported oil and coal, like most countries. Now, for a number of decades, 100 percent of our electricity production and space heating has been from clean energy resources. And geothermal resources are increasingly taking a bigger part of our energy system.

So now, we are engaged. And one of those agreements was also signed this morning in China between Orka Energy, the Icelandic venture in this cooperation, and Sinopec, in building such urban geothermal heating system in Chinese cities, so that they can gradually close down the coal-driven heating system in Chinese systems, and replace them with geothermal transformation.

And, in addition, we have also had academic relationships and various other business relationships. And, on the whole, I have found our dialogue and meetings with the Chinese leadership, throughout my Presidency, to be very constructive and positive.

ANGELA GREILING KEANE: Given the environmental record of China, are you concerned that the agreement might open the door to an exploitation of Icelandic resources by the Chinese?

ÓLAFUR GRÍMSSON: No, I am not afraid of that. We are a pretty independent lot in Iceland. [laughter] I think we can be trusted to govern our own resources. It's one of the main stumbling blocks in our negotiations with the European Union, our desire to control our own ocean resources. And, quite frankly, I have to admit,

in the whole-- the many meetings I've had with every Chinese leader, from Jiang Zemin to the present President, President Xi Jinping, I have never, ever found any indication of their desire to get control over the Icelandic resources.

So I am not afraid of that, that this will happen. And, in addition, we fought for our independence for over 100 years. The Republic was founded in 1944. We had to fight three cold wars, so called, with the British, to get control over our own fishing grounds. So we are not going to surrender these rights to the Chinese. I mean, don't worry about that. [laughter]

ANGELA GREILING KEANE: There are several questions about members of the Arctic Council. Is Iceland willing to take new permanent participants? What do you think about applications for permanent observer status? And what about China's efforts to be either a permanent participant, or permanent observer?

ÓLAFUR GRÍMSSON: Well, first of all, let's just realize that China is not the only Asian country wanting to be a permanent observer in the Arctic Council. India has also applied. South Korea has also applied. Singapore has also applied. In addition, a number of European countries have also applied. There is a relatively long list of countries that want to have a seat at the Arctic Council as permanent observers.

But we still have to decide, within the Arctic Council, how we move forward in this respect. And one of the reasons why we perhaps hesitate a bit is that the Arctic Council has turned out to be, in the last 10 years, an extraordinary successful instrument for cooperation. And let's not forget that 25 years ago, the nuclear confrontation between the United States and the Soviet Union was so overwhelming that Reagan and Gorbachev had to meet in my country in order to find a place where they could actually talk. And most of us have, throughout our political life, been influenced by this cold war threat.

And I have sometimes said to my American and Russian friends, said, it would be interesting to add up how much expenditure both countries put into military build-up in the Arctic, from the 1950s until the 1990s. So, within a relatively short time, we have transformed the area which is among the most militarized regions of the world, into one of the most successful, constructive examples of cooperation in the 21st century. And one of the reasons this has happened is that the Council has been sufficiently small to develop its own culture of cooperation. And it has helped that the five Nordic countries that have cooperated among ourselves for over 50 years were a big part of those eight.

So, within the Arctic Council, there has developed this positive, constructive culture of cooperation. And, if you enlarge it to what more traditional international gathering, there is a certain risk that that positive spirit and culture might not prevail. And then, of course, there have to be some ground rules on what are the roles of the permanent observers. And, as my good friend Michel Rocard indicated, he has not been allowed to say anything so far. And he's not happy about it. [laughter]

And this needs some deliberations. And also, because the list of countries wanting to apply keeps on getting longer. India decided last year to apply. And now we have a situation which is kind of paradoxical, that whereas India and China do not cooperate on the glaciers in the Himalayas, they want to cooperate on the glaciers in my part of the world. [laughter] Which, of course, might be welcomed and necessary. But it's somewhat paradoxical. But my country and other Arctic Council countries have announced that we are positive towards these applications. But we want to do it in a constructive way.

ANGELA GREILING KEANE: Now in your speech, you cited as evidence of global warming the unusual photograph of President Obama and Governor Christie right before the election. However, here in the United States, there is still a large contingent of climate change doubters. What do you say to that part of the U.S. to persuade them that climate change is real?

ÓLAFUR GRÍMSSON: Well, my simple advice would be to take a look at the picture of Obama and Governor Christie. [laughter] Because, according to the ground rules of U.S. Presidential campaigns, such an embrace three days before election day was an absolute taboo. And talk to the people in New Jersey and New York that had their homes destroyed and their communities destroyed due to the extreme weather events. Look up on the websites the reports on China in January and February.

One example, just to give you a visual image, is the melting of the Arctic sea ice in my part of the world had the consequence that 180,000 cattle froze to death out in the field in China. So, whether we call it climate change or not, I mean that is a political concept which I know has positive and negative connotations. But the ice melting is a reality. And the consequences of the ice melting in my part of the world is extreme weathers in the United States and in China. This is the overwhelming scientific evidence to include that, to prove that, not just from the Chinese institutes, but also from your universities and research institutes in the United States.

So we can have all kinds of debate about climate change as such. But it's a scientifically proven relationship that the melting of the Arctic sea ice has severe consequences within a few months. Not 10 or 20 years in the future, but within a few months, on the weather patterns in other parts of the world. And therefore, that should be, in my opinion, a sufficient reason to have a serious debate on it. I don't care what's the trademark, whether we call it climate change or the melting of the Arctic sea ice or extreme weather patterns.

It is a reality which we have to deal with, a reality that many of the insurance companies that are no longer willing to take insurance policies for private homes in Florida, have concluded is a serious reality, among the insurance companies stopping willing to insure your homes. I think that is, from the business world, a sufficient indication that at least they think that this issue of the melting of the ice and the extreme weather is a fundamental business reality.

ANGELA GREILING KEANE: This questioner says, Iceland is currently in the midst of a mackerel war, because climate change has driven fish populations northward. If Iceland cares so much about climate change, why has the government chosen to vastly increase its mackerel quotas?

ÓLAFUR GRÍMSSON: Well one of the advantages of having to fight for elections in Iceland is you have to know something about fish. [laughter] Nobody gets elected in my country without knowing something about fish. [laughter] And it's true. The mackerel was not something that we used to talk about. It was definitely not something that we used to eat. [laughter] It was more of a kind of a Mediterranean or Southern Atlantic type of fish.

But, like I said before, the ice is melting. And you might debate here whether the political establishment of different countries is willing to recognize that change on the warming of the oceans. Simply ask the mackerel. The mackerel has decided that the oceans are warming. And that is why it has moved up in the North Atlantic into our fishing grounds, into the fishing grounds of the far islands.

This is an example of what is happening to the global oceans, and how the species, like the mackerel, is indicating that fundamental change is taking place. So whereas no Icelandic fishing company, 10 years ago or so, put any effort into fishing mackerel, now we have this wealth of resource coming into our territorial waters, and actually feeds within our territorial water.

But some of the European Union countries still want to operate the fishing regime on the basis that the mackerel has not decided that the oceans are getting warmer. They want to maintain the same quotas as they had when the mackerel was closer to their own waters. But we have said, "Let us have science as a basis of these fishing policies." That is fundamentally the Icelandic viewpoint. We have built up a protective fishing sector in the last 30 years, primarily by scientifically led decisions every year, on the allowable quota from each species.

And we have said to our partners, who are involved in the mackerel dispute, "We should do extensive research on the movement of the stock and the nature and how it plays out, so we can make sure that we treat this in a responsible way, in the same way as we have done with other species, whether it's the cod or the haddock or some of the other species. But the mackerel dispute is one of the early warnings that the fisheries in the northern oceans, in the Arctic, are changing fundamentally due to the warming of the climate.

ANGELA GREILING KEANE: We do, indeed, have a lot of questions on fish. This next one is on a mammal. It's from a nine year old in our audience, who says that she was in Iceland recently and noticed, on a lot of restaurant menus, that they were serving whales. She asked, is there a plan to stop hunting whales?

ÓLAFUR GRÍMSSON: Well, we actually stopped hunting whales. It was when I was a member of parliament, it was one of the most heated issues in our parliament. But what we have done in recent years is a very limited, also scientifically-based whaling which is primarily to allow us to estimate in a more rigorous way what is actually the state of the whaling stocks.

But traditionally in Iceland, like in Alaska and parts of the United States, and definitely Greenland and Canada, the whaling is part of the traditional national culture. And I am not sure whether I am correct in this, but I think the number of whalers that the government of the United States allows to be hunted on the basis of indigenous whaling is, in fact, bigger than we actually do in Iceland.

It's mostly the tourists who eat the whale meats that we offer in Iceland. [laughter] And it's not on a big scale, it's kind of a curiosity which does not require sort of big whaling. So I don't think it will be-- it's a threat to the stocks. I respect the feelings that that many people have towards the whales. But they are also a part of our marine environment, and have been a part of that since Iceland was settled.

ANGELA GREILING KEANE: Taking a step back and looking more broadly at the two things we've been talking about, climate change and fishing, has global environmental change been a net benefit to Iceland's fisheries, or a net detriment?

ÓLAFUR GRÍMSSON: Well, it's very difficult to answer that question. That's, indeed, one of the big issues if we look ahead a number of decades. Because cod has traditionally been, over the centuries, the key part of the export-driven Icelandic fishing sector. Of course some other fish species as well. But some people are arguing that, due to the warming of the North Atlantic, there could be changes in the movement of the cod stocks.

So one of the reasons why there is a need for more active Arctic cooperation is, in fact, to study what's happening to the fisheries and the fish stocks in the Northern oceans of the world, including the Arctic, as the ice melts. And I found it interesting, when I invited Michel Rocard to Iceland a few years ago, and he is, as you might know, the special envoy of the President of France on Arctic and polar issues.

His argument was that the first disputes that would alert nations to a new situation in the Arctic would be disputes over fisheries. That the melting of the Arctic sea ice and the transformation in the northern oceans would challenge the traditional patterns of fisheries, but also bring nations from faraway parts of the world, nations that do fish all over the world, up to the Arctic in a way that we have never seen before. So we might see fishing fleets, not just from the Arctic countries, but from dominant Asian fishing nations also coming up to the Arctic, because of the melting of the sea ice. That is why the future of the fisheries in the Arctic is among the issues that we have put on the agenda for the Arctic Circle meeting in Reykjavík next October.

I think I forgot to announce in my speech that the date's in the middle of October. And the location in the capital of my country. And you can also go on ArcticCircle.org to see many of the issues that will be discussed during this meeting.

ANGELA GREILING KEANE: Looking to Russia, the questioner says, Russia recently adopted a new strategy for the Arctic region. Does Russia's strategy correspond with your own views on development in the region and of the Arctic Council?

ÓLAFUR GRÍMSSON: On the whole, I think Russia has been very constructive within the Arctic Council. In fact, the agreement on search and rescue, which was signed in [00:48:00] -- and I think Hillary Clinton was among those who signed that agreement when she was Secretary of State. The negotiations were partly led by the Russian repression within the Arctic Council.

Similarly, the new agreement on oil spills, there the U.S. and the Russian experts worked together in the negotiations on that issue. President Putin has taken a very active interest in the Arctic. The Russian Geographical Society, which is very old and distinguished, established in the middle of the 19th century, has hosted two conferences on the Arctic in recent years, the first one in Moscow, and the second one in [00:48:44].

On both locations, first as Prime Minister, because that is what was his post then, now President Putin came to these conferences and gave very informed and detailed speeches on the Russian policy towards the Arctic. And, if I may say so, in the capital of this country, I think it would similarly be very interesting if President Obama came to Arctic conferences and gave a policy speech on the emphasis that the United States President of the Arctic Council would involve from 2015 to 2017, because the Chairmanship of the Arctic Council will be, in my opinion, the primary chairmanship responsibility that the U.S. will hold in international institutions in the second half of the year of Obama's second term.

And in those speeches, President Putin has offered many constructive ideas, including how to plan, both in terms of infrastructure and regulation, for the opening of the Northeastern sea route, linking Asia to Europe and America, along the Russian coast. But one of the reasons why the Chinese authorities are planning to go straight across the northern pole instead of along the Russian coast, is that then they can more or less decide on their own.

But I believe it is correct that the Duma, the Russian parliament, last year approved the first law on the northern sea route, indicating the legal framework for this new venue of transport in the world. So on the whole, it is very interesting that, whereas confrontation characterized the relationship between the U.S. and Russia in the second half of the 20th century within the Arctic Council, together with the other six countries, they have both cooperated very constructively in recent years.

ANGELA GREILING KEANE: Now the Arctic Council, as you said, is intentionally kept small. But, even within that, Iceland is a small country compared with

the U.S. and Canada, with the upcoming chairmanships. And, of course, Russia. How much clout do you see Iceland is having and wanting in the Arctic resources debate?

ÓLAFUR GRÍMSSON: Well during the cold war, my country had the strategic position in the military system in the northern regions. So that's why the United States had the base, military base in my country for over 50 years. The Bush administration then decided, six years ago-- no, seven years ago, to actually close it down. And some people were saying, at that time, that that might indicate that Iceland, geographically and geopolitically was no longer of any interest of consequence.

But the emergence of these Arctic issues has demonstrated that Iceland is now placed in the middle of this new highway that characterizes the future of the Arctic. And it has served as a basis for a new relationship with the United States, with Canada, and also with Russia. And, as I said before, in my introduction, has become a regular item on the agenda of our meetings with the leaders in Asia and European countries. One of the items I discussed with the President of France, President Hollande, a few weeks ago.

And among the dimensions in this dialogue are not just the opening up of new sea routes and how to utilize the natural resources, but also scientific cooperation research, the training of scientists that can inform us about the environmental changes taking place. And so, increasingly, the Arctic cooperation has become a fundamental pillar of our 21st century foreign policy.

And there is no disagreement about that in my country. The parliament passed, last year, unanimously, a policy resolution which defined the Icelandic objectives in the Arctic. So, together with the other Nordic countries, we hope to play a constructive part. And on evidence of this was that, a few months ago, one of our able civil servant and officials was chosen as the first Director General of the Secretary of the Arctic Council.

ANGELA GREILING KEANE: We have several currency questions. The Icelandic Krona, of course, is coming out of financial turmoil. What would you consider the future of the Krona? And, are you at all considering any alternative currency for Iceland?

ÓLAFUR GRÍMSSON: I think it's a positive indication of how we have moved out of the financial crisis, that I can come here to the National Press Club only when six minutes are left I get that question [laughter] on the financial issue. Nobody would have believed that four or five years ago. But that is the state of affairs, that we could perhaps come together again and talk about how we are recovered from the financial crisis, and how we dealt with that crisis in a different way from any other countries, how we did not follow the established orthodoxies of the financial world, so how you deal with a financial crisis, how the IMF acknowledged that maybe they learned more from dealing with Iceland than we actually learned from them, and how we have dealt differently with this situation than many European countries.

Like, for example, we let the banks fail. We introduced capital controls. We didn't introduce the same austerity measures as most other European countries. But, whereas, you could argue that our own currency, the Krona, was part of the problem leading up to the collapse of the banks, it has certainly been helpful as a part of the solution, enabling us to devalue the currency, and making the export-driven sectors, including the tourism sector, much more profitable. That's one of the reasons why every year, since the financial crisis, tourism in Iceland has increased by 15 to 20 percent. Whereas, in Southern Europe, it has deteriorated every year.

What will be the future of the currency is, of course, hotly debated in my country. There are different views on this. Some people want Iceland to be a part of the larger currency area. Some people argue the Euro, some people argue the U.S. dollar or the Canadian dollar. Others are saying that, for the foreseeable future, there is no alternative except to have our own currency.

My personal view has, for a long time, including when I was a Minister of Finance, been that a staple currency is not an aim in itself. The aim of the economic policy should be to create prosperity and economic growth for our people. If you have to devalue the currency in order to get the prosperity, it might be a useful tool. But you will have to invite me in a few years time to give you a more comprehensive answer to that question. [laughter] Thank you.

ANGELA GREILING KEANE: We'd be happy to have you back, of course. Today we are almost out of time. But, before asking the last question, I have a couple of housekeeping matters. First of all, I would like to remind you of our upcoming luncheon speakers. On April 17th we have Gil Kerlikowske, the director of the Office of National Drug Control Policy. On April 19th we have Patrick Donahoe, the Postmaster General of the US. And on May 7th, we have Chris Evert, the tennis legend and publisher of Tennis Magazine.

Second, I would like to present our guest with the traditional National Press Club coffee mug, also suitable for eating skyr. [laughter]

[applause]

ÓLAFUR GRÍMSSON: Thank you very much.

[applause]

ANGELA GREILING KEANE: And one last question. Back in the 1970s, before you were President, you were a journalist, like many of us here in this room. You hosted a very successful television show. What was the secret of your success? And what advice do you have to today's news professionals?

ÓLAFUR GRÍMSSON: [laughter] I was very young when I was a television reporting, and had a discussion program on television. I was sufficiently young and

sufficiently arrogant to ask questions that nobody wanted to answer. [laughter] So I am not sure whether I would like, today, to have that kind of debate. But on a serious note, I think you need to stick to the issues. And you have to respect the people, the ordinary people, and their interest in the real issues.

I've often been asked, "What have you learned from your long public career?" And my simple answer is that you can't fool the people. You have to trust the people by speaking in a straightforward way and an honest way about their concerns. Abraham Lincoln, of course, said this more eloquently in his time, as we all know, that you can fool some of the people some of the time. But you can't fool all the people all the time.

Too much of modern media is, perhaps, based on the fact that maybe you can fool some of the people some of the time. [laughter] But these issues are so serious, including the ones we have been speaking about here today, that we need the media that deals with them in a serious, detailed way. And that's one of the reasons why we decided to establish the Arctic Circle, was to give the global media and the national media in respective countries a venue where they can come every year and report on what's really happening in our own Arctic ice-covered neighborhood. Thank you very much for being with us here today.

[applause]

ANGELA GREILING KEANE: Thank you. Thank you President Grímsson for being our guest today. I would also like to thank the National Press Club staff, including its Journalism Institute and Broadcast Center for helping organize today's event. Finally, here is a reminder that you can find more information about the National Press Club on our website at www.press.org. Thank you. We are adjourned.

(gavel)

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