

Davos World Economic Forum dominated by Trump threats over Greenland

Andre Damon
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The World Economic Forum, which opened Monday in Davos, Switzerland, was dominated by the deepening rift between the United States and the European powers over US President Donald Trump's efforts to take control of Greenland. By the end of Wednesday evening, Trump had announced that he would walk back his earlier threats to annex Greenland by military force or impose tariffs against European states, in exchange for what he called an agreement over control of the territory.

Greenland is an autonomous territory of Denmark, a founding member of the NATO alliance. Trump met with NATO Secretary General Mark Rutte on Wednesday and announced the "framework of a future deal," though the precise terms remain unclear and disputed.

The *New York Times* reported, citing unnamed senior officials familiar with the discussions, that NATO military officers discussed "a compromise in which Denmark would give the United States sovereignty over small pockets of Greenlandic land where the United States could build military bases." Two officials compared the proposal to Britain's sovereign base areas in Cyprus. The *Telegraph* said the framework would allow the US to "perform military operations, intelligence, and training" without seeking permission from Denmark—an arrangement similar to the US military's control of Guantanamo Bay in Cuba.

Danish officials rejected the characterization that any real agreement had been reached. Danish Foreign Minister Lars Løkke Rasmussen told public broadcaster DR that US ownership of Greenland remains "a red line" for Denmark. Sascha Faxe, a member of the Danish parliament, told Sky News the purported deal "is not real," adding: "It's two men who have had a conversation. It's definitely not a deal." Rutte himself

told Fox News that the question of whether Greenland would remain under Danish control "did not come up" in his talks with Trump.

Trump withdrew tariff threats against eight European countries following the announcement, sending stock markets sharply higher after the S&P 500 had posted its worst day since October on Tuesday.

The crisis at Davos exposed the advanced state of disintegration of the transatlantic alliance. Canadian Prime Minister Mark Carney, speaking at the forum on Tuesday, delivered a stark assessment of the global situation. "Let me be direct: We are in the midst of a rupture, not a transition," Carney declared. He warned that "the rules-based order is fading" and invoked the ancient Greek historian Thucydides: "the strong do what they can, and the weak suffer what they must." Carney received a standing ovation from the audience, while Trump's address was met with tepid applause.

French President Emmanuel Macron denounced the Trump administration's trade strategy as an effort to "weaken and subordinate Europe." The depth of the rift between the US and Europe was illustrated by European Central Bank President Christine Lagarde, who walked out of a dinner during a speech by US Commerce Secretary Howard Lutnick that was critical of European economic policies.

Whatever the final form of the arrangement, it represents an expansion of US military control over the Arctic. In his address to the forum, Trump framed his efforts to control Greenland within the context of the US conflict with Russia and China.

"Greenland is a vast, almost entirely uninhabited and undeveloped territory sitting undefended in a key strategic location between the United States, Russia and China," he said. Doubling down on this bizarre geography (Greenland is 5,000 miles, or 8,000

kilometers, from China), he added, “That’s exactly where it is, right smack in the middle.”

While walking back his threat to use military force, Trump made clear he would use economic coercion to achieve his aims. “You can say yes and we will be very appreciative,” he declared, “or you can say no and we will remember.”

The Trump administration’s drive to seize control of Greenland is part of a broader effort to reorganize the Western Hemisphere under direct US domination. The administration views the consolidation of American power over its “near abroad” as essential for projecting power against American imperialism’s principal rival: China. Canada and Greenland, with their vast mineral resources, energy deposits and access to Arctic seaways, are critical to this effort, as is the Panama Canal. This strategy of hemispheric consolidation aims to secure a continental resource base for great-power conflict.

Greenland’s strategic value has grown as climate change transforms the Arctic. The Northwest Passage, once impassable for most of the year, is becoming increasingly navigable, offering a shipping route that cuts thousands of miles and weeks of transit time from journeys between Asia and the Atlantic. Control of the Arctic waters and the territories that border them has emerged as a central preoccupation of all the major imperialist powers.

The Arctic has become a zone of intensifying militarization. The United States maintains the Pituffik Space Base, formerly known as Thule Air Base, in northern Greenland, its northernmost military installation. The base houses critical missile defense and early warning systems that would provide minutes of additional warning time in the event of a nuclear exchange with Russia or China.

Trump has spoken repeatedly of his “Golden Dome” missile defense system, for which Greenland’s position would be invaluable. The high Arctic territory sits astride the shortest flight paths between the continental United States and both Russia and China, making it irreplaceable for both offensive and defensive military operations.

Beyond its strategic location, Greenland contains enormous deposits of rare earth minerals essential for advanced technology and weapons systems, as well as uranium and substantial oil reserves beneath its

continental shelf.

The gathering of the world’s financial oligarchy at Davos took place against the backdrop of the staggering growth of billionaire wealth documented in the Oxfam report “Resisting the Rule of the Rich,” released to coincide with the forum. The report found that billionaire wealth grew at three times the rate of the previous five years, with the 12 richest individuals on Earth now possessing more wealth than the poorest half of humanity combined.

The crisis over Greenland sent investors fleeing toward safe-haven assets. Gold prices surged to record highs as precious metals registered their sharpest gains in months. The flight to gold and other stores of value reflects the deep unease within financial markets over the trajectory of great-power relations and the growing risk of a broader conflict. The surge in precious metals is a barometer of capitalist instability, indicating that sections of the ruling class see in the current crisis the harbinger of something far worse.

Whatever the temporary resolution of the standoff over Greenland, the underlying trajectory is toward mounting conflict between the US and Europe, in which American imperialism will be increasingly impelled to rely on its one main advantage: military force. The eruption of this crisis at the premier gathering of the global capitalist elite exposes the crisis of the entire post-World War II international order.

Neither Trump’s “America First” nationalism nor the European bourgeoisie’s response offers any way forward for the working class. Both represent factions of a ruling class that is incapable of resolving its conflicts through any means other than violence, economic warfare and ultimately military confrontation.



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