During the 2006 federal election, Stephen Harper surprised many by making Canadian Arctic sovereignty and security one of his core campaign issues. After becoming leader of a minority government, in January 2006, he took steps to deliver on his electoral promises. His government committed to the construction of between six and eight Arctic offshore patrol vessels, the establishment of a northern military training base in Resolute Bay and the conversion of a retired mining site into a refuelling base in Nanisivik. The Harper government also made the protection of Arctic sovereignty and security a priority and promised to build a world-class research station in the Canadian North in its Throne Speech of October 16, 2007 (Government of Canada 2007). In recent budgets, it followed up these measures with substantial spending commitments — including the construction of a $720-million icebreaker.

As the Canadian government developed its plan, it was clearly motivated by the fact that the Arctic is transforming rapidly. The Arctic is a hot topic. Arctic-related stories are constantly showing up as major news items. One day we read a story about the impact of climate change on the ice caps; the next day, it’s a story about the port of Churchill’s historically active shipping season, or endangered polar bears, or the resumption of polar overflights by the Russian air force. The Arctic has become critically important for Canada. The factors that are now combining to raise the profile of the North have been developing for a long time. A perfect storm is brewing, and it’s prompting the Canadian government to act.

Canadian policy-makers have long insisted that Ottawa enjoys complete jurisdiction over all of the country’s Arctic land, water and ice. However, while successive Canadian governments have talked boldly, they have allocated few resources
to the North. This is not to suggest that certain Arctic initiatives of previous Canadian governments — such as the creation of the Arctic Council — have not been important and innovative. It’s just that most have been done on the cheap. Until very recently, the Arctic climate has allowed Canadian leaders the luxury of spending very little to secure the region — the North was inaccessible to all but those willing to expend great effort to get there. Now, however, climate change, resource development and geopolitical realities are gradually opening the Arctic to the world.

Perhaps the greatest challenge facing Canadian policy-makers is related to the uncertain future of this increasingly busy region. All three of Canada’s Arctic neighbours — Russia, the United States and Denmark/Greenland — are re-examining and redeveloping their policies and activities in their respective sections of the Arctic. The four Arctic nations must deal with the rapid transformation of the Arctic, a process that none can fully understand. Complicating this situation is the absence of a tradition of international cooperation in the North. The Cold War effectively prevented the development of multilateral cooperation; it was only when it ended that the first steps toward international cooperation were taken. But these initial steps were tentative and underfunded.

Canada and the other Arctic states face a developing set of choices in responding to the new realities of the Arctic. On the one hand, they can elect to build on the rudimentary beginnings of an international cooperative regime. This would mean that all Arctic countries — Canada included — would need to scale back or abandon some of their unilateral objectives and develop a multilateral framework for new governance. On the other hand, these countries could decide that they are unable to sacrifice any of their unilateral objectives. The Arctic is at a crossroads, and Canada has some hard decisions to make.

In exploring these hard decisions, I will examine three main issues. First, I will briefly assess the Arctic’s overall changing nature — physical, social, economic, political and strategic — in an attempt to understand what it means for Canada’s North. Second, I will focus on Canadian efforts to cooperate in the Arctic. The severity of the climate combined with the advent of the Cold War had all but eliminated international cooperation and interaction in the Arctic; not until the collapse of the USSR and the end of the Cold War were the first tentative steps toward collaboration taken. Led by Canada and Finland, the eight Arctic states plus three northern Aboriginal organizations (labelled “permanent participants”) created the Arctic Environmental Protection Strategy (AEPS),
which later became the Arctic Council (several additional permanent participants joined the initiative at this point). However, as important as this body has been, its success has been limited. While it has acted to determine the scientific nature of the environmental problems facing the region, it has been unable to formulate a regionally acceptable set of policy actions to respond to these problems. Third, I will examine the sources of existing and potential conflicts for Canada in the Arctic by focusing on sovereignty and on boundary disputes between Canada and its immediate neighbours. In this context, I will look at the status of Arctic waterways, existing maritime boundary disputes, developing maritime boundary disputes and land disputes. What are the stakes involved, and how do they impact on Canada?

T h e  C h a n g i n g  N o r t h

T raditionally, the Arctic has been seen as a region of extreme cold. Its harsh climate was a major deterrent to incursions from the south. However, the increasing level of industrial greenhouse gas emissions in the south is changing that. Over the last decade, it has become clear that the Arctic is warming. And warming means greater accessibility. The Canadian North is about to become much busier.

The Arctic Council (a body that was very much a Canadian creation) has been instrumental to our understanding of the problems posed by climate change. In 2000, as changes became apparent, the council commissioned two of its working groups — the Arctic Monitoring and Assessment Programme (AMAP) and Conservation of Arctic Flora and Fauna (CAFF) — and the International Arctic Science Committee (IASC) to undertake an extensive and exhaustive study of the impact of climate change on the Arctic. Four years later, the Arctic Climate Impact Assessment (ACIA) was released. The assessment — a peer-reviewed scientific document produced by the world’s leading experts and a more concise summary document — starkly outlines the enormity of the threat to the Arctic region and the entire world (Hassol 2004, 34-45). The ACIA’s key findings are:

- The Arctic climate is now warming rapidly, and greater changes are projected. Annual average Arctic temperatures have increased at almost twice the rate they have in the rest of the world over the past few
decades; increasing precipitation, shorter and warmer winters, and substantial decreases in ice and snow cover will likely persist for centuries; and unexpected and larger shifts and fluctuations are possible.

- Arctic warming and its consequences have worldwide implications. These include the melting of highly reflective snow and ice cover, which will in turn lead to a greater warming of the planet; an increase in glacial melt and river runoff, which will result in rising sea levels; and the possible slowing of the world's ocean-current circulation system.

- Animal species’ diversity, ranges and distribution will change. Reduction in sea ice will drastically shrink marine habitat for species such as polar bears, ice-inhabiting seals and some seabirds; species’ ranges will shift northward, bringing new species to the Arctic and limiting some already present; and some marine fisheries will become more productive, while freshwater fisheries are likely to decline.

- Many coastal communities and facilities face increasing exposure to storms. Severe coastal erosion will continue to be a problem as rising sea levels and the reduction of sea ice allow higher waves and storm surges to reach the shore; some coastlines will face increased permafrost melt, adding to their vulnerability; the risk of flooding in coastal wetlands may increase; and some communities are already facing significant threats to their coastlines.

- Reduced sea ice is very likely to increase marine transport and access to resources. Continued reduction of sea ice is likely to lengthen the navigation season and increase access to the Arctic’s marine resources; reduced sea ice is likely to increase offshore oil and gas extraction projects; and sovereignty, security and safety issues, as well as social, cultural and environmental concerns, are likely to arise as marine access increases.

- Ground thawing will disrupt transportation-related building and other infrastructure. Transportation and industry on land, including that related to oil and gas extraction, will increasingly be disrupted as the periods during which ice roads and tundra are frozen sufficiently to allow travel get shorter. This could mean a greater shift to marine transport; as frozen ground thaws, many buildings, roads and so on will become destabilized, creating a need for substantial maintenance and rebuilding;
and permafrost degradation will impact natural ecosystems by collapsing ground surface, draining lakes and wetland areas and toppling trees.

- Indigenous communities are facing major economic and cultural impacts. Many indigenous peoples depend on food sources that are now threatened; and changes in species ranges and availability, access to these species and perceived and real changes in travel safety because of changing ice and weather conditions will create serious challenges to human health and food security.

- Elevated ultraviolet (UV) radiation levels will affect people, plants and animals. The stratospheric ozone layer over the Arctic is not expected to improve for at least a few decades, largely due to the effect of greenhouse gases on stratospheric temperatures; the current generation of Arctic young people is likely to receive a lifetime dose of UV that is 30 percent higher than any prior generation has received; elevated UV levels can disrupt photosynthesis in plants and have detrimental effects on the early life stages of fish and amphibians; and risks to some Arctic ecosystems are likely, as the largest increases in UV occur in spring, when sensitive species are most vulnerable.

- Multiple influences interact to impact on people and ecosystems. Changes in climate are occurring in the context of many other stresses, including chemical pollution, overfishing, land-use changes, habitat fragmentation, human population increases and economic changes. These stresses can combine to amplify impacts on human and ecosystem health and well-being. In many cases, the total impact is greater than the sum of its parts. For instance, the changes in sea ice are affecting the algae that live on the bottom of the ice; this, in turn, affects the entire Arctic food chain. A decreased ice cover in the Arctic will result in drastic changes in the region, from the microscopic to the international. (Hassol 2004, 10-11)

These changes are occurring now, and they will transform the entire Arctic in ways that we cannot yet fully appreciate. And, as if this were not enough, the impacts of climate change are coinciding with a renewed and vastly increased interest in the resources of the Canadian North.

Canada, a country that had never produced diamonds, has now become the world’s third-largest diamond producer on the basis of three new northern mines; more will come online in the future (Natural Resources Canada 2008). In 1985,
depressed oil and gas prices ended almost all exploration for these commodities in the North. Today, soaring prices have led to a powerful expansion of exploration both on land and offshore (Jones 2007). The Beaufort Sea is the main focus of current exploration, though there is some speculation that the High Arctic may also contain reserves of oil and gas. While exploration companies are not releasing reports on their findings to the public, the fact that their level of activity has increased so dramatically over the last four years strongly suggests that they are confident enough of success to dedicate substantial resources to exploration (Gregoire 2007).

C a n a d a a n d I n t e r n a t i o n a l C o o p e r a t i o n a n d C o n f l i c t i n t h e A r c t i c

T he history of international cooperation in the Canadian Arctic is fragmented, yet brief. The region has been inhabited by several groups of indigenous people for thousands of years, but southerners have only just begun to understand their interactions and their histories. When John Cabot’s son Sebastian sailed into Hudson Strait in 1508, he may have been the region’s first European visitor; while it is possible that Viking voyagers arrived even earlier, there is no conclusive evidence to prove it. After Cabot, the Europeans pressed westward and northward in the region. Some were driven by the pursuit of knowledge, but most were in quest of resources. Members of the Hudson’s Bay Company sought animal pelts, and farther north a succession of explorers looked for access to the Orient via the Northwest Passage.

These Europeans tended to ignore the knowledge that the indigenous population offered of the land and its climate, and many perished needlessly. In the 1800s, explorers such as Franklin undertook voyages in particularly harsh climatic conditions, with tragic results. By the time Canada had begun to gain some independence from Britain, the drive to explore the Arctic was dissipating. The Hudson’s Bay Company was retreating from its focus on northern trade, and Canada was looking east-west rather than north-south. The one exception to this focus shift was the Yukon gold rush of the 1890s, but as the goldfields were emptied, interest in the North waned.
Britain officially transferred the northern territories to Canada in 1880, but the region's borders were not well defined. The Americans had bought Alaska from Russia in 1867, and a dispute developed between Canada and the United States over the land boundary between Alaska and the Yukon. In 1903, an arbitration tribunal was established to resolve the dispute. It was composed of three Americans, two Canadians and one Briton. The United Kingdom, concerned about Germany's increasing world power, wanted to cultivate the goodwill of the US, so the British tribunal member supported the Americans.

The next major international event in the region occurred in 1906, when Norwegian explorer Roald Amundsen became the first to successfully navigate the Northwest Passage. Economic activity in the Canadian North continued to develop as various mining operations were established, but the region's role in the international sphere remained very limited. It was not until the Second World War that policy-makers began to appreciate that the North's harsh climate and geographic isolation could no longer protect it from foreign incursions. The Japanese invaded the Aleutian islands of Attu and Kiska in 1942, and it has recently been confirmed that the Germans had at least one secret weather station in northern Labrador (Dege 2003, appendix IV). On the Soviet side of the Arctic, the German auxiliary cruiser Komet reached the Pacific Ocean via the Northeast Passage (now the Northern Sea Route) across the top of Siberia before the German-Soviet nonaggression pact had been broken. Each of these events was minor, but together they demonstrated that the Arctic was no longer completely isolated from the outside world.

New technologies developed during the war combined with the growth of hostilities between the USSR and the Western democracies would soon make the Arctic one of the most important strategic locations in the world. The development of the atomic bomb, the long-range bomber delivery systems and the intercontinental-range missile meant that the USSR and the US, locked in an escalating conflict, would clash over the Arctic region — the shortest route between the USSR and the US was over the North Pole.

The Soviet threat was very real to Canada, a close ally of the western European states and the United States — a nuclear-armed USSR posed the biggest danger to Canadian security in the postwar era. There was never a question of Canada being neutral in the developing conflict, but when it came to the Arctic, Canadian policy-makers were faced with a serious problem: they had to confront
the growing Soviet threat and at the same time prevent the Americans, in their response to the same threat, from undermining Canada’s control over its Arctic territories (Grant 1988). To defend itself against Soviet bomber attacks, the US wanted to build a network of fighter bases and radar sites that would range from western Alaska across Canada to Greenland. When the main delivery system for nuclear weapons shifted from manned bombers to missiles, the US would use these sites to support its core defensive policy of mutually assured destruction, the foundation of its deterrence policy. The sites would provide warning of a Soviet nuclear missile attack, thereby allowing American nuclear weapons to also be fired. Ultimately, it was the knowledge that this capability existed that was to deter the Soviets from launching in the first place. Canadian officials wanted the US to shoulder the cost of building these sites, but they were not prepared to hand full control of the network over to their southern neighbours. During the construction of the Distant Early Warning (DEW) Line, some American officials suggested that since they were taking responsibility for the bulk of the construction and paying for it, they should retain control over the installations and the land they occupied; but once the sites became operational, they were given to Canada to control.

In 1968, a new issue related to Canada-US control over the Arctic arose when a very large deposit of oil was discovered on the Alaska North Slope (Dosman 1976). The problem at hand was to determine the best means of transporting the oil to American markets, and two options were identified: build a north-south pipeline through Alaska; or use oil tankers. In 1969, in order to test the viability of the second option, Humble Oil outfitted a large tanker, the *Manhattan*, for a test run through the Northwest Passage. This sparked an international crisis. The Americans refused to seek Canada’s permission for the voyage, insisting that since in their view the passage was an international strait, permission was not required. Canada countered that the passage was an internal stretch of water, not an international one. Ultimately, Canada granted permission, even though the US had not requested it, and the *Manhattan* took its test run. The Canadian Coast Guard sent an icebreaker to assist the tanker and its American icebreaker escort. This was fortuitous — due to severe ice conditions, the coast guard’s help was needed.

The dispute prompted Canada to develop several initiatives to advance its claim for control. These included passage of the *Arctic Waters Pollution Prevention Act, 1985* and pursuit of international support for its position. In 1985, the
American icebreaker Polar Sea went through the Northwest Passage without asking permission from the Canadian government, and Brian Mulroney’s Conservative government vowed to take major steps to reinforce and protect Canadian Arctic sovereignty. Six initiatives were announced by External Affairs Minister Joe Clark, though of these, only the ones that did not require substantial new funds were ever implemented. A promise to build a Polar-8-class icebreaker was abandoned within a couple of years of its announcement, as was a plan to purchase 10 to 12 nuclear-powered submarines.

The onset of the Cold War froze all international relations in the Arctic. Canada, the United States, Iceland, Norway and Denmark cooperated closely as NATO allies, but they had no meaningful relationship with the USSR except as potentially deadly adversaries. Sweden remained neutral, and Finland, while nominally neutral, was closely connected with the USSR. These divisions ensured that there would be little development of international cooperation in Canada’s Arctic region. The one exception was the 1973 Agreement on the Conservation of Polar Bears, a response to the concern that hunters were decimating the polar bear population. However, this could also be seen as a confidence-building measure in the context of USSR-NATO relations: while the drafters of the treaty were concerned about the polar bears, they were also attempting to show that cooperation was possible by forging an agreement on a politically minor issue.

There was little follow-up to the polar bear agreement, and not much changed in the Arctic until Mikhail Gorbachev, who had become leader of the Soviet Union in 1985, called upon all Arctic nations to join together to make the Arctic a zone of peace (Scrivener 1989). Initially, this proposal — delivered on October 1, 1987 — was either greeted with suspicion or dismissed. However, as it became evident that Gorbachev was serious about reforming his country, some Western leaders saw an opportunity to improve their relations with the USSR. In November 1989, Prime Minister Brian Mulroney, while visiting Leningrad, proposed that the Arctic nations create a council (Canadian Arctic Resources Committee 1991), which would hold regular high-level meetings to discuss issues of common interest. At the time, Mulroney’s proposal was not well received by the other Arctic nations, and the initiative appeared to be stillborn, but the need for some form of multilateral organization remained. Finnish officials, recognizing that change within the USSR needed to be supported, maintained that some form of organization that supported cooperative action in the Arctic could
also serve to keep the Soviets from backsliding. But what was the best way to create such an organization?

After consulting with Canadian officials and others, the Finns decided to make the Arctic environment their focus. This was the period in which the World Commission on Environment and Development — the Brundtland Commission, which published its report in 1987 — made the world aware of the growing danger of international environmental degradation. While the Arctic had long been considered environmentally pristine (because it was so far removed from heavy industrial activity), studies released at the end of the 1980s contradicted this view. In 1989, the Finnish launched their initiative, known as the Rovaniemi process, which led to the creation of the Arctic Environmental Protection Strategy (AEPS) in 1991. Under the terms of the strategy, the eight Arctic nations — Canada, Russia, the US, Denmark, Sweden, Norway, Iceland and Finland — would create a body dedicated to studying and responding to environmental threats to the Arctic. This body would be based on four working groups: the Arctic Monitoring and Assessment Programme (AMAP), Protection of the Arctic Marine Environment (PAME), Conservation of Arctic Flora and Fauna (CAFF) and Emergency Prevention, Preparedness and Response (EPPR). Each would examine the environmental problems covered by its mandate. The AEPS has done an excellent job in bringing together scientists and officials from the eight nations as well as representatives of northern Aboriginal organizations; it has also succeeded in defining the environmental problems facing the North. It has not done as well in developing policy responses.

Although the strategy was the result of what is referred to as the “Finnish initiative,” Canadian officials were instrumental in the formation of the AEPS. The final agreement is very similar to a Canadian domestic policy document that addressed Arctic environmental pollution and was developed for Canada’s Green Plan — the Arctic Environmental Strategy (AES). A comparison of the AEPS and the AES suggests that the two documents were developed by the same officials (Huebert 1998, 37-58).

The AEPS was an important first step toward a cooperative Arctic regime, but Canadian policy-makers still believed that a stronger multilateral organization was necessary. After Mulroney delivered his 1989 proposal, an independent panel of Canadian Arctic experts convened to examine the potential of a council and to consider its possible structure. The panel then made a series of trips to the Canadian Arctic and drafted a preliminary model. In October and November of
1990, panel members met with Canadian federal and territorial government officials to elaborate their position. They claimed that now that the Cold War had ended, Canada needed to show leadership and utilize its multilateral negotiation skills to improve multilateral cooperation.² The idea that northern Aboriginal groups should have greater participation in such initiatives can also be traced to this panel (Scrivener 1996, 19-20). Panel members maintained that the council should be composed of delegations from the eight Arctic nations, a ninth delegation from the Arctic indigenous organizations and a tenth delegation from the Arctic territorial governments. All ten delegations were to operate as equals.

On November 28, 1990, Secretary of State for External Affairs Joe Clark announced that he would be bringing the proposal for an Arctic council to the attention of the other Arctic nations. Progress was slow, primarily because of American concerns about the scope of such a council. Two meetings of international experts were held — one in May 1992 and another a year later. At the May 1993 meeting, all of the Arctic nations except the US agreed to a draft declaration and terms of reference for the council. The declaration listed these objectives: the council would promote cooperation between the eight states; recognize the unique contribution of indigenous peoples to the Arctic; advance Arctic interests; and review, support and complement existing international Arctic initiatives. The council’s terms of reference were to include all eight Arctic states as core members; they would also recognize the three main Arctic indigenous groups — the Inuit Circumpolar Conference (ICC), the Saami Council and the Association of Aboriginal Peoples of Northern Russia (now the Russian Association of Indigenous Peoples of the North) — as permanent participants in the council. These groups would have the right of full participation in the council’s proceedings.

The United States had attended these initial meetings only as an observer, but Canadian officials pressed the Americans for their support throughout the talks. In January and February of 1995, consultations were held between the Canadian foreign affairs minister, André Ouellet, and the American secretary of state, Warren Christopher, and the US finally agreed to support the initiative. While this was occurring, the Americans were also conducting a review of their own Arctic policy, prompted by the end of the Cold War and domestic concerns about the growing environmental degradation of the Arctic region. The resulting revised policy, completed in June 1994, placed a much higher degree of importance on regional cooperation in protecting the environment; the policy also noted that the end of the Cold
War and the breakup of the USSR had diminished American security concerns in the Arctic (Arctic Research Policy Committee 1994, 125).

American support for the council was publicly noted in Canada in February 1994 at an Ottawa conference held to examine Canadian northern foreign policy. At this conference, Minister of Foreign Affairs Ouellet made two important announcements: the US had expressed its support for an Arctic council, and Canada would create the position of ambassador for circumpolar affairs. The new ambassador’s major focus would be to develop and promote the council. Mary Simon, who would be appointed to this position, had been a member of the independent panel that had initiated the concept of the council and had served as president of the ICC. After her appointment, in the fall of 1994, Ambassador Simon conducted an extensive series of meetings, finally convincing the Americans to offer their full support for the council’s initiatives. In early 1995, President Bill Clinton formally announced that the US would participate in the Arctic Council.

In March 1995, following discussions, officials from all of the eight Arctic nations and indigenous organizations decided to convene a June meeting of senior officials to finalize a draft agreement that had been prepared by Canadian officials (Foreign Affairs and International Trade Canada 1995a, 2). Several important topics were considered at that meeting: the objectives of the council, its relationship with other Arctic initiatives, its structure, its financial organization and its legal status.

While the Canadian government pushed for the creation of an Arctic council, it also actively supported the inclusion of northern indigenous peoples (especially the Inuit), primarily through the ICC, which was formed in 1977 to provide a stronger political voice for the Inuit. The ICC has four divisions: ICC Canada, ICC Alaska, ICC Greenland and ICC Chukotka. Government support has allowed the ICC to strengthen its role in the development of the circumpolar world. Both the ICC and ICC Canada have had a major part in building global support for a range of international initiatives and treaties — particularly some environmentally focused ones. The ICC played a key role in drafting and in developing political support for the 2001 Stockholm Convention on Persistent Organic Pollutants, which banned the use of certain pollutants transported from southern locations to the Arctic. The ICC also helped to demonstrate the human face of the impacts of these pollutants (Downie and Fenge 2003). In addition, the ICC made an important contribution to the drafting of the 2004 Arctic Climate Impact Assessment (ACIA), and teaching the ACIA’s southern-based researchers
about the applicability of traditional knowledge in confronting climate change. The ACIA was thus one of the first international studies to place traditional knowledge on an equal footing with Western science.

ICC leaders such as Mary Simon and Sheila Watt-Cloutier have shown the world what global warming means to the people of the Arctic regions and their way of life. Watt-Cloutier and Al Gore shared a Nobel Peace Prize nomination for their joint battle against climate change. The ICC’s success is largely due to the hard work of its leaders and members, but they have been ably assisted by successive Canadian governments. Since the end of the 1980s, the federal government has recognized the importance of giving the Inuit and other northern indigenous peoples a voice in determining government responses to the environmental degradation of the North. Representatives of northern indigenous groups were included in the development of the Northern Contaminants Programme of the Arctic Environmental Strategy. This proved so successful that when the Finnish government approached them to assist in the development of the Arctic Environmental Protection Strategy, Canadian officials simply transplanted the AES into the international arena. They made it clear that the involvement of northern indigenous peoples was now a necessity. Some countries, such as the US, were not initially in favour of this approach, but Canadian government lobbying overcame their opposition. Ultimately, the partnership between the Government of Canada and northern indigenous organizations (the ICC, in particular) has been very successful for everyone involved.

Canada’s role in the creation of the Arctic Council was pivotal. Conservative and Liberal governments gave their strong support to the creation of this multilateral body to facilitate cooperation in the Arctic. Canadian diplomats showed great initiative and foresight in helping to develop a new means of governance. Their insistence on including northern Aboriginal representation was both inspiring and forward thinking. However, since the creation of the council, successive Liberal and Conservative governments have gradually reduced their support. The Harper government even went as far as to eliminate the position of circumpolar ambassador in 2006.

Despite its excellent track record, the Arctic Council has been unable to marshal support for its actions against the problems that are afflicting the North. And Canada is no longer playing a leadership role among the Arctic nations. While the Department of Foreign Affairs and International Trade did develop the
Northern Dimension of Canada’s Foreign Policy and select support for the Arctic Council as one of its four main pillars, there has been little evidence that such support has been given to any significant degree. A four-year, $10-million allocation was approved, but this fund also had to cover support for the University of the Arctic and a program to improve relations with Russia.

The Government of Canada must now rededicate itself to the Arctic Council. As I will show in the next section, this country is facing a wide range of international challenges in the Arctic. To confront them, it will need to reapply the strategies that proved successful in the past.

Existing and Potential Conflicts for Canada and the Arctic

Perhaps the greatest challenge Canada faces is related to the fact that the Arctic is about to become a much busier place, and Canada cannot agree with its Arctic neighbours as to how its maritime borders should be drawn. As long as no one was going to the Arctic, such disagreements could be ignored, but in an era when access is increasing and resource development is beginning to reshape the region, Canada must work to resolve such issues.

While most Canadians believe that our national claim is incontestable, the reality is that Canada is embroiled in numerous international disputes over various aspects of control over its Arctic region, and other such disputes may arise. The immediacy of these disputes varies, and some may not erupt for some time, but the fact that there are so many is troubling. Three are with the United States and another seems likely; soon there will be one with Russia; and there are two, possibly three, with Denmark. While these disputes are either potential or on hold, they may have a serious cumulative effect on Canada’s overall claim of control in the region. Should some or all of them have unfavourable results for Canada, the international community may come to view Canadian claims of sovereignty with skepticism.

The Northwest Passage: Canada versus the United States

Canada claims that the Northwest Passage is an internal Canadian waterway (Franckx 1993, 65-108). This would mean that Canada has the right to unilater-
ally pass legislation and impose regulations on all Canadians and foreigners on the passage’s ice and waters. The United States, the European Union and possibly Japan do not accept this claim (Huebert 1995). In their view, the passage may be used for international navigation — Canada does not have unilateral control over the region’s waterways and cannot pass laws governing international shipping via the Northwest Passage.³ The Northwest Passage dispute is strictly limited: the issue of sovereignty in the passage concerns only the regulatory regime governing international shipping. Canada has a sovereign right over all living and nonliving resources in the subsoil (for example, oil and gas) and the water column (fish) up to 200 miles from its coastline. It also has the right to control all maritime research in this zone (Rolston and McDorman 1988). The attractiveness of the passage for international shipping is twofold. First, it makes travel between the eastern US and Asia or Europe much shorter and therefore far more economical. Second, the passage can serve substantially larger vessels than the Panama Canal. In 1969, the Manhattan, an ice-strengthened supertanker weighing 155,000 tonnes, sailed through the passage; the Panama Canal cannot accommodate vessels of more than 70,000 tonnes (McRae 1987, 98-114; Mitchell 2000; Nickerson 2000).⁴

In 2007, ice cover in the passage reached its lowest level ever, and speculation is growing that shipping in the passage will increase accordingly. The dispute over access to the Northwest Passage is thus a direct result of the decrease in Arctic ice cover, which, in turn, has been caused by what leading scientific research bodies have identified as an unprecedented rise in Arctic temperatures due to global warming (Hassol 2004). There is some debate as to the exact cause of the ice cover decrease; and some see it as a short-term transformation, others as a long-term trend. However, the majority view in the scientific community is that the trend is real, and that over the next 15 to 40 years the shipping season in the Canadian Arctic will lengthen substantially (Hassol 2004, 82-5).

The bulk of the increase in shipping in the Northwest Passage will likely be related to the development of the Canadian Arctic, not transpolar shipping. The Russian side of the Arctic is melting more quickly than the Canadian side, so it will probably be used initially as the main transpolar route. There are numerous reasons for this: prevailing ocean currents, the location of the islands of the archipelago and the impact of the Greenland ice sheet. Furthermore, of the three Arctic regions that could serve as a link between the Pacific and Atlantic oceans — the Northern Sea Route, the Arctic Ocean and the Northwest Passage — the
passage will be the last to become ice-free for extended periods and hence will probably be the last to be used as a transpolar route. But even this is not certain, so its impact on Canada also remains uncertain.

Ultimately, however, Canada’s policy challenge will be to develop the shipping regime that will best serve Canadian interests — one that will adequately protect the environment; maintain the highest vessel safety standards; guarantee that ships entering the icy Arctic waters are built to the highest technical standards; and ensure that Canadians, particularly those living in the North, share in the economic benefits of increased shipping. However, Canadian policy-makers must confront two uncertainties. The first pertains to the rate of warming in the Northwest Passage. If the temperature increases of the last 30 years represent only a temporary trend, then there is little likelihood that the passage will open for shipping; even if the majority of scientists are correct, and the warming trend is permanent, we still do not know what its full impact will be. Furthermore, there is evidence that a warming Arctic would also mean more ice in the Northwest Passage, at least temporarily, because as the passage’s ice cover melts, thicker ice from the polar ice cap will flow southward into the passage.

The second uncertainty that policy-makers face is that if Canada does not establish its sovereignty over the Northwest Passage and climate change makes the passage more accessible, then Canada is unlikely to win a challenge in the International Court of Justice (ICJ) or any other such juridical body (Pharand 1988). But even if Canada does make a tremendous effort to bolster its surveillance and enforcement capability in the Arctic, there is still no guarantee that it would win such a challenge. In its 1949 Strait of Corfu judgment, the ICJ defined an “international strait” as a body of water that joins two international bodies of water and is used by international shipping interests. The Northwest Passage does join two international bodies of water, but ice conditions have often prevented its use as a shipping lane. If climate change alters this situation, then it would seem that Canada would lose any legal claim to sovereignty, especially since the ICJ tends to be conservative in its judgments (Kindred et al. 1987, 254).

Ultimately, any resolution of this dispute will depend upon the ability of Canada and the United States to come to an understanding over the status of these waters. The US does not want to set a precedent with the Northwest Passage case that could be used against it should a similar situation arise on another international waterway. Although the official position of the US government is that the
passage is an international strait, and thus open to all, former US ambassador to Canada Paul Cellucci has suggested that it would be in the interest of US national security to have Canada control it (Struck 2006). One approach Canada could take to resolving the dispute would be to convince the US government that permitting Iranian or North Korean vessels to use the Northwest Passage would indeed pose a security risk. While it is unlikely that the US would publicly endorse this view, it could agree not to contest Canada's claim — given, of course, that Canada could actually control the region.

But if international shipping does commence on the passage, then Canadian policy-makers must find ways to ensure that it is conducted in a manner that protects and promotes the national interest. Canada can afford to lose the right to refer to the Northwest Passage as internal waters, but it cannot afford to lose control over the regulation of the ships that sail on it.

The Maritime Boundary between Alaska and the Yukon (Beaufort Sea): Canada versus the United States

The second debate between Canada and the US is over the maritime boundary between Alaska and the Yukon. In 1825, Russia (which then controlled what is now Alaska) and the United Kingdom signed a treaty that established a land boundary between Canada and Russia. Canada maintains that the Canada-US maritime boundary should be a direct continuation of that land boundary; the US insists that it should be drawn at a 90-degree angle to the coastline (Kirkey 1995). The US version of the boundary extends in a more easterly direction than the Canadian version. At the heart of the dispute is a wedge of marine territory in the Beaufort Sea that has been created by this disparity in the two countries' positions.

At stake are the region's oil and gas resources — during the 1970s, there was considerable speculation that these could be extensive. But, as substantial as the reserves may be, the severity of the climate may make their extraction (especially due to their offshore location) economically unfeasible. It is therefore not surprising that when oil prices collapsed in the 1980s, the boundary dispute seemed to disappear; neither Canada nor the US pursued commercial development in the disputed zone, and even exploration was contained.

Recently, there have been signs that the dispute is heating up again. The current US administration has signalled its intent to develop its northern oil and gas reserves. President George W. Bush's efforts to develop the oil and gas poten-
tial of the protected land region of northeast Alaska were ultimately defeated by Congress, but, given the emphasis that the Bush administration has placed on improving American energy security, it is unlikely to abandon this priority. There are now suggestions from within the industry of large-scale oil and gas discoveries in the Beaufort Sea. While the scale of these discoveries is as yet undetermined, they could extend into the disputed zone, causing Canada-US tensions to flare.

A possible solution could be the development of a joint management scheme. Such a venture does not seem improbable: after all, the North American Free Trade Agreement created a shared energy market, and there are numerous international examples of such arrangements.

The Maritime Boundary between Nunavut and Greenland (Lincoln Sea): Canada versus Denmark
A very minor disagreement exists between Canada and Denmark over the division of the Lincoln Sea. In 1974, the two countries agreed on the maritime boundary along the coasts of the Northwest Territories (what is now Nunavut) and Greenland, but later, in establishing Exclusive Economic Zones, they extended the boundary northward into a region not covered by the 1974 agreement. The disputed territory is small — 65 square miles — so the problem should be relatively simple to rectify.

The Continental Shelf: Canada versus Russia, Denmark and the United States
In the summer of 2007, there was considerable interest in Russia’s bid to assert control over what it claimed was its Arctic continental shelf. The northern continental shelf sections of Canada, the United States and Russia join in the High Arctic, and overlapping claims thus seem inevitable. The United Nations Convention on the Law of the Sea (UNCLOS) contains a means of determining a coastal state’s maritime zones, including its continental shelf. Such a state can claim rights over the seabed and subsoil of its shelf to an offshore distance of 350 nautical miles — sometimes even further. This gives the state the right to the resources found on the seabed and in the subsoil, including oil and gas deposits.

Under the terms of the UNCLOS, a state must determine the limits of its continental shelf within 10 years of ratifying the convention. Once it has done so, it submits the specifics of its claim to an international panel — the United Nations Commission on the Limits of the Continental Shelf (UNCLCS) — for sci-
entific review. When this process is completed, and if there are no counterclaims from neighbouring states, the claim is granted. Russia ratified the convention in 1997, and it is now preparing to submit its claim, of which its Arctic interests are a part (an earlier submission was returned with a request for improvement). Denmark ratified the convention in 2004, and it has until 2014 to submit its claim. The United States has not ratified or acceded to the convention. President Bush has been attempting to build the necessary Senate support for it, but there is mounting opposition to this effort from some Republicans, including presidential nominee Senator John McCain, who has withdrawn the support for ratification that he had previously offered.

Canada ratified the convention in 2003, and the government allocated $76 million to map the Canadian claim. In 2008 an additional $20 million was granted for this work. Over two-thirds of the fund was earmarked for determining the Arctic continental shelf (the remainder was for work in the Atlantic). Canada has agreed to work with the Danes and has been cooperating on the examination of the shelf north of Ellesmere Island and Greenland. In the summer of 2007, however, there were suggestions that Canada needed to allocate more funds to the process in order to meet its 2013 claim deadline. We do not yet know whether Canada’s claim to its continental shelf in the Arctic region will overlap those of Russia, the US or Denmark. For a long time, the issue of which nation could claim sovereignty over which portion of the shelf did not present much of a problem, but now Russia’s movements in the Arctic are putting pressure on Canada to act. This pressure will only increase if, further down the road, climate change permits development of the region’s resources.

The Russians and the Swedes mounted a three-ship Arctic expedition in 2004. Stationing a drill ship at the North Pole, they took ice core samples and thus proved that it is technologically possible to drill at the highest latitudes. Further technological developments may allow for under-ice resource exploration in this area. The Russian government has even considered refitting a Typhoon-class nuclear submarine to carry oil under the ice cap (Kurdrik 2003). It is already possible to build an extraction system under the ice — albeit at considerable expense. Whether the Typhoon proposal is serious or not, many believe that it will take this type of innovative thinking to achieve a breakthrough in Arctic resource development.

The challenges facing Canada are significant. It has to submit its claim by 2013, but it must conduct the necessary research without the assistance of a nuclear-
powered submarine. It is the only Arctic nation without such a tool at its disposal; the US and Russia have their own submarines, and Denmark has an agreement with the UK to use one of its fleet. Considerably more work is needed, and meeting the deadline will be difficult. Equally daunting is that even once Canada has submitted its claim, there are no clear procedures for resolving territorial overlaps. The UNCLCS will pass judgment on the technical merits of each country's submission and suggest possible dispute resolution processes, but it will be up to the four states involved to work out their differences. Complicating this already difficult situation is the fact that the US is not party to the convention. However, in May 2008 the Danish government invited the other four Arctic states that have extended continental shelf claims (including Norway) to meet in Illulissat, Greenland. The Danes claimed that this was necessary to ensure that all countries concerned follow existing international rules. After the meeting, the five states issued a declaration that no further international treaties were needed, and that they all would abide by the existing rules. Absent in the declaration was any mention that the United States has not yet ratified UNCLOS, and therefore is not a member of the most important set of rules.

**Hans Island: Canada versus Denmark**

Canada faces only one land dispute. It is over Hans Island, located in the Kennedy Channel of Nare Strait between northern Ellesmere Island and Greenland. Not much larger than a rock, the island appears to have no resources, and ownership of this tiny territory will not affect the maritime boundary between Canada and Greenland — according to a 1974 maritime boundary agreement between Canada and Denmark, that line extends to the southern tip of the island and recommences at the northern tip (Bankes 1987). However, in the summer of 2002, the Danish government sent an ice-strengthened frigate to assert its claim over Hans Island (Huebert 2005). In response, the Canadian minister of defence, Bill Graham, visited the island in the summer of 2005. These actions brought the Hans issue to the public's attention, and the two countries eventually agreed to discuss their differences at the United Nations. The result of these discussions has not yet been made public.

**Illegal Fishing: Canada versus Greenland and the Faeroe Islands**

There is a dispute developing between Canada and fishers from Greenland and the Faeroe Islands in the waters between Greenland and Baffin Island. Canadian Coast Guard officials believe that these fishers have been illegally entering Canadian
waters, although, due to Canada's weak surveillance capability, this has not yet been confirmed. The draw is a growing market for shrimp and turbot. NordREG, the regulatory body supporting the Arctic Waters Pollution Prevention Act, does not require vessels — either foreign or Canadian — to report their presence in or near Canadian northern waters; it only requests that they do so.7 Concern is mounting that foreign fishers are ignoring this request and going undetected. The Canadian Forces have cut down on their flights of long-range maritime patrol aircraft in this region due to budget reductions and aging equipment, and Canada has only a limited satellite surveillance system. RADARSAT-1 can be used for some surveillance tasks but has trouble detecting smaller fishing vessels. When RADARSAT-2, launched in December 2007, becomes fully operational, its more advanced resolution capability may improve Canada's ability to detect these vessels.

Canada needs to improve its surveillance and enforcement capability in all regions of the Arctic, but the suspected illegal fishing makes the eastern Arctic a region of special concern. If Canada fails to redevelop its long-range maritime patrol aircraft capability, it will be unable to catch the foreign fishers who are entering its waters illegally. Replacement craft should be ordered and the operational budget of the air force increased to allow for more deployments over the eastern Arctic. The follow-up to RADARSAT-2 must be begun as soon as possible and surveillance of Canadian Arctic regions made a priority mission. Canada will also need to increase its fleet of icebreakers and ice-strengthened vessels. When it has sufficiently strengthened its surveillance and enforcement capability, Canada must then make the NordREG reporting system mandatory.8 Only by taking this step can it demonstrate to the international community that it is serious about its claim to the Arctic.

Canada faces challenges of every magnitude along its Arctic maritime borders. Since it no longer has the luxury of ignoring these problems, how should it proceed? One option would be to tackle problems on a case-by-case basis, treating each as a separate, bilateral issue. The advantage of this approach is that foreign affairs officials would probably be most comfortable with it, and it would be the simplest to pursue — bilateral negotiations are generally easier to conduct than multilateral ones. Its main disadvantage is that it would put Canada in the weaker position when dealing with such powerful nations as Russia and the United States. It could also result in Canada offending a neighbour. For example, by entering into direct negotiations over the continental shelf with Russia, Canada could easily cause the US to feel slighted; or if Canada were to negotiate with the US and Denmark, the Russians could interpret
it as an instance of NATO allies ganging up on them. Furthermore, this approach would not fully address many of the developing issues. Continental shelf claims need to be resolved by all four claimant states, just as the problems of increased shipping in the Northwest Passage and environmental risks to the Arctic Ocean should be resolved multilaterally. Bilateral solutions would give rise to a patchwork of shipping regulations and environmental standards, which would be unworkable.

Another option would be to develop an international regime to coordinate activity in the Arctic. Issues like climate change and resource development would be managed most effectively via an international approach. However, if Canada is to convince the other Arctic nations to accept this approach, it must give up some of its own short-term interests. Would Canadians be willing to accept the Northwest Passage as an “international strait” if there was an international regime in place to protect the environment and the interests of northern Canadians? Would they support a Beaufort joint-management scheme with the US, despite the fact that they consider the region Canadian? These are, of course, hard questions. In considering them, we must recognize that multilateral options always carry an element of political risk and are much more difficult to coordinate than unilateral actions. And, especially given the complexity of the issues facing the Arctic states, the negotiations would take substantial time and effort.

**Current Canadian Action**

Canada now finds itself at a crossroads, and it is up to the government to choose a direction. In its October 2007 Throne Speech, the Harper government made a wide range of promises — such as those outlined in the first paragraph of this chapter — and referred to Arctic defence as one of its primary initiatives. It also noted that a massive transformation is occurring in the Arctic and restated its commitment to the region; it went on to announce the creation of a “world-class research centre” in the Arctic, a plan to improve the living conditions of northern First Nations and Inuit peoples, and a plan to finish mapping the Arctic continental shelf (Government of Canada 2007). These commitments and promises exceeded those made by any preceding Canadian government. If carried out, they would constitute a very important victory in the fight to protect Canadian Arctic sovereignty — specifically, these measures would substantially improve Canada’s ability to act in its Arctic territory.
The Harper government also made some important funding decisions related to the Arctic. Its February 26, 2008, budget included $34 million over two years for geological mapping in support of economic development; the extension of the Mineral Exploration Tax Credit for another year; $8 million for the construction of a commercial harbour in Pangnirtung, Nunavut, in support of northern fisheries; an additional $20 million for mapping the northern continental shelf; and, most surprising of all, $720 million to replace the Canadian Coast Guard vessel Louis S. St-Laurent, Canada’s oldest and largest icebreaker. This budget also reconfirmed the government’s commitment to build six to eight Arctic offshore patrol vessels and a deepwater port ($7.4 billion); improve national coastal protection and surveillance, including in the North ($62 million); expand protected areas in the Northwest Territories ($15 million); and improve northern housing ($300 million). There is no question that this was one of the largest budget allocations for northern expenditures in Canadian history (Finance Canada 2008).

At the same time, there are several areas in which no progress has been made. The Harper government chose not to appoint a new circumpolar ambassador since it terminated the mandate of the serving ambassador in 2006, a decision it never fully explained. Given the increased level of international activity in the North, this is a disturbing situation: there is currently no Canadian official in a position to lead a multilateral effort to resolve Arctic issues, suggesting that the government placed a low priority on relations with its northern neighbours. The Harper government also did not produce a document outlining Canada’s policy direction for the North. It seemed to prefer to let its actions speak for themselves. The preceding administration, Paul Martin’s Liberal government, produced policies related to the country’s role in the North and issued them in Canada’s International Policy Statement. In order to provide a coordinated policy framework, the Martin government released four sub-documents — one each on diplomacy, defence, development and commerce — as well as an overview paper. The role of Canada’s Arctic in the international system figured prominently in the overview, defence and diplomacy policy books. The two main themes were support of the Arctic Council and defence of Canadian Arctic sovereignty (Government of Canada 2005). The Martin government also attempted to develop a corresponding domestic policy, entitled “The Arctic Strategy,” but it failed to complete the task before it was defeated in the 2006 federal election. The Harper government had hinted that it would continue work on the strategy, but there was no sign of this before the election call in September.
Among the troubling recent developments was the tentative sale of the space division of MacDonald Dettwiler (MDA) to an American company, Alliance. MDA designed and built both RADARSAT satellites, which have been crucial to Canada’s capacity to monitor what is happening in the North; using a Canadian-designed, radar-based imaging system, the satellites can detect an object as small as a fishing boat in darkness or under cloud cover. The potential sale of the MDA division raised serious questions about Canada’s ability to continue to control the operation of its RADARSATs and could have undermined its plans to develop the next generation of satellites. If it had been permitted, Canadian northern surveillance would undoubtedly have been weakened. Ultimately, the minister of industry, Jim Prentice, did step in to suspend the sale.

The Harper government showed that it was thinking seriously about improving Canada’s ability to act in its northern region — if it gets a second term and fulfills the promises it made, then Canada will have a substantially improved set of capabilities. Yet, whether there is a commitment to applying multilateral approaches in the Arctic, to coordinating Canada’s actions with those of its neighbours or developing the necessary policy framework for such actions is unclear. Canadian officials are attending meetings devoted to northern issues when invited, but the government seemed content to allow others to organize such initiatives. This ultimately suggests that it intended to proceed in a unilateral fashion.

**Conclusion**

Canada is an Arctic nation. It has always proclaimed itself an important Arctic presence in an international context. However, the region’s harsh climate, sparse population and limited opportunities for economic activity have kept Canada from dedicating real resources to it. This is about to change. Climate change and resource development are transforming the Arctic from a backwater into a region of major international importance. The United States, Russia and Denmark are all engaged in the Arctic, and the nature and location of their activities will have a great impact on Canada. Canadian policy-makers are now compelled to act.

While building its capacity to monitor activities in its northern regions, Canada must also work with the countries that have important Arctic interests that potentially overlap with its own. It is imperative that Canada have frank discussions
with all of its Arctic neighbours focused on minimizing their differences and maximizing their shared interests. Canada also needs to decide what it wants from its Arctic region. Declarations of the need to protect Canadian Arctic sovereignty will always garner media attention, but sovereignty alone is meaningless if it is not used for an end. So what end does Canada want to pursue? The answer must be national security, but this has to be established with special attention to the needs of the people who call the North home and who have developed a way of life there over centuries. And critical to this security is an uncompromised natural environment. While many effects of climate change may be irreversible, Canadian leaders must ensure that everything possible is done to mitigate those effects. They must also ensure that new northern economic activity has minimal environmental impacts.

Complicating such policy initiatives is the fact that Canada's northern region has the youngest population in the country. There is a dire need to ensure that young Arctic residents have the same opportunities as their counterparts in southern Canada, and this means that the quality of the educational and social services they receive must be greatly improved. Young northerners must be educated and trained to partake in the new economic opportunities that the forces of globalization are bringing to the North. And Canada faces the enormous challenge of harnessing the benefits of these opportunities while minimizing their costs.

Canada cannot do any of this alone. It must find a way to work with those whose interests coincide with its own while developing its capacity to stand up to those who challenge and oppose Canadian interests. This will be an extremely difficult balancing act, but failing to attempt it will amount to a surrender of national sovereignty. Canadian policy-makers have certainly made an innovative start. Canada's role in the creation of AEPS and the Arctic Council is a source of great pride. But now, as well as coming up with good ideas, Canada must substantially increase its spending in the North and accept that its participation in cooperative international ventures will probably require it to sacrifice some long-held interests and unilateral claims. The time in which Canada could dabble in the art of international politics in the Arctic is ending.
Notes
1 There is reason to believe that this was not actually an act of defiance on the part of the US government. In fact, the US Coast Guard needed the icebreaker to resupply the US air force base at Thule, Greenland, and to provide research support in northern Alaskan waters. When an East-Coast-based icebreaker was found unfit for duty following its annual inspection, the Polar Sea was assigned to serve in its territory as well; to accommodate the time frames of its two missions, the Polar Sea had to use the Northwest Passage.
2 The Arctic Council Panel members were Franklyn Griffiths, Rosemarie Kuptana, John Amagoalik, William Erasmus, Cindy Gilday, Stephen Hazell, John Lamb and Mary Simon (see Griffiths et al. 1991).
3 I have had a lively debate with Franklyn Griffiths, my discussant on this issue, but I believe that our differences are not actually so great. See Griffiths (2003, 2004) and Huebert (2003, 2004).
4 However, ice can be a complicating factor. Due to poor ice conditions, the Manhattan needed the assistance of two icebreakers to complete its transit (Karton and Munton 1987).
6 See the expedition’s Web site for more information about the project: http://www.marum.de/English/Arctic_Coring_Expedition_2004.html%20
7 Arctic Waters Pollution Prevention Act, R.S.C. 1978, c.2 (1st supp.).
8 In August 2008 Prime Minister Harper announced that NordREG would no longer be a voluntary system but would be a mandatory requirement for all vessels entering Canadian Arctic waters. However, this change was not implemented in September 2008 when a general election was called.

References
Notes


