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The Honourable Robert Nault

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● (1530)

[*English*]

The Chair (Hon. Robert Nault (Kenora, Lib.)): I'd like to bring this meeting to order. Pursuant to Standing Order 108(2), the committee is commencing its study of Canada's sovereignty in the Arctic.

Appearing before us this afternoon to get us started on a positive note, from the Department of Foreign Affairs, Trade and Development is Alan Kessel, Assistant Deputy Minister, Legal Affairs and Legal Adviser. We also have Alison LeClaire, Senior Arctic Official —it seems like I've met Alison many times before—and, of course, Shawn Steil, whom who we all know from our travels to Kazakhstan.

You now have a different position, Shawn, so I have to stop saying that, because it puts you in a box of something you're not. He's now the executive director of greater China, which is a bit different.

Welcome to the committee. I understand that we've got it all sorted out with the clerk. Mr. Kessel will start, and we'll work our way across.

Mr. Kessel, the floor is yours.

Mr. Alan H. Kessel (Assistant Deputy Minister, Legal Affairs and Legal Adviser, Department of Foreign Affairs, Trade and Development): Thank you very much, Chair.

Thank you for inviting me and my colleagues to address the committee today. We are indeed pleased to be here to discuss Canada's Arctic sovereignty.

[*Translation*]

As activities in Canada's Arctic increases, including in relation to vessel traffic, concerns about pollution, safety, and security are often perceived as threats to Canadian sovereignty. The reality, however, is that increased vessel traffic, if conducted properly and in accordance with Canadian law and policy, actually serves to reinforce Canada's Arctic sovereignty.

[*English*]

Mr. Chair, no one disputes Canada's sovereignty over the lands of the Canadian archipelago, covering in excess of 1.4 million square kilometres and containing more than 36,500 islands. The only exception is the 1.3 square kilometre Hans Island between Ellesmere Island and Greenland, which is also claimed by Denmark.

Canada has two maritime boundary disputes in the Arctic. One is with the U.S. regarding a portion of the Beaufort Sea, and a second is with Denmark regarding two small zones in the Lincoln Sea. Each disagreement is well managed, and will be resolved peacefully and in due course, in accordance with international law. Indeed, just three weeks ago, Canada and the Kingdom of Denmark announced the establishment of a joint task force on boundary issues to explore options and provide recommendations on how to resolve outstanding boundary issues between the two nations.

Let me turn now to Canada's sovereignty in relation to the Northwest Passage. All waters of Canada's Arctic archipelago, including the various waterways commonly known as the Northwest Passage, are internal waters of Canada by virtue of historic title. For greater clarity, Canada drew straight baselines around its Arctic islands in 1986. All waters landward of the baselines are internal waters, and Canada has an unfettered right to regulate them as it would for land.

There have been some recent transits through Canada's Arctic waters by foreign ships that have attracted the attention of the media, with some commentators arguing that these transits somehow threaten Canadian sovereignty. These arguments appear to be based on a misunderstanding of the legal situation.

My colleague, Shawn Steil, will tell you about the passage of the Chinese research vessel last summer. I would just stress that navigation conducted in compliance with Canadian requirements, like the Chinese research vessel's transit, does not challenge Canadian Arctic sovereignty.

In May, Canada and our Arctic neighbours marked the 10th anniversary of the Ilulissat Declaration by the five coastal states of the Arctic Ocean. Those states are Canada, the United States, Russia, Norway, and Denmark.

That declaration recalled that an extensive international legal framework applies to the Arctic Ocean. It emphasized that the law of the sea provides for important rights and obligations concerning the delineation of the outer limits of the continental shelf, the protection of the maritime environment, including ice-covered areas, freedom of navigation, marine scientific research, and other uses of the sea.

Canada remains committed to this legal framework and to the orderly settlement of any possible overlapping Arctic claims.

Mr. Chair, let me conclude by providing you with an update about Canada's work on defining the outer limits of the continental shelf beyond 200 nautical miles in the Arctic Ocean. Canada is currently in the final stages of the preparation of its Arctic Ocean submission to the Commission on the Limits of the Continental Shelf, the scientific body established by the United Nations Convention on the Law of the Sea, to review coastal state continental shelf submissions. All of the scientific data required from the ocean floor and the geology beneath it, which is needed to establish our outer limits pursuant to the provisions of the convention, has been obtained. We are now analyzing the data and drafting the submission. The submission could be ready to file probably early in 2019.

● (1535)

Once the commission has reviewed our submission, it will make recommendations based on the convention's scientific and legal definitions. When this process has played out for all five Arctic Ocean coastal states, overlaps will become known. Maritime boundary delimitations can then be settled, in due course, by those involved. The end result of this project will be international recognition for the area over which Canada will exercise its sovereign rights over the seabed and subsoil in the Arctic Ocean, thereby establishing the last line on the map of Canada.

[*Translation*]

Thank you again for this opportunity to address the committee.

I look forward to taking your questions once my colleagues have also offered their remarks.

Thank you, Mr. Chair.

[*English*]

The Chair: Thank you.

Madame LeClaire, please.

Ms. Alison LeClaire (Senior Arctic Official and Director General, Circumpolar Affairs and Eastern Europe & Eurasia Relations, Department of Foreign Affairs, Trade and Development): Thank you, Mr. Chair and committee members, for inviting us here today.

My colleague Mr. Kessel has spoken to some of the legal elements of Arctic sovereignty. What I would like to do is share an overview of some policy approaches that we take internationally to bolster our leadership position and to advance Canadian interests with respect to the Arctic. I'd like to speak on the Arctic Council and our engagement there as well as on Canada's bilateral Arctic relations, with some focus on our relationship with Russia in the Arctic.

I'll turn first to the Arctic Council.

Canada has played a leading role in the council's agenda in many areas since its establishment here on Parliament Hill in 1996, including by chairing the council twice in its 22-year history. The Arctic Council's high-quality science, both social and physical, has provided northern people and communities with additional tools to enable them to meet the opportunities and challenges of living and working in the north at a time of extraordinary change driven by climate change.

Some of the council's accomplishments that Canada has contributed to and benefited from include the following: first, groundbreaking assessments on economic development, on ice and cryosphere, on climate change, and on shipping; second, legally binding agreements that serve as platforms for practical co-operation on issues such as search and rescue, oil pollution preparedness and response, and scientific co-operation, the last of which just entered into force late last month; and finally, frameworks on key environmental issues and most recently an aspirational target to reduce black carbon and methane as well as to prevent oil pollution.

Turning to our Arctic bilateral relations, I'll start by saying that it is in Canada's interest to build on the bilateral relations we have with all our Arctic neighbour states, as we often have shared interests and face similar challenges. It's also increasingly important for Canada to engage with those far from the Arctic who wish to work with us in areas of common interest, leveraging capacity, resources, and technology. Science co-operation is one such area.

With respect to co-operation with Russia, one need only look at a map of the circumpolar north to understand why working with them is in our interest. Together we share 75% of the Arctic area. I'm pleased to say that Russia's contributions to the work of the Arctic Council are important and worthwhile, and that co-operation is positive. At the same time, it's important for me to note that Russia's illegal actions in Ukraine and involvement in other global events not related to the Arctic are preventing more robust bilateral engagement with Canada on Arctic issues. For example, we have suspended work at the Arctic and North Working Group of the Canada-Russia Intergovernmental Economic Commission.

It is generally known that Russia is modernizing its military capabilities, including in the Arctic. Indeed, Russia has increased Arctic military drills, opened or reopened military bases, made investments to its northern fleet, and enhanced its surveillance capabilities in recent years. However, Russia's military presence in the Arctic is still much more modest than it was in the 1980s.

Canada sees no immediate military threat in the Arctic, but we remain vigilant and are working with our allies and partners to keep the Arctic as a zone of peace and co-operation, a goal we share with Russia.

Building on our co-operative success at the Arctic Council, we are confident that, over the medium to longer term, bilateral co-operation with Russia on the Arctic will improve, benefiting both Canada and the circumpolar region as a whole.

I'll conclude with that, noting that my colleague Shawn Steil will focus more on China's emerging interest in the Arctic. Of course, I'm happy to go into more detail through questions later.

Thank you.

● (1540)

The Chair: Thank you.

Mr. Steil, go ahead, please.

Mr. Shawn Steil (Executive Director, Greater China, Department of Foreign Affairs, Trade and Development): Mr. Chair and honourable members, I'm delighted to have the opportunity to appear before you once again, and thank you for the invitation.

In my capacity as Executive Director for Global Affairs' Canada's Greater China division, I am pleased to provide a perspective on China's growing interest in the Arctic and what it means for Canada.

[*Translation*]

As many of you are probably aware, in recent years, China has explicitly vocalised their interest in participating in governance, multilateral fora, scientific research and investment in the Arctic.

[*English*]

Further signalling their ambitions, the Chinese State Council Information Office released China's Arctic policy white paper on January 26, 2018. This document is largely a compendium of previously discussed interests, such as increasing scientific research collaboration, expanding commercial investments, and playing a larger role in Arctic governance.

The white paper describes China as a “Near-Arctic State” that seeks “to understand, protect, develop and participate in the governance of the Arctic”, and cites mutual respect with incumbent Arctic states as the key basis for their engagement.

Most notably, the white paper reveals the polar Silk Road concept, which looks to connect China's belt and road initiative to the Arctic, including through the use of the Northwest Passage. This project clearly demonstrates China's interest in the commercial potential of the Arctic as a transportation corridor and a source of natural resources. The belt and road initiative also expands China's geopolitical reach, and provides Beijing with the opportunity to create international hub-and-spoke commercial relationships centred on China.

This past summer, as my colleague mentioned, the Chinese research vessel, the *Xue Long*, or *Snow Dragon*, made a high-profile transit through Canadian waters in the Arctic for the purposes of conducting marine scientific research. China obtained Canada's consent to navigate Canadian Arctic waters, after satisfying Canadian officials that the vessel would comply with all relevant legislation and regulations.

In keeping with standard marine scientific research practice, the Polar Research Institute of China extended an invitation to Canadian scientists to join the Chinese researchers aboard the *Xue Long* during the Canadian portion of their expedition. Afterwards, the Chinese media promoted the passage as a successful test of a new trading route through the Northwest Passage.

As China seeks to position itself as an integral stakeholder in the economic development of the Arctic, it has shown considerable interest in infrastructure development and resource utilization in Canada's north. As the Canadian Arctic continues to draw interest as an economically strategic region, we can expect to see further requests for commercial and scientific collaboration from China.

In recognizing the opportunities and the importance of developing infrastructure in the Arctic, we must work diligently to ensure that any foreign investments coming into Canada will be consistent with the sustainable development of local communities and contribute to Canada's national interests. While we welcome China's objective to work constructively and make positive contributions to the Arctic region, concerns regarding foreign investment and sustainable development of infrastructure remain. As we look to develop Arctic infrastructure, we need to consider the interests of parties who are investing, as well as the risks.

As China takes a more active role in global affairs, including in the Arctic region, Global Affairs Canada will continue to seek a comprehensive relationship with China built on trust and mutual benefit, within which common interests and respective concerns, including climate change and environmental stewardship, can be addressed.

Once again, I thank you for the opportunity to speak with you today.

● (1545)

[*Translation*]

We would be pleased to answer your questions.

[*English*]

The Chair: Thank you, to all three of you.

Colleagues, we'll get straight into questions, and start with Mr. O'Toole, please.

Hon. Erin O'Toole (Durham, CPC): Thank you very much for appearing before us today. We're looking forward to embarking on this important study.

Mr. Kessel, I'm going to start with your remarks.

I was a little surprised. The two maritime boundary disputes in this are said to be quite minor; you know, a small claims dispute with the U.S. over the Beaufort Sea. However, is it not true to say that the United States views the Northwest Passage as an international waterway and area of navigation, whereas we view the Northwest Passage as an internal waterway and route?

Isn't it more than just a portion of the Beaufort Sea in terms of our being in conflict with the U.S.?

Mr. Alan H. Kessel: There are a couple of questions that you've raised, and they're parallel to each other. The Beaufort Sea issue is one that we have under constant discussion with our American friends. The reason we aren't further ahead right now is that they've asked us to hold off until they've done some more seabed mapping. We've also done seabed mapping, and that's to help us understand how we would eventually look at that piece of property. In the meantime, both of us have continued to issue gas or hydrocarbon licences, but we have a moratorium on exploration until such time as the dispute is resolved. It's being handled quite carefully, and both of us have an interest in resolving it amicably.

The issue with the Northwest Passage is one that I think has confounded people, mainly because of misinterpretation by the press and others. I defy you to find the Northwest Passage on the map. There is no language that says “Northwest Passage”. It's just a combination of channels within the Arctic Archipelago that together create this concept of east or west. Our view is that, under international law, an international strait must have been used as an international strait for navigation. We've had that area icebound for 10,000 years. It has not been used as a common way of getting from one end to the other. Our view is that you can't just simply change it into an international strait as the ice melts.

Having said that, both Canada and the U.S. have agreed to disagree. In 1988, we entered into an agreement whereby we agreed that we would put this issue on ice, and the U.S. essentially asks us for authority to pass through the passage. We grant authority to the U.S. and to other vessels to go through the passage. Granting of authority to go through our waters is indication that we own those waters.

● (1550)

Hon. Erin O'Toole: Could I stop you there? When we grant authority, is that blanket authority or is it per voyage?

Mr. Alan H. Kessel: It's per voyage.

Hon. Erin O'Toole: Now we have a precedent set that, per voyage, notifications will be given to Canada. Is there strict application of this? What I mean is, our best friend is one thing—the United States is our best friend, despite some challenges of late—but with China's passage and the talks Mr. Steil brings up about the polar Silk Road, is there not a troubling potential for a precedent that, with the waterways open and more regular for crossing, a courtesy advisory to Canada is sufficient for passage?

Mr. Alan H. Kessel: Particularly with the *Xue Long*, they asked us way in advance by diplomatic note for authority to enter our waters. We granted them authority on certain conditions, which included having a pilot and some other Canadian officials on the vessel, and they agreed to all of our conditions. They did their scientific activity, and they went on. We encourage—

Hon. Erin O'Toole: I'm going to stop you there, because I don't have much time.

Would you be able to supply the committee with the diplomatic notes, not today, but at some point? Our study is just commencing.

Would there be any difference between a state research vessel and a commercial vessel owned by a state-owned enterprise of China? Is that how they would go about traversing the route commercially?

Mr. Alan H. Kessel: I would have to give you a little more detail on that, and I'll have to get some research for you. As an example, I think it was a year ago that we gave authority for a Danish vessel to be the first vessel to carry coal, I think it was, from the west coast of the United States through the various channels of the Northwest Passage as an experiment to see what the timing would be. We worked very closely with those vessels, because, as I should mention to you, we not only insist that we know that they're coming, but also that they're going to comply with the Arctic Waters Pollution Prevention Act, which is legislation of the federal government to cover those areas.

Hon. Erin O'Toole: How do we monitor that?

Mr. Alan H. Kessel: I'm not the science guy here; I'm the lawyer guy here. I'd have to get you the details on how we monitor them individually, because they are required to advise us when they come in of where they are. It's not just about their being there; it's about search and rescue should they run into trouble.

Hon. Erin O'Toole: Absolutely. I know we have regular Aurora maritime patrol aircraft flying over. When I worked at the rescue coordination centre in Trenton, we would follow the progress of some people trying to paddle their way through the Northwest Passage, which always drove me crazy.

I'm wondering, as the routes are traversed more often, do we have the capability to monitor for pollution, search and rescue, and sovereignty?

Mr. Alan H. Kessel: That clearly expands greatly on the question you originally had, and I'm not really the person to give you the answer on that. I can answer some of the legal questions. For questions on the pollution stuff, we'd have to get one of our colleagues from Environment Canada or elsewhere to answer.

For the questions you have asked, my terrific colleague behind me is taking notes, and we will be able to provide the committee with the documentation.

Hon. Erin O'Toole: Thank you very much.

The Chair: Thank you, Mr. Kessel.

Mr. O'Toole, we will make arrangements to get those scientists to come to talk to us, just to make life a little easier on Mr. Kessel. That's not his shtick.

Mr. Saini, you're next.

Mr. Raj Saini (Kitchener Centre, Lib.): Good afternoon, everybody. Thank you very much for coming.

My question is for my good friend, Ambassador Steil.

You mentioned the Chinese Arctic white paper released in January 2018. There are four things in that white paper that are interesting, at least to me. One was that they wanted to build the polar Silk Road, as you said, and they wanted to encourage state-owned enterprises to contribute to that through infrastructure building. They wanted to encourage more exploration of oil and gas, and they also wanted to explore more fishing options. As well, they included a note about Arctic tourism.

When we look at the Arctic Council, its working groups, and the things it is involved in, none of these four things are in any communications or discussions it has had, even though it has said there should be a voluntary ban on fishing.

With its six member countries and five observer countries, how do the Arctic Council and Canada manage the ambitions of China when they are not congruent with what the Arctic Council says or has said in the past?

● (1555)

Mr. Shawn Steil: I'll ask Alison to talk about the specifics of the Arctic Council. I'll tell you what they're doing with the white paper, from a Chinese perspective.

As I said in my initial remarks, there's nothing extremely new that hasn't been said somewhere before, or expressed in some way, by the Chinese. This was in some ways the clearest articulation of their interests in the Arctic.

It is important to know that they're not the only non-Arctic state to have an Arctic white paper policy. I think Japan, Korea, and others have already done the same. China, Japan, and Korea have also launched trilateral discussions on the Arctic.

We have to look at this in terms of their articulation of what their goals and objectives of Arctic collaboration might be. That would be done by considering the starting point of where they're coming from. How does that figure into multilateral negotiations? At least now we have a clear idea of what the Chinese want and expect from Arctic collaboration, and I imagine this would be carried into bilateral discussions.

I'll ask Alison to comment on how that would work.

Ms. Alison LeClaire: I would say that of the four things you mentioned, there are related themes in Arctic Council co-operation. That co-operation on social development, economic development, and science is framed by a set of criteria that all observers have to commit and adhere to when they become observers. China is one of 40 observers to the Arctic Council. Observers are not always governments. They can be governments, civil society organizations, or intergovernmental organizations.

To become an observer, as criteria they have to “recognize Arctic States' sovereignty, sovereign rights and jurisdiction”, and the extensive legal framework that applies to the Arctic Ocean. Critically to us, they need to “respect the values, interests, culture and traditions of Arctic indigenous peoples and other Arctic inhabitants”. There are other criteria, but I mention those because I think it's important to understand the context in which China and other governments and organizations become observers.

China is already deeply engaged economically with Russia on liquid natural gas, on transportation, on Arctic tourism and, more generally, on sustainable economic development. This is actually a key theme in the Arctic Council.

Mr. Raj Saini: I'm glad you mentioned that. I want to bring up that point because another thing that China is doing is having more bilateral discussions with other countries. One of the countries they've had initial bilateral discussions with is Russia, and it seems there's a renewed interest, given the fact there have been joint military exercises. Negotiations and deals have been signed between Gazprom and Rosneft for heavy drilling and deep drilling. It seems to me that this renewed partnership in that area will change in many ways the geopolitical analysis that's happening.

Going forward, how much is this relationship deepening, and what should we be aware of? You even mentioned the *Xue Long*, the *Snow Dragon*. That ship was purchased from Ukraine in 1993; that's how far back those relations go.

If this is the way two superpowers are now emerging together in that area, obviously the geopolitical strategy is going to change. What's your analysis or commentary on that? What should we be aware of?

Ms. Alison LeClaire: I agree with you that there are geostrategic considerations that we need to watch really carefully. The dynamic between Russia and China is complicated. Russia is isolated from the west, with an economy that is affected by sanctions. They need economic growth. They are looking to their north as an engine of economic growth, and they are looking for economic partners.

China is one of them; Japan is another; Korea is another; and the north Asians, even Singapore, because of the shipping interests. That is an active and growing area of co-operation that we need to watch very carefully, and our understanding of the triggers or drivers for the military modernization that Russia is undertaking is that Russia wants to be positioned for surveillance, for search and rescue, as well as anything that is defence-related.

Yes, we do need to watch that carefully.

We also need to understand that the two countries are not necessarily like-minded. That's a relationship where they're watching each other carefully too. Russia is watching China's rise. So we do need to be conscious of those geopolitical or geostrategic shifts. As far as Canadian interests are concerned, with respect to our Arctic and co-operation in the Arctic Council, it is a matter of working where we can, where our interests coincide. We want to ensure that the growth that is happening in the Arctic is sustainable and responsible, and that it benefits our northern communities.

● (1600)

The Chair: I'll have to leave it there for now.

We'll have a chance to explore that more fully.

Mr. Blaikie, please.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much.

I'm new to the committee and I haven't done a study of this before, but on the theme of changing geopolitical relationships, one of the things I'm curious to know about is the changing attitude in the United States—which continues to be Canada's long-standing ally and friend—to Russia. The President has been advocating that Russia rejoin the G7.

To what extent have Canada's sovereignty efforts in the Arctic depended upon a sympathetic United States, and what does it mean for Canada in the Arctic if there's a rapprochement between the U.S. and Russia, and they begin co-operating more closely? Is there any potential threat to Canada there, that U.S.-Russian co-operation would put the squeeze on Canadian interests in the Arctic?

Ms. Alison LeClaire: In the context of the work I do, Russia and the U.S. already co-operate very closely. For example, they just let a project on identifying safe shipping lanes up through the—not the Beaufort, but the—

Mr. Alan H. Kessel: Chukchi Sea?

Ms. Alison LeClaire: —the Chukchi Sea. Geography is not my strong point. My apologies.

In any event, in the Arctic there is really strong co-operation. The Arctic Council is a very flexible institution where Russia and the U. S. are co-operating on this particular issue, and Canada and Russia are leading co-operation on another issue, as well as Norway and Russia. It's not as if all of us are always working together, but if there's an issue of interest to two or more states, they will work together.

I would say, in terms of Arctic co-operation, that rapprochement is not actually a word that I would use because the co-operation has remained quite strong and there is really an agreement that the common interests we have up there in keeping the Arctic a zone of peaceful co-operation mean that it is, to some extent, buffered from geopolitical events and dynamics elsewhere.

As I noted in my comments, that doesn't apply to economic co-operation and the sanctions that we have applied, but in other areas, co-operation has gone on unabated.

Mr. Alan H. Kessel: May I jump in here on some of the legal things we're doing? In fact, we work very closely with the Russians in the Arctic on certain key issues. For example, the legal analysis of our approach to dealing with the internal waters of our archipelago is identical to the Russian legal analysis with respect to their archipelago. In fact, we have a coincidence of views.

We are also working with our Russian colleagues closely in sharing information and approaches to dealing with the delineation of the continental shelf. That is in our interest because we'll be going before the same committee of the UN.

The other thing may be how to think of the Arctic Ocean. There are five states around the Arctic Ocean that own their land, and there's no dispute over their land except in the case of the little ones that I've mentioned. Just think of the Mediterranean. Many vessels come into the Mediterranean. They may have interests in whatever for scientific reasons. They are never a threat to the sovereignty of either Italy on the one side, Greece on the other, or Algeria to the south.

Then the other thing to remember is that the Arctic and the Antarctic are very different. The Antarctic, of course, is ice-covered land over which there is some dispute, which many of these countries are part of an international convention to resolve. There is no dispute about land in the Arctic, which is ice over five kilometres of water.

● (1605)

Mr. Daniel Blaikie: Thank you very much.

Mr. Steil, in your remarks I believe you suggested that not all foreign investment in Canadian Arctic infrastructure might be innocent with respect to the question of Arctic sovereignty, particularly in the Chinese context. What are some of the things that you believe Canada needs to be looking for when evaluating foreign investment in the Arctic as a red flag?

Mr. Shawn Steil: I would say that all critical infrastructure deserves special attention with regard to investment, not only for standard security concerns but also, as my colleagues pointed out, for environmental sustainability and that sort of thing.

Looking at what the interests of our potential partners are in making those investments is key, as is understanding what they are with our eyes wide open. To give you an example of some of the other partners who have received Chinese investment in the Arctic areas, Finland, for example, is looking at big, big infrastructure projects there. China has its own goals in establishing these ports or other infrastructure projects, which may be compatible or congruent with what the local countries are trying to do, but which are also part of its broader objectives. If we think of the polar Silk Road, which China has been quite upfront about, it's about developing supply chains and transportation routes that lead back to China and their interests. I think we have to be conscious of what the motivations are. In a lot of cases, it's going to be a win-win proposition where an infrastructure development will work for both sides, but I think we need to be conscious of what the risks might be as well.

Mr. Daniel Blaikie: Thank you.

The Chair: We'll go to Mr. Wrzesnewskyj, please.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Thank you, Chair.

Listening to the introductory remarks, I can't help but think how timely this study is. Mr. O'Toole said he was surprised by some of the things he heard. Perhaps I'd like to say that I'm not only surprised, but also very concerned.

We seem to be relying and to be quite confident that the international rules-based order based on multilateral treaties will resolve issues of territory or territorial questions in the Arctic. We often talk about how Canada has the longest unprotected border in the world, and everyone thinks of the United States. Notwithstanding the current challenges, I don't think any of us are concerned about that border. It's the Arctic. As you said, it's been icebound, but clearly, we're looking to a future where that may not be the case. This reliance and hope—I made some notes, I wrote down quotes, like “mutual respect”, “built on trust and mutual benefit” when talking about China and Russia....

I don't share the department's confidence. China has done a territorial grab in the South China Sea. Just in this past month, Russia built a bridge across the Kerch Strait and, at the same time, moved five of its largest military vessels from the Caspian Sea into the Sea of Azov and have done a de facto territorial grab of the Sea of Azov, to which they had a limited shoreline. These are countries that do not respect an international, rules-based order.

I understand our hope to rely on people playing nice, but then I also take a look. How many icebreakers do we have? Perhaps whoever could answer that quickly. Do we have three? I understand the Americans—

● (1610)

Mr. Alan H. Kessel: We have one good one.

Mr. Borys Wrzesnewskyj: We have one good one. That's encouraging. The Americans have two. The Russians have 40 and their hulls are much thicker than ours. In fact, just last year, they launched the Sibir, the world's largest—and by the way, the only nuclear-powered icebreakers in the world are Russian icebreakers. They are not just investing in deep-sea drilling. They're making huge multi-billion dollar investments in six Arctic bases. They have plans to add a third Arctic brigade. Not that long ago, they planted a flag on the Arctic seabed.

Listening to how the picture was painted by the department, I'm very concerned.

To my questions, have we ever not granted passage?

Mr. Alan H. Kessel: Not that I'm aware of. We usually do, but they always are on—

Mr. Borys Wrzesnewskyj: Not only have we set a very specific precedent, we have a precedent of not denying passage.

Mr. Alan H. Kessel: Why would we deny passage?

Mr. Borys Wrzesnewskyj: That's the question, but I'm just talking about precedents.

Mr. Alan H. Kessel: If we don't have a reason to deny passage, why would we? It's a road. We're trying to actually encourage increased vessel traffic within our Arctic.

Mr. Borys Wrzesnewskyj: Sir, there are certain established.... If we're going to rely on the rule of law, when there is right of passage across certain territories, there is also the precedent, in law, that sometimes you block that passage once a year or you put a gate up to establish the fact that you have the authority to do so. In all of the time that you're aware, we have never denied passage.

Mr. Alan H. Kessel: To my knowledge, it's never been in our interest to deny passage. The vessels that have been going there have usually been related to scientific research, trade interests, hydrographic work, cruises, and environmental work. We have had no reason to stop a legitimate vessel going through our territory.

Mr. Borys Wrzesnewskyj: What I'm getting at are precedents in law. When you allow passage across territory that you control, every once in a while you actually establish the fact that you have the right to deny passage, by in fact denying passage at a regular point in time. That's why I asked that particular question.

Mr. Alan H. Kessel: I would suggest that every time we give authority to come through, we're exercising our law.

Mr. Borys Wrzesnewskyj: Sorry?

Mr. Alan H. Kessel: We're exercising our law every single time we assess a vessel's worthiness to come through.

Mr. Borys Wrzesnewskyj: We are further strengthening the legal argument that we will never deny passage. I'm not a lawyer; I won't argue it.

I just had that one particular question.

The Chair: Thank you, Mr. Wrzesnewskyj. Your time is up.

We'll go to Mr. Sidhu, please.

Mr. Jati Sidhu (Mission—Matsqui—Fraser Canyon, Lib.): Thank you, Mr. Chair.

Thank you, the three of you, for coming in front of the committee today.

Let's explore more Russia's and China's presence in the Arctic.

Definitely we are lagging behind in our presence in the Arctic. I had an opportunity to visit the Irving shipyard in Halifax last year. We have this great vessel under construction. It's supposed to be an icebreaker, with monitoring gadgets on it and all that. Will that ship be the first one in the Arctic? It's not the flexing of our muscles, but monitoring our territories. Is it going to be in the water soon, or is it just Irving telling me that? It's under construction. It's supposed to be done by the end of this year. Do you know anything about that ship?

● (1615)

Ms. Alison LeClaire: In specific answer to your question about the presence of Canadian vessels, icebreakers and others, in the Arctic, I'm not an expert. I think you'll want to be speaking to Fisheries and Oceans and the Coast Guard to get a really accurate picture of our fleet and what they do. However, we do have icebreakers that are in the water now, so it will not be the first, just to answer that specific question.

I would say that, beyond that, questions around our monitoring and surveillance capacity are absolutely important and legitimate questions. I think you would get better answers from the Coast Guard and from DND. I am sure they will be part of your study, and I hope they will be able to answer your question.

The Chair: Just to remind colleagues, the witness list includes the Department of Transport and the Coast Guard, and you can put those kinds of question to them.

Mr. Jati Sidhu: Okay.

Let's try questions about sustainable growth in the area.

What would it take, for sustainable growth, to explore the Arctic going forward? Being a builder/developer in my previous life, I know the soil structure is not all that stable with the ice. Do we have any plans on how we're going to put the structure in place when it comes to ports and bridges and roads? As a country, do we have any plan, or are we going to depend upon Russia and China?

Ms. Alison LeClaire: Well, the work that is currently under way to develop an Arctic policy framework will be an important vehicle for looking at those kinds of questions. Other witnesses—transport comes to mind—will be better able to answer your questions. If I understand you correctly, you're asking about domestic infrastructure.

I have a recent personal experience, in that I had the privilege of being up in the Northwest Territories last week and drove the new road from Inuvik to Tuktoyaktuk. According to the information that was provided to us, that is a road that was built using cutting-edge technology that will be of interest to other Arctic countries. They too—and Russia would be a particular example—are dealing with thawing permafrost, and what do you do to manage infrastructure when you have stability that is compromised? That is certainly one example of infrastructure in our north that is being heralded by local communities as necessary for their growth and prosperity, and which is of interest to other countries.

Another example I saw, also in Inuvik, was a data link field where we are managing satellite dishes in co-operative agreements with other countries, because of the global positioning. That is another source of growth for local communities.

That is just to say that international co-operation is creating these opportunities, but I saw for myself one example of cutting-edge Canadian technology that is cold climate infrastructure-adapted, shall we say.

● (1620)

The Chair: Thank you, Mr. Sidhu.

We will go to Mr. O'Toole, please.

Hon. Erin O'Toole: Thank you very much.

I want to start by saying that if we show concern, or profound concern, in the case of my friend, Mr. Wrzesnewskyj, about developments, it's not related to the work of your departments or anything else. Part of the work our committee wants to achieve with this study is to make more Canadians aware of the fragility, in some ways, not of our claims to the Arctic and to its waterways, but of others' respect for those claims. That's essentially what the driving force is, because of course I share his concerns.

I focused on our closest friend, the U.S., in my first round of questions. I now want to focus on Russia, and my friend, who is an expert in this area, stole a bit of my thunder. If you look at the Ilulissat Declaration, the year prior to that, in August 2007, was the second Arktika mission, where they planted a flag at the bottom of the seabed. The first was in 1977, when the first maritime vessel traversed from Russia.

When the crew of the 2007 seabed planting returned home, they were the heros of the Russian Federation. Russia has had ice stations on ice floes, which show the ever-changing nature of the Arctic waterways and, really, of sovereignty.

When I was in the military and we used to speak about the Arctic, we said that sometimes external sovereignty has to be demonstrated by internal sovereignty, or the ability to protect and govern a vast land space.

Do you feel that Canada needs to ramp up its presence and its exertion of sovereignty in its own internal waterways in order to have that recognized externally?

Mr. Alan H. Kessel: There are a number of questions there. I'm going to deal with some that I think are directly legal, and also with the lexicon that we're all using.

I think it's incumbent upon us, as public officials who work for departments and as members of Parliament, to use the lexicon that is to the advantage of Canada. I heard the word “claims” used quite often, with respect to territory of Canada. I would suggest that that would not be a good thing to do. We don't claim that which we own. We own the land and we own the water. I would hope that we, as officials, can talk about that as our own territory.

The other thing is that we're not claiming sovereignty; we're exercising sovereignty. Every time we do what we do in the north, we're exercising Canadian sovereignty. I think it's dangerous to play into the lexicon of those who would suggest we're not.

As to the stunt of the flag on the seabed: that's exactly what it was. The Russian person in control of that flag issue is a known stuntman. They did it. That's true. When the flag landed down there, they would have probably found a bunch of material that says “Made in Canada” on it as well.

The reality is that flags do not indicate sovereignty, otherwise the Americans would own the moon and National Geographic would own the Himalayas. I would suggest we be careful with how we go down that route.

Hon. Erin O'Toole: Let me interrupt you there.

I agree on the lexicon. My concern is not how strong our sovereignty is. It's our ability to exert it. Right now, if an aircraft crashed near the North Pole, which of the five nations surrounding the Arctic Ocean would be able to be on the ground first?

It's my suggestion that we'd be last.

I'm happy to hear the perspective of anyone, in terms of having boots on the ground—either aircraft or ship. Would Canada be first?

Mr. Alan H. Kessel: I hear what you're saying, but you're conflating two issues. I'm dealing with the legal sovereignty of Canada, and you're talking about the ability of someone to help someone in a difficult area.

Hon. Erin O'Toole: If the other nations don't respect our sovereignty; it is a claim to them. It's like the Northwest Passage. We can be very satisfied that the legal structure for that being an internal waterway is sound, but if it's not respected by our closest neighbour, what value is that?

● (1625)

Mr. Alan H. Kessel: That is a question.

The answer to the question is that we work closely with our American friends. We've never had a situation where they have come through without our authority. During the “Shamrock Summit”, when President Reagan and Prime Minister Mulroney met, they had this discussion about what we're doing up in the north. They also had an agreement that we had to work together on this, even though we may not agree ultimately on the the name of that passage. I would suggest to you that our American friends are very strategic. They have an interest in straits to be open, whatever they are called and however they are named. The Strait of Hormuz and the Strait of Malacca—those are very geostrategic for them from a military point of view.

We are not in the same situation, therefore we've had a very sensible discussion with them. The result being that when they want to come through, they ask us. We either help them, or they may not need help, on occasion. We do not have a situation where our American friends force their way through our territory. In fact, we don't have any examples of a foreign state forcing its way through our territory. I would be cautious to leave the impression in the minds of Canadians or media that we do. We do not.

Hon. Erin O'Toole: Do we have any means of detecting a submarine in the Arctic?

The Chair: Thank you, Mr. O'Toole.

We're going to go to Mr. Levitt, please.

Hon. Erin O'Toole: The answer is no.

The Chair: We have a very short timeline. We're looking at three or four minutes, and then we're going to move on to other business.

Mr. Borys Wrzesnewskyj: Last summer, President Putin directed his generals to prioritize “defence of interests in the Arctic”. That was soon followed up by a submarine-launched ICBM. I understand there have been two launched across the Arctic. In many ways, this is probably the beginning of a very significant militarization of the Arctic.

When you look at the investments, the numbers are showing potentially about $35 trillion of natural resources that will open up should the ice be opened up. Russia has a capability that no other countries have, not just in numbers of icebreakers but their icebreakers, because of their design, are able to go places where none of ours can, hence the question that Mr. O'Toole has posed.

Are we working on some type of doctrine to counter that? Are we working to find ways that we can counter this very heavy militarization of the Arctic that's taking place on our longest undefended border? There are other countries in the Arctic with big, very important stakes in this, but we perhaps have the biggest stake.

Could you comment on that?

Ms. Alison LeClaire: Yes. I'll comment, if I may, in two ways.

First, I would say, in specific answer to your question about a doctrine, there is policy work under way right now, the Arctic policy framework. Of course, that builds on the oceans protection plan that builds on the defence policy review. Of course, I can't speak to what the Arctic policy framework will end up looking like, but issues around security and defence are certainly part of the work that is under way now.

I would at the same time just go back to my introductory comments in recognizing that Russia is modernizing its military after a period of considerable shrinkage. I had a conversation with a think tank some months ago that referred to Russia's inability to know what's going on at their own northern coast as part of their rationale. That's not to say it isn't something on which we should be vigilant. Of course we should, but we recognize as well that Russia does have these economic interests it wants to protect. Part of protecting those economic interests is ensuring that, in their rhetoric but we all agree on it, the Arctic should remain a zone of peace and co-operation. For them to threaten our space undermines what they're trying to do in their own Arctic in protecting those economic interests.

That's not to say that is a reason to be complacent. I need to reiterate that vigilance is key, but it is part of the geopolitical analysis.

● (1630)

The Chair: Thank you. We're going to have to leave it there for today.

On behalf of the committee, I would like to thank all three witnesses from the department for coming and giving us a good opportunity to talk and the beginnings of an important dialogue on how sovereignty and/or the business of protecting the Arctic works.

Colleagues, we're going to suspend and then we'll go in camera to do a bit of work. We shouldn't take too long. Part of the discussion will be about next steps of this study, so I look forward to that dialogue as well.

Let's suspend for five minutes. Thank you.

[*Proceedings continue in camera*]