

**CENTER FOR
STRATEGIC AND INTERNATIONAL STUDIES (CSIS)**

**STATESMEN'S FORUM:
CANADA'S ARCTIC FOREIGN POLICY**

**WELCOME AND MODERATOR:
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**SPEAKER:
LAWRENCE CANNON,
FOREIGN MINISTER, CANADA**

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PETER DESHAZO: Good afternoon, ladies and gentlemen. Welcome to CSIS. My name is Peter DeShazo – I'm the director of the Americas Program. We're privileged to have with us today the honorable Lawrence Cannon, minister of foreign affairs of Canada. Also honored to welcome His Excellency Michael Wilson, Canada's ambassador to the United States, and other distinguished guests from the Canadian government and the Canadian Embassy.

That President Obama's first foreign travel after his inauguration was to Ottawa underscores the vital importance of our bilateral relationship with Canada – our neighbor; our key trade and energy partner; our NATO ally. This relationship affects the daily lives of Canadians and Americans in a wide variety of ways and encompasses an extraordinary range of issues.

Today Minister Cannon will discuss Canada's Arctic foreign policy. The Arctic is a region that gets relatively little public attention here in the United States but is clearly a matter of considerable importance to it and to other Arctic nations. We very much look forward to the minister's remarks.

Minister Cannon has broad experience in public service. He was a member of Quebec's national assembly for nine years, and was first elected to the House of Commons in 2006 and reelected in 2008. He was minister of transport, infrastructure and communities of Canada before holding his current position. Foreign Minister Cannon is a graduate of the University of Montreal, with a master's of business administration from Laval University.

Following his remarks, Minister Cannon will take questions from the audience. He will also be available to the media in Room B1C, which is right next to this room here, about 10 minutes after his presentation in this room concludes.

It is my pleasure to present Foreign Minister Lawrence Cannon.

(Applause)

LAWRENCE CANNON: Thank you. Thank you very much, Peter, for that wonderful presentation, and, at the same time, welcoming me here to the Center for Strategic and International Studies.

Dear friends, in a history that spans nearly 50 years, the Center for Strategic and International Studies has earned its reputation as a premier forum for the discussion of international issues. So I'm pleased to be here, to speak to you and with you today.

I came here as a friend of the United States to discuss shared interests and values. As Prime Minister Stephen Harper stated on the occasion of President Obama's visit to Canada: There is no better friend and ally to the United States than Canada.

Now, together, both countries have a proud tradition of defending North America and promoting peace and security abroad, including today, in Afghanistan. Now, we both share the profound values of freedom, democracy, human rights and the rule of law. Today I would like to share my thoughts on another common interest – the Arctic.

So, as foreign minister I have decided to focus on three priorities emerging from the present economic downturn, by seizing opportunities abroad: the United States, the Americas and Afghanistan. But I have a special interest on our northern frontier.

For Canadians, the Arctic is central to our identity and our future. The future of Canadians is tied to our Arctic. And awareness is growing on the challenges and opportunities, including, first and foremost, the well-being of Northerners. Also the potential for exploitation of energy and international collaboration of Arctic states; the defense and the security issues; the impact of climate change; and the opening of new transit routes.

Now, Canada will continue to play a leading role in the development and the protection of the Arctic through its Northern Strategy and Arctic foreign policy, so let me be clear on this point. Canada is an Arctic nation and an Arctic power. The Canadian government clearly understands the potential of the North.

Now, the Arctic and the North are part of our national identity, as I mentioned before. They make up over 40 percent of our land mass. The North is home to more than 100,000 Canadians, many of whom are Inuit and first nation peoples who have inhabited these lands for thousands of years.

There is, surprisingly, little disagreement over land and sea claims in the Arctic region. Five coastal states bordering on the Arctic – Canada; Denmark; Norway; the Russian Federation; and the U.S. – exercise sovereignty and jurisdiction over much of the region, and very little of that jurisdiction is disputed. And those areas that are disputed are certainly very well-managed.

We already have an extensive existing international legal frame that applies to the Arctic Ocean, notably the Law of the Sea – which covers continental-shelf delineation, marine-environment protection and other uses of the sea.

In the 2008 Ilulissat Declaration, all five Arctic coastal states reaffirmed their commitment to this framework and to the orderly settlement of any possible overlapping claims – and, therefore, the five states see no need to develop a new comprehensive international legal regime to govern the Arctic Ocean.

(In French.)

I discussed Arctic issues recently with my Danish and Russian counterparts and will be meeting with my fellow foreign ministers from the Arctic countries in the lead-up to the Arctic Council meeting at the end of the month.

We all recognize that climate is having a disproportionate impact on the Arctic. Some experts predict that the entire Arctic could be ice-free by 2013; others say that this will happen by 2050. Now, our own Canadian Ice Service, however, believes the various internal waterways, known as the Northwest Passage, will not likely be a commercial shipping route for decades, owing to the extreme ice variability.

Canada will continue to regulate shipping through the Passage. On August 27th of 2008, the prime minister, Stephen Harper, announced that Canada will extend the application of the Arctic Waters Pollution Prevention Act from its present 100 nautical-mile zone. Our purpose is to regulate all shipping in zones up to 200 nautical miles from the baselines of the Canadian territorial sea. Now, this amendment is before Parliament now.

We have also announced that we will establish a new regulation, under the Canada Shipping Act, that will require mandatory reporting for all ships destined to Canada's Arctic waters within the same 200-nautical-mile limit.

Canada has a strong integrated Northern Strategy, resting on four pillars: protecting our environmental heritage; promoting economic and social development; exercising our sovereignty; and improving and developing governance.

Our Arctic foreign policy delivers on the international dimension of each of the four elements of this strategy, thereby affirming our leadership, stewardship and ownership in the region.

Canada has long been at the forefront in protecting the Arctic environment. Through initiatives like our Arctic Waters Pollution Prevention Act, we are building on this solid foundation to respond to emerging issues – from chemical pollutants to shipping safety and search and rescue, to climate change.

We recognize that climate change is having a disproportionate impact on the Arctic. We will work, through appropriate multilateral institutions like the United Nations Framework Convention on Climate Change, to address these challenges. We are implementing an ecosystem-based approach to oceans management in the Beaufort Sea and elsewhere, and we will continue to play a leading role in the development of guidelines for Arctic shipping through the International Maritime Organization.

Now, we've committed \$85 million over the next two years to upgrade key Arctic science and technology facilities, and will shortly undertake a feasibility study on the Arctic Research Station, which is a component of our Northern Strategy. We will work in close cooperation with the international community in this regard.

Ensuring economic and social development, in a sustainable way that benefits inhabitants of the North – particularly the indigenous people – is a key objective of our policy. We work closely with territorial governments – and Northerners, both domestically and internationally – to help build vibrant, healthy and sustainable communities. This includes learning from traditional knowledge, and supporting traditional economic activities, such as the seal hunt.

Now, I very much regret that the European parliament and council are currently considering a EU-wide ban on the trade of seal products. It is particularly disappointing that such a ban is being pursued, despite clear evidence that the hunting of seals in Canada is sustainable, humane and well-managed. Moreover, testimony from the Inuit leadership has underscored the potential harmful effects on Northern communities of such a ban. The impact of the livelihood of Northerners would be serious and immediate. So make no mistake – Canada will take all the appropriate steps to defend vigorously the interests of our people.

Now, we also work towards sustainable development as new emerging economies' opportunities unfold. Furthermore, there are new opportunities. An estimated 20 percent of the world's petroleum reserves lie in the Arctic. And Canadian companies, supported by government scientists, are developing technologies that will allow us to benefit from this potential wealth.

Canada is committed to advancing progress on both the Mackenzie and Alaska pipeline projects, and looks forward to working with the U.S. to develop cooperative strategies to bring Northern gas to Southern markets. And we can benefit from foreign investment, innovation and expertise in this area, while ensuring that the economic benefits flow to Northerners.

Activity in the Arctic lands and waters is increasing, and so has our capacity in the North. Our first duty as Canada's national government is to exercise, responsibly, Canada's sovereignty in this region. In August of 2007, Prime Minister Harper unveiled three new initiatives, to further demonstrate Canada's sovereignty in the North, and progress on these initiatives is well underway: the establishment of a Canadian Forces Arctic Training Center in Resolute Bay; the expansion, currently underway, of the size and capabilities of the Canadian Rangers; and the development of a deepwater Arctic docking and refueling facility in Nanosivik.

A new polar-class icebreaker is being built – the John G. Diefenbaker – named after a former prime minister who was a lifelong champion of the Canadian North. This vessel will be online within the next decade.

The Canadian Forces frequently conduct patrols and exercises in the Arctic. This presence also ensures that Canada can assist in responding to any emergency – from an oil spill to a search-and-rescue mission.

My colleague, Defense Minister Peter McKay, announced last week our government's plans to establish two stations to help monitor activity in the Arctic. These stations will enhance Canada's security and surveillance capabilities in the Arctic and contribute to scientific data and the Northern environment.

It is also important to determine where Canada can exercise its sovereign rights, and this is why we are delineating the outer limits of Canada's extended continental shelf. The United Nations Convention on the Law of the Sea explicitly recognizes Canada's sovereign rights over its continental shelf, and sets out the process for continental states like Canada to secure international recognition for the precise limits of the continental shelf. And that is what we are now doing.

Through our Arctic foreign policy, we also affirm and strengthen our domestic efforts for strong governance in the North. Real efforts have been made to ensure that decisions affecting Northerners are brought closer to the communities themselves, so that Northerners have more control over their own destinies.

We recognize and value the important role that the leadership of indigenous groups and Northerners have played in shaping our international action. A few weeks ago, I was in Whitehorse, Yukon, where I had a positive meeting with representatives of the Permanent Participants of the Arctic Council, with whom I share similar aspirations. We recognize the need to address many of these issues by working with our neighbors. Through the Arctic Council, other multilateral institutions and bilateral partnerships can be built.

We will continue to engage Arctic neighbors at the highest level, to promote a rule-based approach. The United States is our premier partner in the Arctic, and I would like to work – and I have raised this issue with Secretary Clinton – to explore new opportunities for bilateral and multilateral cooperation.

Our two countries have many shared interests and common purposes in the region – whether it be environmental stewardship; search and rescue; safety; security; and sustainable development. And I've met with Secretary Clinton before coming here this afternoon, to discuss these opportunities for enhanced cooperation of our shared Arctic interests.

Our two countries are working together to gather scientific information, to map the outer limits of our respective continental shelves. And I must say how very pleased I was to hear that the United States will sign the U.N. Convention of the Law of the Seas. This is very good news for all of the partners.

Last year, the Canadian icebreaker Louis St. Laurent and the U.S. Coast Guard icebreaker Healy completed a joint Canada-United States survey of the continental shelf in the Arctic Ocean. This resulted in high-quality data collection benefitting both countries. Canada and the United States are planning to conduct another joint survey in the Western Arctic in the autumn of 2009.

Now, the North American Aerospace Defense Command – NORAD – has stood as a model for Canada-U.S. binational defense cooperation in ensuring the safety and the security of North America, as you know. And we welcome the opportunity to work with the U.S. to capitalize on the joint network, to improve our ability to monitor activities in the North.

Canada and Canadians played a leading role in institution-building in the Arctic, particularly with the establishment of the premier organization for Arctic cooperation, which is the Arctic Council.

Now, since its inception, the Council has successfully developed a common agenda among Arctic states and indigenous permanent participants – but as the region changes, so must its institutions. We need more research on some of the key emerging issues with regard to sustainable development and environmental protection facing the Arctic. We need to deepen our exchange of best practices, and explore a more rigorous discussion on policy issues and coordination.

The Arctic Council needs to play a greater outreach and advocacy role, for example, making sure that the interests and concerns of Arctic inhabitants are reflected in the deliberations of other multilateral institutions. The Arctic Council must have the necessary strength, must have the necessary recourses and influence, to respond effectively to emerging challenges affecting the Arctic.

Through the international dimension of our Northern Strategy, our foreign policy, we will protect our environmental heritage; promote economic and social development; exercise our sovereignty in this vital region; and encourage more effective international governance.

Through the strength of our partnership, including with the United States, we will continue to seize opportunities, and to address changes and challenges together. Our foreign policy is a reflection, of course, of our domestic policy.

Thank you very much. Merci.

(Applause.)

MR. DESHAZO: Thank you very much, Mr. Minister. Because the press will have an opportunity to have their own session with the minister following this one, perhaps they can hold their questions, and allow other guests to ask questions. If you could please state your name and your affiliation as you ask your questions to the minister. Sir.

MR. RANGER: Richard Ranger, American Petroleum Institute. Mr. Minister, bienvenue and welcome. As a former Alaskan, I share your interest in the North. We and many others in America's private sector have been watching and addressing with concern the issues surrounding questions about climate change. If some of the predictions come true, I believe it would be correct that the seaway across Northern Canada would be the longest seaway inside territorial waters anywhere in the world.

Can you describe what models your government is contemplating with respect to preparation for response to ship casualties, to the potential for pollution, and so forth? It's a daunting challenge. I'd be interested to hear what you had to say. Thank you.

MR. CANNON: Well, thank you, Richard, for that question – and it's an important question, of course. There are two issues, I think, that you raised. The first one is: How do we manage the Northwest Passage? So we can go back to 1988, when the former prime minister, Brian Mulroney – as well as President Reagan at the time – decided to put forward an agreement, whereby ships that are entering this area – and I must say that there haven't been very many ships that are entering that area, for numerous reasons that I'll answer in a couple of seconds, or I'll come back to.

But this agreement, of course, sets forward a protocol, whereby, of course, the incoming vessels will report to Canada. And we'll indicate to Canada: Yes, they do conform to the pollution regulations; they do follow the international maritime regulations. And, therefore, they advised Canada that they're going through this passage.

I must say that, over the course of the last several years, there haven't been very many. As a matter of fact, there have been more pleasure craft that have gone through that area than there have been large container vessels.

The other issue, of course, which is the ice pack – as I mentioned, some claim that the ice is going to recede completely by 2013 or 2015? Our analysis, that is done through our department of natural resources, indicates that, because of the variability of the ice pack, and the ice that's in that area, there is a strong suggestion here that this area will not be free of ice before 2050.

So just, you know, rapidly, what we're trying to do, basically – this issue is managed, and we want to be able to continue to manage the problems as they – or, at least, the issues as they come forward.

And, finally, on the search and rescue, my colleague, Minister McKay, as I mentioned, will be going forward with a certain number of initiatives, in terms of establishing bases, and bringing up more of our Canadian Forces in the area.

I must say, at the very beginning, that here is a part of the country that has been neglected for a number of reasons, and also for a number of years. Canadians, and the Canadian governments, haven't looked at this as being a very important feature. The government, under Stephen Harper, has determined that this is a challenge, and that we have to face it. So that's why we have that Northern Strategy. And we've committed capital and investment in the area, so that we can assume the responsibility that we need to assume. Thank you.

MR. PREEG: Thank you. Thank you for the presentation, Mr. Minister. I'm Ernie Preeg, Manufacturers Alliance – but, as a former naval person, my interest in the subject goes beyond my current in-box.

I have a couple questions about the current pending legislation to extend from 100 to 200 miles the mandatory reporting on ships in that region. And my first question is: How detailed would the reporting be? For example, a submarine – would you have to give the location and the weapons onboard? That sort of thing.

The second is, the 200-mile extension – is that fully consistent with, or included in, the Law of the Sea treaty? And third – and I don't know, I'm just – it sounds something like what you're proposing as to the Chinese position on 200-mile notification, where we just had our recent incident with a U.S. unarmed surveillance ship being harassed.

MR. CANNON: Yeah.

MR. PREEG: So those are my questions. Thank you.

MR. CANNON: On the reporting issue, as I mentioned before, there is, of course, an agreement that's in place between Canada and the United States on the Northwest Passage. I would suggest that when we deal with the reporting – and if it deals with, of course, either a nuclear submarine, or some combat capability from the United States – NORAD serves, I think, as the conduit for pretty well all of this. So there is, I think, an acknowledgement there, in terms of what NORAD does.

I'm not familiar with the incident in China, so I can't comment on that specific element. Yes, there has been cases, and there will be cases. We feel that we do have a strong claim, and that is the reason why, under international law, we are moving our – what's the word I'm looking for here – our – what is it they use on a football field, when you – the markers – thank you very much – to the 200-mile zone. And that – you know, when you do that, you have to, at the same time, have the capability of ensuring that whatever occurs there, you'll be able to take care of it. And that is our intention, to be able to do so.

Q: Carol – (inaudible), Department of Energy. I'm wondering if you could address any particular issues you believe you'll have to discuss with Russia in this Arctic arena, and how you believe you will be negotiating with Russia over these issues.

MR. CANNON: The agreement that was reached last year in Norway – I'm sorry, not Norway – yes, Norway, Lillelesat (sp) agreement – brought together, of course, the five coastal countries. The agreement there stipulated that everybody would abide by international standards – the international law that applies. Last week, on Tuesday, when I had the opportunity of meeting with Sergei Lavrov – who is the foreign affairs minister for Russia – we rededicated, of course, our – and recommitted to that principle.

We did, and we still do have some reserves on the Russian activity in that area, particularly their military activity. But the discussion that I had with Foreign Minister Lavrov was, I think, fulsome, inasmuch as we both agreed that that's the direction that we have to take. And we do also need to respect each other's international boundaries, as established.

I think that it is through dialogue that we are able to advance issues that deal with the North. And it's my personal commitment that we continue to dialogue not only with Russia, but, as well, with the other partners that form up the coastal states.

Q: Tom Till from the University of British Columbia. Do you have any – do you think there's any potential for issues on which the U.S. and Canada may disagree to get in the way of our agreement over the Arctic? And the issues, in particular, I'm thinking of are carbon emissions; the "thickening" border; and some trade-policy issues.

MR. CANNON: Well, I think in the Arctic, Tom, there are specific issues, and they've been managed well, and we'll continue to manage them. We want to put – as Secretary Clinton and I were mentioning today – put more emphasis on areas of cooperation, rather than the areas of discord.

I don't think that thickening of the borders do apply, at this stage of the game, to the Northern part – or, at least, the border between Yukon and Alaska. I don't specifically see any issues there. I was in Whitehorse, and did have the opportunity of speaking with Premier Fentie on the issues that are there. Nothing would lead me to believe that the issues deal with commerce.

There are great relations between both Alaska, as well as the Yukon, and the Territories, incidentally. But there are some concerns – for instance, in terms of fishing quotas; there are some concerns in terms of how the caribou herds behave between both countries – but nothing that, fundamentally, would warrant a very negative response, or things that cannot be managed.

So I'm quite confident that, between Secretary Clinton, myself – as well as my colleague, Chuck Strall and his counterpart – Chuck, who, of course, is responsible for Canada's Northern Strategy – I'm quite confident that we can move forward on a number of issues.

MR. DESHAZO: We'll take a break, and we'll go with the media in 10 minutes.

Ladies and gentlemen, please thank the minister for his presentation.

(Applause.)

(END)