The Arctic is Warming and Turning Red: Implications for Canada and Russia in an Evolving Polar Region

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Executive Summary

Following the collapse of the Soviet Union, Canada and the Russian Federation have pursued significantly different strategies for economic development and security in their respective circumpolar regions. These policies have resulted in very different northern strategic outcomes.

While Canada and its circumpolar neighbours (Denmark, Finland, Iceland, Sweden, Norway and the United States) have advanced their polar resource claims through the UN, Russia has taken additional bold steps to secure its polar resources. Events since 2000 have demonstrated a fierce Russian political resolve to secure its economic independence from the West and to achieve a prominent place on the world geopolitical stage. In a steadily warming Arctic, Russia has recognized the potential economic and strategic significance of its Northern Sea Route and is now the foremost military and shipping leader in the circumpolar region. Russia continues to accelerate its efforts to re-open abandoned former Soviet Siberian military bases and to construct new operational bases. The largest Russian military build-up in the polar region since 1991 provides an indication that, consistent with its geopolitical aspirations, Russia is prepared to assert and defend its Arctic resources and sea routes. This accelerating Russian presence and military capability, paralleled by certain Chinese initiatives (China increasingly views itself as a near-Arctic state) have occasioned not just re-evaluations, but a reinvigoration of certain Arctic defence postures among circumpolar allies in NATO.

Material differences in geography, population distributions and histories unquestionably have significantly influenced northern development policies for Russia and Canada. The potential for increased maritime access to northern latitudes resulting from a warming Arctic have focused global attentions on Canada’s Northwest Passage and particularly on Russia’s Northern Sea Route. With the onset of a warming Arctic, Russia is historically, geographically and militarily positioned to create and control any new major Arctic trading routes. Indeed, as early as 2011, Russian President Vladimir Putin opined that Arctic shipping through the Northern Sea Route could rival the Suez as the primary commercial link from Europe.

As a result of policies that reflect environmental, investment and market priorities after decades of Arctic offshore exploration and development, Canada has, at least temporarily, suspended offshore exploration. Although the current Canadian government is approaching the end of its mandate it has yet to formulate a formal Arctic policy. Meanwhile, without any significant prior northern consultations or studies on the socio-economic consequences for northerners, it has implemented a five-year moratorium on Arctic offshore energy development. With diminished icebreaking capabilities and no pipeline or shipping access to stranded northern hydrocarbon resources, Canada critically needs to pursue beneficial economic and resource development policies for its northern peoples. By comparison, Russia has aggressively pursued the development of enhanced Arctic gas pipelines, icebreaking freighters and trans-shipment facilities for natural gas and LNG. These, and other emerging Russian developments, are of global economic and strategic significance. Russia has assumed a position of strategic military and commercial strength throughout the circumpolar region. While the implications of this for
Canada and the world may not yet be entirely clear, a more bellicose, self-assured Russia has demonstrated a willingness to achieve its political ambitions and defend territorial ambitions with military force. One author has observed that securing Russia’s integration into the international community is fast becoming one of the most ambitious challenges for the West in the 21st century.

It remains for policy analysts and defence planners to monitor and determine whether or not Russia’s actions in the Arctic signify potential aggression or are policies designed to express aggressive isolationism. Because significant consequences result from an increasingly destabilized circumpolar region, Canadians should be concerned about our northern policies. The potential consequences of civilian air or sea incidents, involving elements of search and rescue or related air-sea operations that are currently operated from distant southern Canadian bases, combined with a flagging icebreaking capability and a policy shift away from offshore resource development, affect all Canadians. Canada’s hard-won, well-established historic claim to its northern regions, including the Northwest Passage, should be more than a geographic claim to Arctic sovereignty. It should represent a commitment by and for all Canadians, most certainly the Inuit, that assumes Canada will responsibly discharge its obligations for northern economic development, security and environmental protection.

Equally important is the development of enhanced roles for northerners in decision-making. Indeed, such reconsiderations are long overdue. For far too long, the sovereignty issue has been used to offset and distract attention away from Canada’s ongoing neglect of its northern heritage and its circumpolar responsibilities. These distractions have hampered the consistent economic development, self-determination and political autonomy for Canadian northerners.

By comparison, Russia’s determination to integrate deeply its Arctic resources into the economic fabric of the European Union and Asia may serve as a useful guide for Canadian northern economic development policies aimed at bolstering our sovereign Arctic claims and providing secure futures for northerners.
Краткое содержание

После распада Советского Союза Российская Федерация и Канада придерживались в значительной степени разных стратегий экономического развития и безопасности в своих приполярных регионах. Неодноковая политика привела к совершенно разным результатам стратегических подходов к северу.

В то время как Канада и ее соседи по приполярью (Дания, Финляндия, Исландия, Швеция, Норвегия и США) заявили свои притязания на полярные ресурсы через ООН, Россия предприняла дополнительные уверенные шаги для защиты своих полярных ресурсов. События, имевшие место с 2000 года, продемонстрировали жесткую политическую решимость России обеспечить свою экономическую независимость от Запада и занять видное место на мировой геополитической арене. В условиях постоянно теплеющей Арктики Россия осознала потенциальное экономическое и стратегическое значение Северного морского пути и в настоящее время является главным военным и морским лидером в приполярье. Россия продолжает наращивать усилия по возобновлению работы ранее закрытых советских военных баз в Сибири и строительству новых оперативных баз. Крупнейшее наращивание военного присутствия России в полярном регионе с 1991 года свидетельствует о том, что в соответствии со своими геополитическими устремлениями Россия готова отстаивать и защищать свои арктические ресурсы и морские пути. Такое форсирование российского присутствия и военного потенциала в сочетании с определенной ролями инициативами со стороны Китая (который все больше воспринимает себя как “почти арктическое государство”) вызвало не только переоценку, но и активизацию определенных арктических оборонительных позиций среди союзников по приполярью в НАТО.

Существенные различия в географии, распределении населения и истории несомненно оказали значительное влияние на политику развития севера в России и Канаде. Потенциал расширения морского доступа к северным широтам вследствие потепления в Арктике привлек внимание всего мира к Северо-Западному проходу Канады и в особенности к Северному морскому пути России. С наступлением потепления в Арктике Россия в историческом, географическом и военном отношении способна создавать и контролировать любые новые крупные торговые арктические маршруты. Действительно, еще в 2011 году президент России Путин высказал мнение, что арктическое судоходство по маршрутам Северного морского пути может составить конкуренцию Суэцкому каналу в качестве основного коммерческого пути сообщения для Европы.

Вследствие политика, отражающей экологические, инвестиционные и рыночные приоритеты после десятилетий разведки и освоения шельфа Арктики, Канада (по крайней мере временно) приостановила разведку на шельфе. Хотя нынешнее канадское правительство приближается к концу срока своих полномочий, ему еще предстоит сформулировать официальную арктическую политику. Между тем, оно внедрило пятилетний мораторий на освоение энергетических ресурсов на арктическом шельфе.
без каких-либо масштабных предварительных консультаций в северном регионе или проведения исследований по вопросам социально-экономических последствий для жителей севера. Со снижением ледокольного потенциала и отсутствием трубопроводного или судоходного доступа к «попавшим в заложники» северным углеводородным ресурсам Канада стоит перед острой необходимостью в проведении высоких политики экономического развития и освоения ресурсов для своих северных народов. Россия, со своей стороны, активно стремится к постройке арктических газопроводов повышенной эффективности, ледокольных грузовых судов и перегрузочных сооружений для природного газа и СПГ.

Эти и другие новые российские разработки имеют мировое экономическое и стратегическое значение. Россия заняла сильное военно-стратегическое и коммерческое положение во всем приполярье. Хотя возможные последствия этого для Канады и мира еще не до конца понятны, более важным, уверенная в своих силах Россия продемонстрировала готовность к реализации своих политических амбиций и защите территориальных притязаний с помощью военной силы. Как отметил один автор, обеспечение интеграции России в международное сообщество стремительно становится одним из самых масштабных испытаний для Запада в XXI веке.

Политическим аналитикам и специалистам по планированию обоюдная остается отслеживать и выяснять, предвещают ли действия России в Арктике потенциальную агрессию или являются политикой, направленной на выражение «агрессивного изоляционизма». Поскольку все большая дестабилизация в приполярье имеет существенные негативные последствия, проводимая нами северная политика должна вызывать беспокойство у канадцев. Потенциальные последствия гражданских воздушных или морских инцидентов с привлечением поисково-спасательных сил и средств или связанных с ними морских и воздушных операций, которые в настоящее время осуществляются с удаленных баз на юге Канады, в сочетании со снижающимся ледокольным потенциалом и политическим отходом от освоения морских ресурсов имеют прямые последствия для всех канадцев. С трудом завоёванная, прочно установившаяся историческая претензия Канады на ее северные регионы, включая Северо-Западный проход, должна быть чем-то большим, чем географическая претензия на суверенитет Арктики. Она должна представлять собой обязательство от имени канадцев и в интересах всех канадцев, в особенности инуитов, которое предполагает, что Канада будет ответственно выполнять свои обязательства по экономическому развитию, обеспечению безопасности и охране окружающей среды на севере.

Не менее важным является увеличение роли жителей севера в процессах принятия решений. Действительно, такие изменения в подходах назрели уже давно. Слишком долго вопрос «суверенитета» использовался для нейтрализации и отвлечения внимания от постоянного игнорирования Канадой своего северного наследия и своих обязательств по отношению к приполярному региону. Эти отвлекающие факторы затормозили последовательное экономическое развитие, самоопределение и политическую автономность северных народов Канады.
В то же время решимость России глубоко интегрировать свои арктические ресурсы в экономическую структуру не только Европейского Союза, но и Азии может послужить полезным руководством на будущее для канадской политики экономического развития на севере, направленной на укрепление наших суверенных арктических требований и обеспечение безопасного будущего для жителей севера.
On Dec. 25, 1991 then-general secretary Mikhail Gorbachev resigned as president of the Soviet Union, vacating the office to Boris Yeltsin, who immediately assumed duties as the first president of the new independent Russian state. Shortly after that momentous act, the Soviet hammer and sickle flag was lowered for the last time over the Kremlin, to be replaced immediately by the Russian tricolour. Subsequently, on Jan. 1, 2000 Yeltsin shocked his nation and the world when he announced his resignation, fully six months before the end of his term. He then proceeded to hand over power to his favoured successor, prime minister Vladimir V. Putin. At 68, Yeltsin had ended his political career with the same high drama that had led him to embrace perestroika under Gorbachev and then to become, through a tumultuous series of political events, the leader of a Russia freed from the strictures of communism. Or at least, so it appeared at the time. Yeltsin, the first senior party boss to publicly abandon the Communist Party and eventually to face down plotters from atop an armoured personnel carrier positioned outside the Russian White House, went on to oversee the breakup of the Soviet Union. Yeltsin, having chosen New Year’s Eve to make a grand exit from office, engendered a battle for succession that was destined to alter the course of Russian history.

In a veritable thunderclap of political precedents, not witnessed in Russia for decades, Yeltsin held a ceremony within the Kremlin walls to appoint Putin as acting president, while he also retained the position of prime minister. That ceremony, significantly, was attended by Aleksy II, Patriarch of the Russian Orthodox Church, who gave the proceedings his blessing. In a special broadcast, Yeltsin announced to a stunned nation: “I am resigning ahead of time ... I have realized that I have to do so. Russia must enter the next millennium with new politicians, with new personalities and with new smart, strong and energetic people”, and in accordance with the Russian Constitution, declared an election to be held on March 26, 2000. These momentous events were perhaps comparable in magnitude to those last witnessed during the October 1917 Russian revolution.

With Putin’s assumption of power, the Russian Federation that emerged from the ashes of the former Soviet Union began a new, possibly wholly unanticipated, rise of Russian geopolitical influence. From a country of fewer than 150 million, which had experienced a near-total economic and military collapse, and which even today has a GDP roughly similar to that of Australia, Russia has achieved a remarkable comeback on the world stage. Russia has endured the weight of recent escalating Western economic sanctions, with the ruble’s value having diminished significantly against the U.S. dollar index, characterized by a narrow economy (heavily dependent on hydrocarbon sales and exports) and with real incomes dropping. Russia has nonetheless chosen a form of state capitalism, dominated by oligarchs and political insiders, which has tended to ignore economic principles and sanctions in an aggressive attempt to re-assert itself on the geopolitical stage.
In what has been described elsewhere as “aggressive isolationism”\(^1\) Russia’s presence in the world of international affairs is rising, from its bolstered military (spending roughly 1/10th that of the U.S.) through to the electronic hacking of the U.S. political establishment, its military interventions in Syria and the not entirely veiled invasion of Ukraine with the subsequent annexation of Crimea. Russia has demonstrated that it is willing to match any bellicosity with military force to achieve its political ambitions. Recall that since 2000 Russia has deployed armed forces in Chechnya, the Caucasus border regions, Georgia, Ukraine’s Donbass region and, not least, Syria. In parallel with those actions, the Russian leadership probably takes considerable pride in having brokered (albeit highly questionably) the Syrian chemical weapons disarmament agreement while also creating a Eurasian economic union between Belarus, Kazakhstan, Armenia and Kyrgyzstan. Putin has also developed a significant economic rapprochement with China.

With the rise of targeted cyber-security measures, Russia and the West share parallel economic and military realities characterized by rising diplomatic and political tensions. These tensions have led to escalating reciprocal diplomatic expulsions based on suspicious poisonings and accusations of spying. The Russian security establishment surely must consider the success of these measures to have exceeded their wildest expectations. One commentator concluded: “Either Russia is soberly deciding to trade wealth for prestige, or Putin is distracting from the poor economy with ‘wins’ abroad.”\(^2\) Rising from the humiliating economic and political collapse in the 1990s, the Russians have managed to rekindle the mantra that their re-emerging country, with an “elected” Duma, a popular president and a Kremlin accompanied by a military that has consequences for the world stage, is nonetheless great again.\(^3\) In also recognizing that hard decisions for economic reforms were long overdue, Putin seems to understand that economic realities are the basis for successful political and diplomatic strategies: “We need to make a decisive breakthrough in the prosperity of our citizens – falling behind is the main threat, that’s our enemy.”\(^4\)

**The Rise of the New Russia**

No commentary on Russia would be complete without a careful examination of Putin’s rise in power and his policies. We are fortunate to have several outstanding studies that have documented his rise along with his former associates in the FSB\(^5\) and others in his circle associated with various non-governmental power bases. An early analysis by Shevtsova\(^6\) presciently noted: “Russia continues to matter ... To secure Russia’s integration into the international community is

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\(^3\) Vladimir V. Putin is famously quoted as stating: “Whoever does not miss the Soviet Union has no heart. Whoever wants it back has no brain.”: https://www.brainyquote.com/quotes/vladimir_putin_452527


\(^5\) The Russian FSB (ФСБ) is concerned with Russia national security. Following in the footsteps of the notorious KGB, the FSB deals with internal affairs inside the country, carrying out counter-intelligence, internal and border security, counter-terrorism and surveillance, including the investigation of serious crimes. It is based in Lubyanka Square, Moscow’s centre, the former headquarters of the KGB. On July 25, 1998, B. Yeltsin appointed V. Putin as director of the Federal Security Service (FSB).

becoming one of the most ambitious challenges for the west in the twenty-first century.”
Felshtinsky and Pribylovsky (2008)7 chronicled Putin’s astonishing rise to power, a development
that many Russian journalists, telecasters, bankers and former FSB agents were soon to
experience forcefully, some lethally (see also LeVine).8 Putin, then acting as prime minister,
asserted to an audience of FSB agents in Moscow: “We are in power again, this time forever.” That
mindset, combined with Putin’s profound mistrust of liberal democracies and of citizen activism,
has had consequences not just for the Russian media and opposition members (some
assassinated, with others charged and detained) but for the globe.

lectured German Chancellor Angela Merkel and other world leaders (in Russian) by making no
secret of the fact that Russia would no longer follow the West:

... he felt, like all of Russia that the West had unilaterally and unfairly exploited the
period of troubles that the heirs to the Soviet Union (have) recently experienced.
That instead of offering compensation for Russian losses the West had done
everything in its power to secure geopolitical advantage throughout Eastern
Europe and most of Central Asia (and that) the relationship with NATO was
tenuous at best.

In March 2014, Putin made an emotional address to members of the Russian Parliament
assembled in St. George’s Hall in the Grand Kremlin Palace (the parliamentarians reportedly
accorded him repeated interruptions with thunderous applause and ovations). He boldly
announced that Russia had reclaimed Crimea: “Crimea has always been an integral part of Russia
in the hearts and minds of people.” Clearly gambling that international outrage would pass after
this risky intervention, as had previously occurred after Russia’s brief war with Georgia in 2008,
Russia unilaterally re-drew an international border for an independent Ukraine – an action that
erased those borders that had existed for 23 years. Earlier, Russian Special Operations personnel
rapidly seized strategic positions throughout Crimea while regional political authorities moved
equally as fast to declare independence from Ukraine and schedule a referendum – one that
Russia ratified immediately with a Treaty of Accession that brought Crimea into the 84th and 85th
regions of the Russian Federation.

As a consistent theme in his speech, Putin extolled Russia’s restoration following the humiliating
collapse of the former Soviet Union, an event which he termed as being: “The greatest geopolitical
catastrophe of the 20th century.” He denounced the alleged allied global domination of the West,
led by one superpower:

They cheated us again and again, made decisions behind our back, presenting us
with completed facts – that’s the way it was with the expansion of NATO in the

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east, with the deployment of military infrastructure at our borders. They always told us the same thing: Well, this doesn’t involve you.

Able Western journalists\textsuperscript{10} chronicled how Putin cited a long list of grievances that started with the transfer of Crimea to the Ukrainian Republic in 1954, through to the 1999 war in Kosovo and the conflict that led to the assassination of Moammar Gadhafi in 2011. In so doing, Putin declared a sharp turn in Russian international diplomacy that has, much to the West’s astonishment, embraced not just a renewed military, but a hugely effective cyber-security operation.

Under Putin, Russian oligarchs have also been subjected to arbitrary, highly centralized rules. Zygar,\textsuperscript{11} in his penetrating book that described Putin’s inner circle, commented that:

\begin{quote}
Business leaders generally understand that some or all of their property could at some point be expropriated in the interests of the state. They have long since come to terms with that fact. It is often said that Russia’s top businesspeople are not billionaires but simply work with billions of dollars of assets. They manage what Vladimir Putin allows them to manage.
\end{quote}


\textsuperscript{11} M. Zygar, \textit{All the Kremlin’s Men: Inside the Court of Vladimir Putin}, (New York: Public Affairs, Perseus Books PBG Publishing, 2016).
These events and observations are significant because they provide insight into Putin’s mindset and, importantly, how he has tapped into the Russian people’s deepest feelings, including patriotism and simmering resentments, in ways that have led to his being established in power since 2012. In March 2018, Putin won re-election with 77 per cent of the vote for his second consecutive (fourth overall) term in office. Clearly, Putin’s political beliefs reflect the views of Russians when he asserts that: “Russia’s growing military might is a reliable guarantee of peace on our planet because it ensures the strategic balance in the world.”

With stellar approval ratings, significant electoral success since the 2014 annexation of Crimea, and in spite of growing discontent occasioned by anemic economic growth, Putin has continued his stern warnings to the West. Putin delivered a state of the nation address on March 1, 2018, just prior to the March 18 presidential election. The event was staged in Moscow’s Manezh exhibition hall (apparently to allow for videos and computerized animations showing new ballistic nuclear weapons evading Western defences) and Putin declared in his address: “Efforts to contain Russia have failed, face it.”

Nonetheless, as threatening as these actions and words may sound, as Holmes and Krastev cautioned:

In reality, Russia’s policies have almost nothing to do with Russia’s traditional imperialism or expansionism, nor is cultural conservatism such a decisive factor as some commentators allege. Putin does not dream of conquering Warsaw or re-occupying Riga. On the contrary, his policies are an expression of aggressive isolationism. They embody his defensive reaction to the threat posed not so much by NATO as by global economic interdependency.

**Russian Political and Commercial Objectives in the Arctic**

If nothing else, the events since 2000 have demonstrated a fierce Russian political resolve to gain its economic independence from the West and to achieve a prominent place on the world geopolitical stage while it secures its borders from any perceived encroachment. So what does all this political background have to do with the circumpolar region in general and the Canadian Arctic in particular? Quite a lot.

First, unlike Canada, Russia takes the potential economic significance of its offshore polar region seriously and intends to exploit it fully. Second, there is every indication that, consistent with its geopolitical adventurism elsewhere, Russia is prepared to assert and defend its ownership of those resources, as evidenced by the largest Russian military build-up in the polar region since 1991. By

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12 During his first term as prime minister, Vladimir Vladimirovich Putin served as acting president of Russia due to the resignation of then-president Boris Yeltsin. Putin has retained power longer than many Western presidents and prime ministers. At age 65 he won re-election for a fourth term in 2018, extending his term of office as president until 2024. Born Oct. 7, 1952, he was a former intelligence officer who rose to serve as president of Russia since 2012. He previously held the position of president from 2000 until 2008. He was prime minister from 1999 until the beginning of his first presidency in 2000, and again between presidencies from 2008 until 2012 while serving as chairman of the United Russia Party.

13 Holmes and Krastev, 13-18.
comparison, Canada has allowed the cruise ship industry to take a lead in securing northern commercial interests, a development that has highlighted difficulties that result from an aging Canadian icebreaker fleet. As Bercuson\textsuperscript{14} noted:

... there is virtually no chance that the (Northwest) passage will be used for regular freight traffic for many years due to the unpredictability of ice conditions there in the summer, let alone the winter. No company will issue insurance for passage in those waters until there is a high predictability of sea/ice conditions from season to season, which is certainly not the case now.

In short, Canada has increasingly embraced risk-averse resource development policies more concerned with Arctic offshore conservation than economics. As my colleague, Rob Huebert, recently opined:\textsuperscript{15}

On December 20, 2017, Canadian Prime Minister Justin Trudeau and U.S. President Barack Obama announced that their countries were banning oil and gas development in northern waters – the U.S. indefinitely and Canada for a five year period. One month later, the Russian President Vladimir Putin announced the opening of several major oil and gas pipelines that will bring large amounts of oil and gas from their northern fields in Yamal into production. One of those pipelines will double the capacity of the Nord Stream that connects Russian Arctic gas production to Germany.

Wallace (2018)\textsuperscript{16} noted that such actions by the Trudeau government appeared to ignore the reality of the 2016 U.S. election by racing to embrace the policies of the outgoing lame-duck Obama administration. In a joint announcement that ignored the imminent end of the Obama administration, the two governments agreed to jointly “launch actions ensuring a strong, sustainable and viable Arctic economy and ecosystem, with low-impact shipping, science-based management of marine resources, and free from the future risks of offshore oil and gas activity.” “Free from the risks”, indeed!

While some environmental organizations lauded the joint announcement, less laudatory was Northwest Territories Premier Bob McLeod who was aghast at the lack of governmental consultation that preceded it. McLeod voiced concerns and asserted his belief in northern involvement in decisions that affected northerners which, in this instance, did not occur. Emphasizing that the North is an expensive place to live, where there aren’t a lot of career options, McLeod noted that the announced unilateral drilling ban negated key benefits of the NWT’s Devolution Agreement. The 2014 agreement had allocated province-like powers to the NWT and instated co-management of offshore resources, including the sharing of resource revenues. McLeod clarified that his government was committed to environmentally sound growth but noted


\textsuperscript{15} R. Huebert, “Russia and North America Diverge on Arctic Resources,” Arctic Deeply, 2017: https://www.newsdeeply.com/arctic/community/2017/02/03/russia-and-north-america-diverge-on-arctic-resources

that limiting fossil fuel development could be harmful to the sustainability of the northern way of life. On the U.S. side, there was evidence of a similar lack of meaningful consultation with Alaska.

McLeod continued his criticisms after issuing a red alert regarding the future of the Northwest Territories when he described southern Canadians’ attitude as one that regarded the Territories as a “large park”. His statement, coming one year after the prime minister announced a unilateral decision to declare a five-year moratorium on Arctic offshore oil and gas development, characterized that suspension as “... but one example of our economic self-determination being thwarted by Ottawa.”

![Figure 2: This map outlines the estimated quantity of untapped oil reserves present throughout the circumpolar Arctic region. (Source: The Conversation)](image)

While the moratorium announcement achieved a short-lived alignment between Canada and the U.S., it ignored decades of oil and gas exploratory activities in the Canadian Arctic (ironically, previously enthusiastically supported by the elder Trudeau). Those explorations had been an economic mainstay of the North through the provision of employment and long-term community industrial benefit agreements. By ignoring considerations of northern Indigenous social and economic development, there is perhaps no better illustration of a relentless focus in Canada to

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diminish the economic decision-making of devolved northern governments in the face of the ideological forces shaping the climate change agenda.

However, the announcement was a short-lived triumph for North American climate diplomacy. In April 2017, President Donald Trump’s America First Offshore Energy Executive Order explicitly reversed the Obama administration’s ban on Arctic leases, immediately placing Canada’s northern development policies at odds with both the Trump administration and the Russians. By January 2018, U.S. Interior Secretary Ryan Zinke unveiled a draft proposal (extending from 2019 to 2024) to allow the largest offshore lease sale on the U.S. outer continental shelf (not including the North Aleutian Basin in Alaska). The Department of the Interior subsequently announced plans to offer offshore leases for Arctic oil and gas exploration with access to previously inaccessible acreages and overturned the indefinite drilling bans in much of the Arctic Ocean announced during the final days of the Obama administration.

By comparison, Russia’s determination to integrate deeply its Arctic resources into the economic fabrics of the European Union and Asia is demonstrated by the completion of the Bovanenko-Ukhta natural gas pipeline that feeds directly into the Nord Stream energy system. This expansion has significantly increased German reliance on Russian Arctic-based resources (a subject that apparently caused some recent friction between Merkel and Trump).

Of even greater significance for the Russian Arctic is the Yamal LNG project, a liquefied natural gas plant located at the northeast end of Russia’s Yamal Peninsula. In October 2010, the Russian government chose Novatek to initiate a US$27 billion Arctic pilot project (which by December 2014 reportedly required a 150 billion ruble subsidy from the Russian government). Construction of the port began in 2013 and commercial operations commenced in conjunction when the first LNG trains started up on Dec. 8, 2017, marked by the loading of the first LNG carrier. Putin launched it in the presence of Saudi Arabia’s energy minister, Khalid al-Falih.18 In addition to the LNG plant, the project includes production from the huge Yuzhno-Tambeyskoye gas field along with a power plant, 180-kilometre rail line, seaport and airport. The prime export market for the LNG, to be shipped through the Russian Northeastern Passage, is China. Daewoo Shipbuilding & Marine Engineering has been contracted to build up to 16 Arc7 double-acting ice class gas tankers to be chartered and operated by Sovcomflot.19 Designed in Finland by Aker Arctic Technology Inc. and constructed at the Daewoo shipyard in South Korea, each icebreaking LNG tanker is designed to operate year-round in ice of up to 2.5 metres thickness. In August 2017, the first icebreaker, Christophe de Margerie, traversed from Norway to South Korea across the Northern Sea Route in just 19 days. The LNG vessel, which is 300 metres long and has a capacity of 172,600 m³, can sail in temperatures of -52°C and in ice thickness over 2.0 metres. A partner, Total S.A., has subsequently announced that 15 LNG icebreakers would be commissioned between December 2016 and 2019.20 21

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The Yamal LNG plant could generate 16.5 million tonnes of liquefied natural gas per year when fully operational. With the first train operational in late 2017, the plant is projected to reach full capacity by 2021. Another LNG plant (Arctic LNG) has also been proposed near the Gydan Peninsula on the Ob estuary. Notably, while Russia’s Novatek owns 50.1 per cent of the company, Total S.A. and China National Petroleum Company (CNPC) each own 20 per cent, with China’s Silk Road Fund having signed an agreement to purchase a 9.9 per cent stake.22 Total and Novatek announced in May 2018 that binding documents for the Arctic 2 Project23 were signed in the presence of Putin and President Emmanuel Macron of France at the St. Petersburg International Economic Forum. The transaction, to be closed no later than March 31, 2019, has a value of US$25.5 billion. The Arctic LNG 2 project envisages construction of three LNG trains to produce 6.6 million tonnes p.a. each from a gravity-based structure (GBS) offshore platform in the Ob Bay to be constructed in Murmansk. Noting the huge LNG and liquids resource potential of the region that lend themselves to “scalable LNG projects”, NOVATEK chairman Leonid Mikhelson remarked:

The entry of such a professional partner to Arctic 2 already at an early stage confirms the outstanding economic attractiveness and huge perspectives of LNG projects on the Yamal and Gydan peninsulas.

Early in 2018 Eduard Toll became the first LNG tanker to complete the Northern Sea Route in winter, travelling from South Korea to the Yamal LNG plant at Sabetta to deliver its cargo to France, a feat that cut 3,000 nautical miles off the traditional sea routes through Suez. Then in July 2018, two LNG cargos were delivered from Yamal to the Chinese port of Jiangsu Rudong, without the use of icebreaker support, to complete a delivery in 19 days as compared with traditional Suez routes that take up to 35 days.24 The Northern Sea Route witnessed 9.7 million tonnes of cargo shipped in 2017 with 615 commercial voyages – a figure that the Russian Federation aims to reach 80 million tonnes by 2024.

The Canadian Defence and Foreign Affairs Institute (now the Canadian Global Affairs Institute) had an early involvement in examining Russian-Canadian interests in the Arctic during the rise of the Putin presidency, including the Yamal development. In 2012, just days before the presidential elections from which he emerged the victor, Putin appeared to challenge Canada to establish a joint scientific council to assess issues associated with Arctic sovereignty. This apparent initiative was soon consumed and lost in the whirlwind of the Russian pre- and post-election process.25

Notably, Canadian institutions that subsequently highlighted the pressing concerns and ultimate fate of the Yamal Nenets herders made a difference. Faced with the consequences of an enormous LNG development on their traditional lands, the Nenets herders attempted to gain the attention

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of decision-makers in Moscow, just at a time when Canada was about to assume chairmanship of the Arctic Council.26,27 In December 2013, Canada was also preparing its first submission to the UN Convention on the Law of the Sea (UNCLOS) respecting Canada’s claims to subsea lands extending beyond the 200-nautical mile Economic Exclusion Zone (EEZ) in the Arctic. Secure in his election victory, Putin increasingly reflected a hostile attitude to the West and embarked on a nationalistic program to control foreign influences by targeting Western-supported NGOs. This was a net in which, regrettably, the Russian Association of the Indigenous Peoples of the North (RAIPON) was caught up because it had accepted some external funding from the West. The subsequent back-down from the restrictive policies the Russian government aimed at RAIPON had material consequences throughout Russian civil and political institutions, not the least of which affected the Arctic Indigenous peoples from the Yamal.

While Canada, Denmark, Finland, Iceland, Sweden, Norway and the United States have ongoing circumpolar legal claims for rights to resources in and below the ocean within 200 miles of their territories, Russia has taken bold steps to secure and develop those resources throughout its claimed area. Clearly, in an era of a steadily warming Arctic, Russia has recognized the potential economic and strategic significance of a Northern Sea Route, running from Murmansk to the Alaskan Bering Strait. It also remains the foremost military and shipping leader in the circumpolar region, having 40 of the world’s largest icebreakers with 11 more under construction.28 At a time when Canada’s heavy icebreaker fleet is rapidly aging, by comparison the U.S. has but one operational heavy icebreaker – the Polar Star29 – and one medium icebreaker – the Healy.

Russia’s effort to strengthen its Arctic presence includes a substantial modernizing of its icebreaker fleet. The new $1.74 billion Russian nuclear-powered, double-hulled icebreaker Arktika (Arctic) launched from St. Petersburg in June 2016 is, at 567 feet and 33,500 tonnes, the world’s largest and is designed to escort oil and gas shippers from the Yamal Peninsula and Gdansk oilfields to Asia-Pacific regional markets. Historically, Moscow has viewed Arctic shipping corridors as critical to its national interests. The Yermak30 was the world’s first icebreaker, commissioned in 1898, and it initiated a long tradition of icebreaking into the northern Russian ports of St. Petersburg, Riga, Vladivostok, Murmansk and Arkhangelsk. With the nuclear-powered icebreaker N.S. Lenin – once a point of supreme pride for the Soviet Union but now decommissioned – Russia has maintained an unmatched polar capability in commercial

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29 In May 2018 Canada and the U.S. announced the Critical Infrastructure Protection and Border Security (CIPBS) Agreement with Canada’s NRC to facilitate collaborative testing and evaluation in icebreaking ship technologies. The U.S. Coast Guard (currently overseen by the United States Department of Homeland Security) and the United States Navy have not commissioned a polar icebreaker for decades: https://www.nrc-cnrc.gc.ca/eng/achievements/highlights/2018/icebreakers.html
30 The icebreaker Ermack was the strongest ship in the world in its day. Built in 1898 at the shipyard of Armstrong Whitworth & Co. at Low Walker on the Tyne for the Russian government, the Ermack (also known as the Yermak, Russian spelling Ермак) had a very long career, continuing until the 1960s: http://blog.twmuseums.org.uk/the-icebreaker-ermack-a-great-tyne-built-ship/
icebreaking operations. The fleet has also been used since 1989 to ferry charter scientific and passenger expeditions to the North Pole. On Aug. 17, 1977, Arktika-1 was the first surface vessel to reach the geographical North Pole. After significant Arctic service, it was decommissioned in 2008.

![Icebreaker Size in Brake Horsepower](image)

**Figure 3:** This chart illustrates Russia’s icebreaking capacity versus other allied Arctic countries such as Canada, Finland, and Denmark.
(Source: Heritage Foundation)

In a total operational fleet of approximately 40 icebreakers, 10 are nuclear-powered (nine icebreakers and one icebreaking container ship). Operated by Rosatomflot (Murmansk), Russia’s nuclear-powered icebreaking fleet, NS Sibir was used for the first two tourist cruises in 1989 and 1990. In 1991 and 1992, NS Sovetski Soyuz undertook tourist trips to the North Pole, while in 1993 NS Yamal completed three tourist expeditions. The nuclear-powered icebreaker NS 50 Lyet Pobyedi ("50 Years of Victory"), the most powerful icebreaker ever built, was the final Arktika-class ship commissioned. Launched from St. Petersburg in 1993 as the NS Ural, it was renamed, but not commissioned until 2006. It embarked from Murmansk on June 24, 2008 on its maiden voyage to the North Pole, a year during which it completed a total of three expeditions to the Pole. These commercial tours have continued to the present day.

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31 When launched in 1957 NS Lenin was both the world’s first nuclear-powered surface ship and the first nuclear-powered civilian vessel. After accidents involving its nuclear reactors, repairs allowed the ship to be returned to service in 1970. The NS Lenin was taken out of operation in November 1989 and laid up at Atomflot, the base for nuclear-powered icebreakers, in the Murmansk Fjord where its conversion to a museum ship was completed in 2005.


In a parallel development, Russia has also recently unveiled a floating nuclear power plant, a development that MIT engineering professionals have described as being “light years ahead of us”. The platform is capable of generating 70 Mw of electricity with an operational lifetime before refuelling of 12 years. The Akademik Lomonosov is to be towed into position to a remote Siberian port near Pevek (Kramer, 2018), a feat that represents a new chapter in Russian northern development.

Clearly, the Russian icebreaker fleet serves both commercial and geopolitical purposes while opening an unchallenged door to Arctic commerce. With the onset of a warming Arctic that expands access to northern sea lanes, Russia is historically, geographically and militarily positioned to create and control any new Arctic trading routes. Indeed, as early as 2011, Putin opined that Arctic shipping through the Northern Sea Route could rival the Suez as the primary link from Europe to Asia, noting such shipping: “will rival traditional trade lanes in service fees, security and quality”. In 2014, Russia became the first nation to ship oil drilled from an offshore Arctic platform; Putin viewed this event via a video link as oil was loaded onto a tanker from the Prirazlomnoye drilling platform. While this indeed was a first for offshore oil produced from a platform, some authors commented incorrectly that the Russian achievement marked “the first time that oil had been extracted, and shipped from, above the Arctic Circle”. As an aside, it would be more correct to assign that honour to Canada, not Russia. In 1985, Panarctic Oils became the first Arctic commercial oil producer, albeit on an experimental scale. Shipments from the Bent Horn oilfield on Cameron Island, NU to Montreal began with a single 100,000 barrel (16,000 m³) tanker load of oil shipped via the MV Arctic, which carried two shipments per year until cessation of operations in 1996. A total of 2.8 million barrels was produced by the time that the field was abandoned in 1997. Bent Horn was the most northerly producing field in the world with the unrefined oil of such high quality that it was used to fuel electrical power generators at Resolute Bay and a lead-zinc mine on Little Cornwallis Island.

China has also paid growing attention to the potential for northern passage, characterizing Arctic sea routes in a January 2018 policy document as the “Polar Silk Road”. China, earlier having secured observer status on the Arctic Council, recently announced the construction of the new icebreaker Xuelong 2 (Snow Dragon) designed jointly by the China State Shipbuilding Corporation and Aker Arctic Technology. Scheduled for delivery in 2019 the Xuelong 2 will join China’s sole icebreaker, the Xuelong, for polar scientific missions. The Xuelong, China’s first

37 Located approximately 90 km offshore in the Pechora Basin of the Barents Sea, the Prirazlomnoye oilfield has estimated reserves of 70 million tonnes of recoverable oil and is operated by Gazpromneft in partnership with Shell Oil.
39 Panarctic was a consortium established between as many as 37 private companies and Canada to explore for oil and gas in the Canadian Arctic Islands. Panarctic drilled 150 wells with the most northerly well located approximately 80°45′ N on Ellesmere Island and the most southerly well at 72°40′ N on Prince of Wales Island. Of these wells, 38 were drilled offshore from floating ice platforms in water depths of up to 550 m. 500 km³ (17.5 trillion ft³) of natural gas reserves were discovered over this period.
icebreaker, was built in Ukraine and entered service in 1994.\textsuperscript{41} Chinese ambitions in the Canadian Arctic also include potential plans by MMG Corporation – 75 per cent owned by the Chinese government – for a $6.5 billion zinc mine in Nunavut that would also require construction of a 320-kilometre ice road and shipping port on Coronation Gulf. It is of increasing significance that China openly considers itself as a near-Arctic state. Wright\textsuperscript{42} and Dolata\textsuperscript{43} have chronicled the developing Chinese presence in, and their attentions paid to, the Arctic, with the parallel observation (by Dolata) that fortunately tensions related to the Russian annexation of Crimea appear not to have “substantially affected co-operation in the Arctic Council.”

**Canadian Arctic Perspectives**

While the importance of a viable and capable icebreaking fleet is vital to Canadian offshore Arctic territorial claims,\textsuperscript{44} Canada’s fleet commitment and procurement strategy for icebreakers appears to be increasingly less focused.\textsuperscript{45} Plagued with program cancellations, changing budget commitments and unanticipated attritions, Canadian icebreaking fleet capabilities have suffered. While Russia has historically demonstrated a much stronger operational commitment in the Arctic Ocean, Canadian icebreakers have successfully operated throughout the Northwest Passage for decades. However, this capability is eroding. As Spears\textsuperscript{46} noted:

> A number of sources have raised concerns about Canada’s impeding “icebreaker gap”, which was first addressed three years ago in a Canadian Sailings article entitled Canada’s Icebreaker Gap. Little, if anything, has been done to alleviate this problem during the past years, which has now assumed critical proportions.

Spears also commented:

> Canada presently has 15 icebreakers in operation along with two air cushion vehicles that are utilized for icebreaking and flood control along the St. Lawrence


\textsuperscript{42} D.C. Wright, “The Dragon and Great Power Rivalry at the Top of the World,” Canadian Global Affairs Institute, September 2018: https://www.cgai.ca/the_dragon_and_great_power_rivalry_at_the_top_of_the_world

\textsuperscript{43} P. Dolata, “A Global Arctic? Chinese Aspirations in the North,” CGAI, October 2018: https://www.cgai.ca/a_global_arctic_chinese_aspirations_in_the_north

\textsuperscript{44} Canada’s heavy icebreakers, CCGS Terry Fox and CCGS Louis S. St-Laurent, transited to the North Pole in 2014 and 2015 to perform work in support of Canada’s claim to the North Pole seabed as part of its continental shelf oceanographic missions. CCGS Terry Fox was built in B.C. for Gulf Canada Ltd. as an ice-strengthened offshore supply vessel for use in the Beaufort Sea. Originally destined for use in the private sector, she was world-leading technology when designed and built.

\textsuperscript{45} In 1985 Canada announced its Polar 8 project for a fleet of large icebreakers for the Canadian Coast Guard. The project was cancelled in 1990 in favour of refitting the CCGS Louis S. St-Laurent. In 2013 a construction scheduling conflict arose between John G. Diefenbaker and the Royal Canadian Navy’s Joint Support Ships as both vessels had been scheduled to be built in the same facility. In 2007, Canada announced the Arctic Patrol Ship Project with plans to procure six to eight light icebreaker patrol ships for the Canadian Forces at polar class of PC 5 – significantly smaller and less capable than originally planned in the Polar 8 project. In 2011 Canada announced the National Shipbuilding Procurement Strategy (NSPS) for the combat ships program. In October 2013 the NSPS secretariat announced that the Joint Support Ships would be built first, followed by John G. Diefenbaker, requiring that CCGS Louis S. St-Laurent remain in service until 2021-2022. In November 2016, Canada announced a request for proposals for the leasing of interim icebreakers under an accelerated, stopgap procurement process until John G. Diefenbaker reaches full operational capability. Subsequently, in June 2018 Canada announced an Advanced Contract Award Notice (ACAN) for the acquisition and conversion of three medium commercial icebreakers as interim capability for the Coast Guard while replacement vessels are built under the NSPS.

\textsuperscript{46} J. Spears, “Closing Canada’s Icebreaker Gap,” *Canadian Sailings*, March 18, 2018.
River. CCG currently has two (2) Heavy Ice Breakers (HI), four (4) Medium Icebreakers (MI), and nine (9) Multi-Task Light Icebreakers in its inventory. CCG deploys these vessels in Canada’s Arctic waters during the late-June to mid-November period (the Arctic season), and South of 60° latitude from the December to May period (the Southern season).

Ominously, in 2015 the Shipping Federation of Canada also warned:

The past two years have demonstrated the limits of CCG’s icebreaking fleet as it dealt with icebreaking in the Arctic, the Great Lakes, the St. Lawrence River and Eastern Canada. Already operating with a limited and aging number of assets over a very large geographical area, the conditions demonstrated the breaking point for the system and the need for more icebreakers as soon as possible to meet adequate levels of service and safety.

Similarly, the Emerson Report (2016)47 graphically described Canada’s Coast Guard fleet “as the oldest in the world” noting that:

At that rate, the median age of the fleet will not decrease. Other strategies, such as outsourcing or leasing, are not part of the strategy and thus cannot be deployed to meet short-term requirements.

In January 2018 Canada announced the start of negotiations with Quebec’s Davie Shipyard to lease icebreakers as Project Resolute, designed as a P3 project to provide Canada with four existing foreign flag icebreakers to be modified in Davie’s facilities.\textsuperscript{48} Under Project Resolute, Davie offered to convert the MV Aiviq, a heavy icebreaker built in 2012 for Shell’s Alaska drilling program along with three Norwegian-built medium icebreakers to provide the Coast Guard with interim capacity. Ken Hansen, a retired Canadian navy commander commented:

When government can’t or won’t put money in to replace equipment, you end up in situations like this ... This is crisis planning, when government resorts to things like special contracts to Davie. Unusual purchases and repairs are a sign of illness in the system.\textsuperscript{49}

Prior to the June 2018 Advanced Contract Award Notice (ACAN), in March 2018 the Canadian Coast Guard announced new administrative powers to call on the private sector for short-term help with duties such as ice clearing in the St. Lawrence Seaway and the Great Lakes, a vital corridor through which much of Canada’s foreign shipping flows. Regrettably, longer term plans to replace the aging Canadian icebreaker fleet appeared then to be in chaotic flux, one that reflected an urgency derived from an aging Coast Guard icebreaking fleet that increasingly experienced material losses in operational days due to mechanical breakdowns. Then, in October 2018 the Canadian Coast Guard announced that it had purchased three previously used interim icebreakers from Sweden for use over the next 15 to 20 years as part of a $610 million, sole-source agreement with Davie (Berthiaume, 2018).\textsuperscript{50} Blatchford (2018)\textsuperscript{51} noted that the purchase of the three Swedish ships eliminated a previously predicted Canadian trade surplus for August and replaced it with a deficit reported by Statistics Canada:

Most of this revision was due to the import of three high value ships, which were reported after the publication of August data,” the agency said of the transaction, which on its own added $598 million to the monthly import number.

As for the Canadian navy, it is currently procuring vessels under the (AOPS) Arctic Offshore Patrol Ship program (HMCS Harry DeWolf is under construction at the Irving Shipbuilding yards in Halifax) in advance of the commencement of work on new frigates. Not designed as icebreakers, the frigates will have slightly less ice capability than the Coast Guard’s medium icebreakers, designed for operations in summer ice up to a metre in thickness. The procurement has been further complicated by questions related to Chinese-made equipment, linked to American

\textsuperscript{48} Federal Fleet had previously successfully delivered through Project Resolve an urgently required resupply vessel to the Royal Canadian Navy. 
concerns regarding Chinese telecom firm Huawei (Brewster, 2018). The U.S. also has concerns in light of the, as yet unresolved, case of Qing Quentin Huang of Lloyd’s Registry who was charged in 2013 with an attempt to pass on design information about Canada’s proposed Arctic ships to the Chinese government.

**Russian Polar Objectives and the Canadian Interest**

With the full support, if not direction, of Putin, Russia is accelerating its efforts to re-open abandoned former Soviet military, air and radar bases throughout Siberian Arctic lands and islands while also building new operational bases. These activities have drawn the attention of U.K. lawmakers and policy experts: “A recurring theme in Russian military strategy is the ability to combine various tools simultaneously, to give a fully integrated, comprehensive approach.” While MPs accepted there was a “divergence of views on Russia’s motivation” they cautioned: “It is difficult to conclude that this build-up of military strength is proportionate to an exclusively defensive outlook.”

Undoubtedly, Russia has accepted estimates from the U.S Geological Survey, and any parallel Russian geological research, that the Arctic Basin may contain oil and gas reserves equivalent to 412 billion barrels of oil, representing approximately 22 per cent of global undiscovered reserves. Since the Soviet Union’s collapse, the Russian military has consistently strengthened its position to secure existing, and undiscovered, energy resources with a permanent, highly capable military presence. Along with its surface icebreaking and sub-surface nuclear fleets, Russia is re-opening six military bases, 16 deep water ports and 13 airbases with advanced S-400 long-range surface-to-air missiles deployed to protect these bases. By comparison, the U.S. has no major military bases north of the Arctic Circle. Osborn cited comments from *Moscow Defense Brief* editor Mikhail Barabanov: “The modernization of Arctic forces and of Arctic military infrastructure is taking place at an unprecedented pace not seen even in Soviet times”, further noting that two Russian Arctic brigades had been established, something not witnessed even in Soviet times, and that plans were well advanced to form a third brigade for special Arctic coastal defence divisions.

At his 2017 confirmation hearings in Washington, U.S. Defence Secretary James Mattis characterized Moscow’s Arctic initiatives as “aggressive steps” and pledged to give priority to the development of new U.S strategies. This may have included the 2017 landing of 300 U.S. Marines

53 The Arctic Trefoil base on Franz Josef Land (seized from Norway in 1926) north of Novaya Zemlya was opened in April 2017 and is the second major new base opened. The first base, Northern Clover, is situated on Kotelnuy Island.
in Norway for a six-month deployment, the first time since the end of the Second World War that foreign troops have been stationed there.

In a recent 2018 CGAI Policy Paper, the authors observed that the North American defence environment is undergoing a significant transformation:

... occasioned by dramatic changes in the geostrategic/political landscape and the development of new generations of weapon systems ... The air threat has now returned with the resumption of long-range Russian flights across the Arctic and down the Atlantic and Pacific coasts. This threat, however, is of a different character because of the development of a new generation of Russian long-range air-launched cruise missiles, as well as sea-launched cruise missiles, which have direct implications for NORAD’s capacity to deter, detect and defend, as well as for its current area of operations and mission suites ... Finally, the consequences of an attack against North America, alongside potential catastrophic natural disasters relative to the role of military forces in support of civil authorities, raise issues for both Canada and the U.S., and thus NORAD, regarding the most efficient and effective means to respond.

A parallel 2018 U.K. Defence Sub-Committee report, one that followed closely the conclusions of the 2016 U.K. Defence and Security review, warned:

Our view is that the UK and its allies should be extremely wary of Russia’s intentions in the region. It is difficult to credit that the scale and range of military capabilities being deployed by Russia in the Arctic fulfil solely defensive purposes. Russia has shown itself to be ready to exploit regional military advantage for political gain. While the Arctic remains a region of low tension, this could change quickly. The 2016 report had previously warned: “Some 30% of Russia’s territory, land and sea, is within the Arctic. It has recently increased its military presence in the region. We assess that, for a variety of reasons, both economic and military, Russia will protect its Arctic assets and influence strongly. It has developed a new Arctic Command and increased exercise activity levels. Russian military activity in Arctic territory has so far been both legal and reasonable. However, future tensions over Arctic resources and freedom of navigation in newly opened seas routes could create tension in the region ...”

Significantly, the accelerating Russian presence and military capability in the Arctic have occasioned not just re-evaluations, but a reinvigoration, of Arctic defence postures among NATO

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circumpolar allies\textsuperscript{60} including the U.K.\textsuperscript{61} whose Defence Secretary Gavin Wilson commented that in drawing up a new Arctic defence strategy the U.K intended “to allow Britain to effectively monitor Russian submarine activity and ensure that the Armed Forces are ‘well placed’ to respond to any threats”.

Goldstein (2018)\textsuperscript{62} commented that the West “got a fresh jolt from Moscow” with the announcement by Russian Defence Minister Sergey Shoigu of a military exercise dubbed Vostok-18 [East-18]. The exercise, which perhaps provides insights into the prevailing mentality in the Kremlin, was to be carried out by Russian defence forces on a scale not seen since the early 1980s with more than 1,000 aircraft, almost 300,000 soldiers and nearly all Russian military installations in the central and eastern military regions, including also the Northern and Pacific fleets. China also provided 3,200 Chinese soldiers along with 30 aircraft. Significantly, announcements clarified that Vostok-18 was not a “joint exercise” but rather constituted Chinese participation in a large-scale Russian exercise. The event was marked by comments that the relationship between Moscow and Beijing had reached new levels of co-operation, scope and intensity through Chinese participation with Russian units. However, Goldstein cautioned that:

\begin{quote}
... the location of the exercise no doubt reflects the Kremlin’s desire to cool down tensions in the European theater. At a time of emerging fissures within the Trans-Atlantic Community, such an enormous exercise close to NATO countries would be excessively provocative and counter to Russia’s interests. That the Kremlin understands this is no doubt a good thing for European security. The other important point that has not registered in most Western analyses is the confluence of the September Eastern Economic Forum in Vladivostok and the Vostok-18 exercise. It’s easy to forget that six months ago, it looked more than a little likely that a massive war would engulf Northeast Asia. The exercise was most likely put together as a show of force meant to favourably impact diplomacy and the related “correlation of forces” in and around the Korean Peninsula.
\end{quote}

Russian-Chinese strategic co-operation has undoubtedly reached a new stage, one that is exemplified by new bilateral relationships that include the new concept of a polar silk road – one that appears related to the larger Chinese Belt and Road initiative. China’s announcement of a new nuclear icebreaker, likely to be constructed with Russian technical assistance, is an unambiguous acknowledgment of a serious commitment to the Russian Northern Sea Route (NSR) that, along with increasing Chinese investment and strategic commercial attentions, is essential to the realization of an operational maritime commercial pathway along Russia’s northern coastline.

\textsuperscript{60} As part of the U.K.’s reinvigorated Arctic operations, the Royal Navy acknowledged in April 2018 that nuclear submarine HMS Trenchant had surfaced at the North Pole after participating in operations organized by the U.S. Navy’s Arctic Submarine Laboratory involving the USS Connecticut and USS Hartford as part of Ice Exercise 18.


Meanwhile, Hage (2018)\textsuperscript{63} noted that the U.S. and Canada continue to engage in a largely silent duel over the status of Canadian claims to the Northwest Passage, a debate that appears to ignore developing Russian advances in the Arctic. Combined with potential Chinese interest to access the Canadian Passage as a possible shortcut for Pacific to Atlantic commercial commerce, these facts present new challenges for Canadian Arctic interests:

With the rising Russian military threat in the Arctic, melting Arctic ice and the possibilities of Chinese and other cargo ships using the Passage to shorten the route between Asia and Europe – along with cruise ships bringing tourists on Arctic adventures – the water’s status continues to be a question.

The marked divergence in consequential northern resource policies between Canada and Russia was highlighted by Huebert (2017)\textsuperscript{64} who noted that:

... as Canada and the United States decide not to develop their Arctic offshore oil and gas, Russia is moving forward with growing intensity to develop its resources. This not only highlights the differences that exist in oil and gas development regimes, but also in the thinking of the leadership of all three countries.

Canada’s hard-won, well-established historic claim to its northern regions, including the Northwest Passage, should represent more than a geographic claim to Arctic sovereignty. It should represent a commitment by and for all Canadians, most certainly the Inuit, which assumes that Canada will responsibly discharge its obligations for northern economic development, security and environmental protection. As John Higginbotham of the Center for International Governance Innovation\textsuperscript{65} observed:

In Norway, the North is the first thing they think about in the morning and the last thing they think of at night. It’s probably the same for Putin. In Canadian consciousness, it’s not a consistent national priority. There’s no one worrying about long-term economic development in the Arctic and making the kind of investments we need.

Without any significant prior northern consultations or studies on the socio-economic consequences for northerners, the Canadian government established a five-year moratorium on Arctic offshore energy development. Reflecting an obvious frustration with the traditional sole reliance on centralized, Canadian Arctic policy development and implementation, McLeod commented: “We’re strongly suggesting it would be much better to have an alliance between the Arctic territories, Greenland, Iceland, the Faroe Islands – all of those jurisdictions have similar issues.” Perhaps equally appealing are the significant lessons that Canadians could derive from a closer examination of, and relation with, the Russian federation.

\textsuperscript{63} R. Hage, “Rights of Passage: It’s Time the U.S. Recognizes Canada’s Arctic Claim,” CGAI, September 2018.
\textsuperscript{64} R. Huebert, “Russia and North America Diverge on Arctic Resources,” Arctic News, Feb. 3, 2017: https://www.newsdwwply.com
Conclusion

Following the Soviet Union’s collapse, Canada and the Russian Federation have pursued divergent strategies for economic development and security in the circumpolar Arctic. These strategies have resulted in very different northern outcomes. Material differences in geography, population distributions and histories have unquestionably influenced Canadian and Russian northern development. However, changing geopolitical strategies and attitudes toward northern economic imperatives have emerged as a significant force in shaping future political and economic outcomes in the circumpolar Arctic.

With the potential for increased maritime access to northern latitudes resulting from a warming Arctic, Canada’s Northwest Passage and particularly Russia’s Northern Sea Route have attracted global commercial and strategic military attentions. As a result of policies that reflect environmental, investment and market priorities, after decades of Arctic offshore exploration and development, Canada has, at least temporarily, chosen to defer opportunities for offshore hydrocarbon exploration. By comparison, Russia has actively pursued the commercial development of its northeast trade route along with hydrocarbon exploration, development and transportation. Overall, Canadian policies appear to have led to a drift toward neglected icebreaking capabilities accompanied by a lack of pipeline or shipping access to stranded northern hydrocarbon resources.

To secure access to Asian and European markets, Russia has aggressively pursued completion of Arctic gas pipelines and major trans-shipment facilities for natural gas and LNG. Expansive Russian military deployments throughout the Arctic have accompanied these developments of global economic and strategic significance. Accordingly, Russia has increasingly assumed a position of strategic advantage throughout the entire circumpolar region. There are significant international implications resulting from an increasingly militarized, destabilized circumpolar region with consequences that are not, as yet entirely clear. However, a more bellicose, self-assured Russia has demonstrated a willingness to achieve its political ambitions and enforce presumed territorial ambitions with military might. The Russian invasion of Crimea, which has resulted in Western sanctions, has also coloured and limited Western co-operation with Russia, particularly associated with Arctic hydrocarbon exploration and development. Notably, this is an arena in which Canada has chosen to play a reduced role, especially in light of new policies that reflect a heightened attention to Arctic environmental protection and conservation.

Unquestionably, it is important for Canada to develop policies that address rapid climatic change in the Arctic. However, there is also a critical need to pursue beneficial economic and resource development policies for Canada’s northern peoples, which accommodate informed principles for enhanced economic development and northern conservation.

The compelling realities of an accelerating Russian presence and capability in the Arctic have occasioned a re-evaluation and reinvigoration of Arctic defence postures among circumpolar allies, one that reflects an evolving security environment throughout the region. The strategic
importance and growing significance of Russia’s expanding Arctic military capabilities cannot be ignored. Indeed, it should be a matter of growing importance to Canada and its northern NATO allies. Nonetheless, the consequences of current Canadian Arctic policies should also be of concern to northerners, Canadian economic policy-makers and defence strategists. Issues include potential civilian air or sea incidents involving elements of SAR and related air-sea rescue operations that have to be initiated from distant southern bases, a flagging capability for Arctic icebreaking assistance and a policy shift away from offshore resource development in favour of measures associated with Arctic conservation.

The West increasingly is being forced to re-examine the heightened degree of Russian Arctic military activities to determine if indeed they are designed solely for defensive purposes. As these geopolitical events are of direct consequence for Canada, a careful reconsideration of its economic priorities for northerners, heavy icebreaking and military capabilities in the Arctic is overdue. However, sovereignty issues should not be used to compensate for Canada’s ongoing neglect of its northern heritage and circumpolar responsibilities. Indeed, the continued misuse of concepts of Arctic sovereignty has traditionally hampered recognition of the need for economic development, self-determination and political autonomy for Canadian northerners.

As Charron and Fergusson observed:

Referencing “Arctic” and “sovereignty” in the same sentence is generally a recipe for alarmist and precipitous action. It is usually translated into a demand for a more military presence which, while a ready answer for the Canadian government, ignores the fact that sovereignty issues today are settled in the courtrooms. There are no de jure or de facto threats to Canadian Arctic sovereignty. If Russia is a real threat, it is to Canada and its allies as a whole. Indeed, the Arctic is one issue area in which Russian co-operation has been tremendously helpful ... For now, however, Canadians should replace Arctic sovereignty with homeland defence and devote attention to issues which relate to how the federal government exercises its sovereign authority over the people who live in its Arctic territory and how it will work with allies now and in the future to defend Canada.

By comparison, Russia’s determination to integrate its Arctic resources deeply into the economic fabric of not just the European Union but of Asia may serve as a useful demonstration for Canada as it develops future policies for northern economic development to bolster and realize its sovereign Arctic claims.

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