

An Icy Grip

US-Canadian Relations concerning the Arctic
during and after the Cold War



Willemijn H. Balk

MA Thesis
American History
Leiden University

Supervisor: Prof. Dr. G.P. Scott-Smith

Contents

Introduction	3
Chapter 1: Territorial Issues	11
Chapter 2: Security	23
Chapter 3: Energy	34
Chapter 4: Environment and regional governance	46
Conclusion	56
Bibliography	59

Introduction

'*Canada is America's hat.*' In the popular webcomic 'Scandinavia and the World', where countries are depicted as human characters, this famous line is often taken literally. In one episode¹, USA fantasizes about proudly wearing a maple leaf hat, while Canada dreams of himself as a bigger wrestler overpowering the USA. In the end, the 'normal' situation is resumed: the USA, muscular, sun-tanned and big, triumphantly carrying a sighing Canada on top of his head. A little pink heart springs from USA's temple. In these few simplistic drawings, a fairly accurate summary of the extremely complicated US-Canadian relationship is given. Following the comic's narrative, the relationship can be characterized by closeness, as depicted when both characters are in close physical contact in all situations, by mutual ambition, as both countries dream of having power over the other, by Canada –at least geographically– holding the USA in a lock-grip and eventually, by the USA getting his way in the actual situation.

One important feature of the US-Canadian relationship is missed in this caricature, though. This is the deep and comprehensive mutual interdependence of both countries. Although the USA clearly is the major power of the two, both countries are inextricably connected to each other and highly dependent on one another. This thesis deals with this relationship on a specific topic: the Arctic. Both countries have Arctic territory: for Canada, all of the northernmost part of the mainland and the complete Arctic Archipelago north of it. In the USA, the better part of Alaska is Arctic. With both countries in such a close bilateral relationship characterized by mutual, if unequal, interdependence, Canada and the USA truly have each other in an 'icy grip': a delicate balance between sovereignty and interdependence. Especially in Canada, this balance is a point of concern: any increase in interdependence can be viewed as a potential threat to Canadian sovereignty. The US, often having more determining power, fears less for its sovereignty, although policy freedom is a concern there as well.

One typical feature of the US-Canadian relationship found in literature is a 10:1 ratio of the US compared to Canada. This ratio counts for number of inhabitants and crucial economic figures as GDP and, as one author dryly notes, homicide rate.² This ratio makes Canada clearly a minor partner relative to the US, but not at all insignificant. The USA is the dominant partner, usually defining the eventual outcome of (bilateral) issues and debates to a larger extent than Canada. However, this does not mean that Canada is powerless in the relationship and simply follows US' rule and directions. Canada is very important to the US in matters like

¹ Scandinavia and the World, 'A Matter of Perspective' <http://satwcomic.com/matter-of-perspective>

² Herd Thompson, J. and Randall, S. '*Canada and the United States: Ambivalent Allies*' (Athens, 2002) p. 309

continental security, energy and trade. In some of the discussed Arctic matters, it seems Canada has more leverage perhaps than in other issues. This may be because of the high relevance the Arctic has in Canada, compared to the usually low priority Arctic matters get south of the 49th parallel.

The US-Canadian relationship is called the most intensive in the world by one author³. This is hardly surprising when considering the fact that over half of the populations of both countries live within a day's ride of the border.⁴ However, the relationship often seems more important to Canadians than to their southern neighbors. Like almost any (western) country in the world, Canada claims to have a 'special relationship' with the US. This special relationship has been actively pursued by Canadian governments since the 2nd World War. The amount of traffic in persons, goods, energy, investments and money between the two countries suggests this is correct. The USA however, if recognizant of the unique size of the relationship, does not seem to be very much convinced of the uniqueness of its character: according to author, Canadians simply don't recognize they are not that special to the US.⁵

In order to analyze the relationship specifically concerning the Arctic, the period of the last decade of the Cold War and the first decade afterwards is considered: roughly 1980-2000 (although this demarcation is not always strictly adhered to). The Arctic is a relevant, distinct facet of US-Canadian relations. Some remarkable conflicts, but also far-reaching cooperation between the two countries can be seen in Arctic matters. The Arctic is also a unique region where problems and difficulties arise that can be seen nowhere else on the planet. The end of the Cold War, is often seen as a pivotal point in world politics of the late 20th century. This thesis seeks to assess the relationship between Canada and the United States specifically on Arctic matters, focusing on the period around the end of the Cold War.

What makes the Arctic so relevant a facet of the US-Canadian relationship? First of all, the relevance of the Arctic for the public, politicians and policy-makers is different for either country. For many Canadians, the Arctic is a very important, even identity-defining matter. For most Americans, the Arctic is far less important. Whether they actually '*see the region as a foreign place, rather than a national frontier, a depopulated place synonymous with the ends of the earth*'⁶ remains to be seen, but the area is certainly not helping define a national identity the way as can be seen in Canada. American interest in the Arctic has largely focused on issues

³ Maclean, G. (ed.) '*Canada and the United States: A Relationship at a Crossroads?*' (Winnipeg, 2005) p.6

⁴ Ibid. p.8

⁵ Herd Thompson, J. and Randall, S. '*Canada and the United States*' p. 324-325

⁶ Heininen, L. and Nicol, H. 'The Importance of Northern Dimension Foreign Policies in the Geopolitics of the Circumpolar North' in: '*Geopolitics 12*' (2007) p. 150

taking place *in* the north, like defense and natural resource extraction, rather than on the area itself.

Canada has found a positive definition of nationality in the north. Canada is a relatively young state, gaining full independence from Great Britain only in 1931. Canadian identity has often been described as being 'not American'.⁷ This negative definition however, does not define what Canada is, and what Canadians are, it only defines what they are not. By stressing its northern identity, Canadians have found a positive definition of their country: Canada is a northern country. Northern elements have long been part of their national iconography, whether it is in the form of a moose or a beaver, or Inuit symbols. The 2010 '*Statement on Canada's Arctic Foreign Policy*' even starts with the very words: '*The Arctic is fundamental to Canada's national identity (..) The Arctic is embedded in Canadian history and culture, and in the Canadian soul.*'⁸ Not only is this a very distinctive feature of the country, it is also quite unique.

What then does 'Arctic' mean, which region is exactly the 'Arctic'? The relevant geological area is obviously that above the Arctic circle (66° northern latitude). From this latitude on, the polar night (the sun not rising above the horizon for at least 24 hours continuously in winter) and polar day (the opposite during summer) can be observed. However, a different definition of Arctic is used in different places. Because of warm gulf streams reaching Arctic Europe, the 66° latitude demarcation is usually felt to be too southern in those areas, although it is adhered to partly because of its clear definition. The tree line and 10°C isotherm (indicating the lowest average summer temperature) lies north of 66° in northern Scandinavia and western Russia. In the colder land climate of eastern Russia, and even more so in North America and Greenland, 66° is considered too far northward to be a proper demarcation. There, as well as in Iceland, a latitude of 60° is used to define the Arctic. This mirrors the 60° southern latitude used to demarcate the Antarctic. 60° North is still north of the tree line and 10° isotherm in many places, though.⁹

⁷ Herd Thompson, J. and Randall, S. '*Canada and the United States*' p. 309

⁸ Government of Canada, '*Statement on Canada's Arctic Foreign Policy*' (Ottawa, 2010) p.3

⁹ Keskitalo, C. 'International Region-Building: Development of the Arctic as an International Region' in: '*Cooperation and Conflict 42*' (2007) p.190



Map 1: 'Arctic Region' Map source: Pharand, D. 'The Arctic Waters and the Northwest Passage: A Final Revisit' in: 'Ocean Development & International Law 38' (2007) p.54

When seen on a regular map with the north on top, the Arctic may seem a frozen cap on top of the world. Circumpolar relationship are difficult to grasp from that perspective. This changes when the north pole, instead of being the uppermost part of a map, is depicted at the center of the map. The Arctic ocean then becomes a Mediterranean sea surrounded by five littoral states: the USA, Canada, Denmark (via Greenland) and Norway. Iceland, Finland and Sweden also have Arctic territory and are considered Arctic states, albeit not littoral to the Arctic ocean.

The Arctic ocean is an ocean unique in character, because it is permanently frozen for the largest part. This means that navigating the Arctic ocean is very difficult. Ice-covered land and ice-covered sea are difficult to discern, giving the untrained eye the idea of an endless frozen waste. Navigating the Arctic is, however, very much possible. The southern parts of the Arctic ocean, especially waters close to the Russian mainland and those in the Canadian Archipelago, have increasingly become open to traffic. Whether because of global warming or natural causes, the Arctic ice cover is retreating. The opening up of the Arctic ocean for shipping brings up complicated issues of sovereignty and responsibility and especially heated debate between the US and Canada.

Between the Pacific and the Atlantic oceans, a passage through the Canadian Archipelago is possible. Though not yet economically viable, this route may become highly relevant for international shipping in the future. A dispute between Canada and the United States exists on whether this route should be considered an international strait or –as Canada maintains– waters under Canadian sovereignty. This issue, as well as a sea-border dispute between the two countries in the Beaufort sea, makes territorial issues a relevant ‘Arctic’ topic in the US-Canadian relationship. Not only sovereignty is at stake there, but also environmental concerns and questions of responsibility, as well as economical issues and energy security, as the Arctic seabed contains large estimated amounts of hydrocarbons.

A look at the Arctic centered around the north pole also make another issue very clear, which was especially important during the Cold War: the shortest distance between the US and the Soviet Union was via the Arctic. The US and Soviet Union could actually see each other’s territory across the Bering sea. During the Cold War, it was often noted that the shortest route for Soviet missiles, bombers or submarines to north American territory would be over or through the Arctic ocean. Since Canada is positioned between the USA and the Arctic ocean, the bilateral relation was for a large part dominated by security issues during the Cold War. The end of the Cold War shifted and changed many priorities in the global political agenda of every country in the world. With the US as the only remaining superpower after 1989, this event had a huge impact. Because the Arctic is a geographically defined subject, such a change in geopolitics must have had some sort of influence on US policy, especially concerning Canada, a Cold War ally and geopolitically important for the US during the Cold War.

Another major topic in the relationship between the US and Canada where the Arctic plays an important role is energy. With Canada as the most important oil supplier for the US and the US as the number one consumer of Canadian oil, both

countries are extremely interdependent in this field. The US depends on Canada for a major part of its oil supply, while the Canadian economy is for a large part dependent on American oil dollars. As is already mentioned, large quantities of hydrocarbons (mainly natural gas, but also significant amounts of oil) can be found in the Arctic. Exploitation of these resources however, is difficult in the unforgiving Arctic climate and environmental risks are high. With energy security as an important concern in both the US and Canada, issues concerning energy are very relevant to both the US and Canada and thus, to the bilateral relationship. Some ambitious energy infrastructure projects amount to far-reaching cooperation between the two countries, which brings up questions of sovereignty and policy freedom in a very tangible way.

During the last decades of the 20th century, realization struck firmly that the environment required protection from anthropogenic pollution. In the unique and volatile Arctic, this became especially clear. Since national boundaries are hardly of consequence in these issues, cooperation was soon felt to be crucial. Environmental concerns are often difficult to combine with economic interests, especially when natural resources are concerned. This leads not only to internal disputes, but also makes for bilateral frictions. However, intensive cooperation can be seen in this area between Canada and the United States. Starting from environmental cooperation, a regional approach to Arctic matters also evolves, involving all Arctic states. This regional approach is an important facet of the bilateral relationship between Canada and the US as well, as both countries have a different approach to the newly developing regional cooperation.

All these issues appear to be in some way interrelated. Territorial claims are intimately connected to environmental concerns and regionalism, environmental issues are connected to energy, which has an important security facet, which in turn connects back to sovereignty concerns. All these topics reflect a delicate balance for both countries between interdependence and sovereignty. The highly complicated US-Canadian relationship is too large to tackle as a whole. The Arctic, as a distinct region is used as a case-study to analyze this complicated relationship in a unique, but clearly defined setting. This approach leads to several question which this thesis seeks to ask and answer. How relevant is the Arctic for both countries and why? How is that reflected in the four chosen focal points of territory, security, energy and environment and regional governance? For each of the four focal points, the question is then asked what both countries' interests and priorities were and how interactions between both countries have evolved during and after the Cold War. This then

answers the question for each topic in what way (if any) the end of the Cold War has influenced the US-Canadian relationship on Arctic matters.

One important topic is not addressed by a separate chapter, but is relevant in almost all topics and, indeed in all Arctic matters. This concerns indigenous peoples.¹⁰ After a difficult period of forced integration in the early 20th century, Canadian indigenous peoples have gone through a comprehensive emancipation process, eventually leading to the establishment of the partly self-governed territory of Nunavut in 1999. Although some indigenous groups live across the Canadian-Alaskan and southern Canadian border, indigenous concerns have not been a major issues in US-Canadian relations in itself. However, as Canada has taken on a leading role in circumpolar cooperation, the 'Canadian perspective' on indigenous peoples' issues and indeed in the definition of the Arctic has become the predominant school. This perspective however, differs from the US perspective on indigenous peoples.

According to one author writing on Canadian indigenous people's policy, the contemporary definition of the Arctic as a whole is modeled after the Canadian understanding of it: an area where the dominant concerns are environment and indigenous peoples.¹¹ Those two topics are intimately related as well: the first people to notice the effects of environmental change or problems are those whose subsistence is based on the land surrounding them. Since indigenous emancipation in both Alaska and Canada has taken off, indigenous peoples have begun to assert their claims to ancestral lands. In both countries, these claims have lead to the acquisition of tracks of land by indigenous peoples, giving them rights to decide on the use of the land, benefit from its exploitation, etc. Especially in the energy sector, this has had its effects. Pipeline projects crossing indigenous peoples' lands have encountered problems when indigenous peoples protested against the use of their lands, but also, indigenous peoples have formed consortiums cooperating with energy companies in order to benefit from the riches their lands hold.¹² In circumpolar cooperation, indigenous peoples have also played a major part and been a major topic.

A lot has been written about the US and Canadian Arctic policies, and a lot has been written about US-Canadian relations. However, a specific account of US-Canadian policies concerning the Arctic is as yet missing. Most literature is either about a

¹⁰ The peoples of the Arctic go by various different names: native peoples or native Alaskans (in the US), aboriginal peoples, first nations (in Canada) and sometimes Eskimo's (in the US) or Inuit. Since some disagreement exists about which term to use and different terms are used in the US and Canada, here the neutral 'indigenous peoples' is used to describe the original inhabitants of the Arctic already present before European colonization.

¹¹ Keskitalo, C. 'International Region-Building' p.202

¹² Stern, P. 'Hunting for Hydrocarbons: Representations of Indigeneity in Reporting on the New Mackenzie Valley Pipeline' in: *American Review of Canadian Studies* 37' (2007) p.429

certain Arctic question, reviewing one or more countries' policies or stances, or about US-Canadian relations in a non-Arctic field. A large part of the literature consulted for this thesis reviews only one country's policies, leaving the making of a comparative analysis or assessment of the interactions to the author. Interdependence is stressed in some of the literature, applied to certain specific cases, such as energy.¹³ The fact that a large part of the literature was not addressing the bilateral relationship per se, means that this important factor in policy making was often not addressed or perhaps not recognized enough.

Most literature on US-Canadian relations is Canadian. Because of the asymmetry in the origins of existing literature, quite often more information is found on the Canadian perspective than on that of the US. This is not surprising, given the higher priority of the 'special relationship' in Canada, compared to the US. Notably, in issues on which the USA places a higher priority, such as energy security, more American literature can be found.

Government reports are an important original source in any research project in political history. Here, the availability of American material was also less than that of Canadian texts. This also has to do with the lower priority of Canadian and Arctic matters to the US relative to Canada. In Canadian government reports on international affairs, the United States and the relation to the US usually have a very important place. In US reports, Canada understandably does not get as much attention. Moreover, where Canada produce a new 'northern' or Arctic foreign policy report every few years, the US simply has a lower priority for Arctic matters and therefore does not produce nearly as much source material. This in itself reflects the difference in perspective between both countries regarding each other.

The 'icy grip' thesis acknowledges the complicated, diverse relationship between the US and Canada and recognizes the special dynamics of sovereignty versus interdependence involved in it. The Arctic, although a region atypical in many ways, is an interesting case-study for the relationship. Any conclusions drawn from this analysis may not be directly applicable to other aspects of the US-Canadian relationship, but may certainly help to enrich other analyses and assessments of it, providing an interesting, perhaps surprising facet of interactions between the two countries.

¹³ Gattinger, M. 'From Government to Governance in the Energy Sector: The States of the Canada-U.S. Energy Relationship' in: *American Review of Canadian Studies* 35' (2005) p.322

Chapter 1: Territorial Issues

The two most intensively cooperating nations in the world disagree on their mutual boundaries in several instances, two of which take place in the Arctic. One is a dispute about the sea border between western Canada and Alaska in the Beaufort Sea and the other by far the largest and most complicated, is the dispute on the sovereignty over the waters of the Northwest Passage.

Ever since ships crossed the Atlantic ocean to explore what we now call the Americas, a passage west towards the Pacific has been a dream. Such a passage is possible through the Canadian arctic archipelago: the so-called Northwest Passage (NWP). The advantages of such a passage are evident: the northern route across the continent is some 5.000 nautical miles shorter than the passage through the Panama Canal, cutting shipping time and thus costs, and avoiding the Caribbean basin.¹⁴ Transit became possible in the second half of the twentieth century. With the possibility of transit came the problem of jurisdiction and sovereignty over the waters of the Northwest Passage. In the last decades of the 20th century, the issue steadily became more important, as the ice covering of the Northwest Passage decreased and the Passage became better navigable.

Since the 1930's, Canadian sovereignty over Arctic land and islands of the Arctic archipelago was internationally recognized. Sovereignty over the waters surrounding the Arctic islands however, is not.¹⁵ According to Canada, these waters are internal, historic water over which Canada has sovereignty and jurisdiction. According to the United States, these waters, as Northwest Passage, are an international shipping strait, subject to the law of the high seas, not a single nation's sovereignty.¹⁶ The dispute about the NWP is relatively dormant now, but at this point still not resolved.

¹⁴ Pharand, D. 'The Arctic Waters and the Northwest Passage: A Final Revisit' in: '*Ocean Development and International Law* 38' (2007) p.4

¹⁵ Elliot-Meisel, E. 'Still Unresolved After Fifty Years: The Northwest Passage in Canadian-American Relations, 1946-1998' in: '*The American Review of Canadian Studies*' (1999) p.407

¹⁶ D. Pharand, 'The Arctic Waters and the Northwest Passage: A Final Revisit' p.51



Map 2: Straight baselines around the Canadian Arctic Archipelago (red dotted line) and the main routes of the Northwest Passage. Map source: Pharand, D. 'The Arctic Waters and the Northwest Passage: A Final Revisit' in: 'Ocean Development & International Law 38' (2007) p. 18

Closely linked to the NWP dispute is a discussion about Canada's borders with the drawing of straight baselines around the outer perimeters of the Canadian Arctic archipelago in 1986. This act transformed all waters in the archipelago to internal Canadian waters. The drawing of these baselines, as well as the implications for the status of the Arctic waters concerned, is disputed by the United States.¹⁷

In 1982, the third United Nations Conference on the Law of the Sea (UNCLOS) came to a close with the presentation of a treaty. The conference had started in 1973, and the convention only entered into force in 1994. In the treaty, rules are set to regulate jurisdiction over coastal waters, economic rights and ecological responsibilities. Both Canada and the United States were heavily involved in the writing process of the convention and signed the treaty. However, Canada only ratified the treaty in 2003 and the United States has not yet ratified it to date.¹⁸ Because UNCLOS is a convention based on consensus of around 160 nations participating in the writing process, many of its regulations are broadly defined and open for interpretation. The legal disputes between the United States and Canada

¹⁷ Elliot-Meisel, E. 'Still Unresolved After Fifty Years' p.409

¹⁸ D. Pharand, 'The Arctic Waters and the Northwest Passage: A Final Revisit' p. 5

over the Arctic waters often center around different interpretations of UNCLOS. Although the US has not ratified UNCLOS even to this date, the US does recognize it as international law and even enforces it.¹⁹

The fact that these issues have been able to become so important in US-Canadian relations, links back to the other three important issues of this paper: continental security, energy and natural resources, and ecology. For Canada, the issue of Arctic sovereignty also touches upon national identity. For Canada, sovereignty over Arctic areas, whether land or water (which, as we shall see, may not be as distinct in the Arctic as in more moderate temperature zones), is a matter of national identity, not just economic or judicial interests. For the United States on the other hand, international security and precedent are concerns which make the issue important and their position equally steadfast.

According to Canada, the NWP cannot be considered an international strait because international navigation has been infrequent and no 'customary usage' has been established. As Canadian internal waters, ships transiting would be subject to the rules of 'innocent passage', which would oblige ships to show their flag and require submarines to surface. Although the US welcomed this last point during the Cold War, as it would also mean Soviet submarines would have to surface when navigating the NWP, the fact that US submarines would be limited in their freedom of navigation had prevalence, even during the height of the Cold War.²⁰

Canada had established sovereignty over the land in the Arctic archipelago as early as the 1930's. However, until 1970, Canada claimed as territorial waters only a breath of 3 nautical miles from its coast, even though a breath of 12 nautical miles had been common by then. Broader straits in between the islands were thus not considered to be territorial water from shore to shore. After the 1970 expansion of the territorial waters to 12 nautical miles seaward off the coast, the two entrances to the Northwest Passage, Barrow Strait to the East and Prince of Wales Strait in the West, were now considered territorial waters, being less than 24 nautical miles wide.²¹ The decision to extend the territorial waters was made after the transit of the US tanker *Manhattan* in 1969, planned to test the potential of the Northwest Passage as a shipping route for the recently discovered oil and gas reserves in Prudhoe Bay on the Eastern slopes of Alaska.²² Although the NWP proved to be too difficult for

¹⁹ Ebinger, C. and Zambetakis, E. 'The Geopolitics of Arctic Melt' in: *'International Affairs 85'* (2009) p.1223

²⁰ Joyner, C. 'United States Legislation and the Polar Oceans' in: *'Ocean Development & International Law 29'* (1998) p. 268

²¹ Elliot-Meisel, E. 'Politics, Pride and Precedent: The United States and Canada in the Northwest Passage' in: *'Ocean Development and International Law 40'* (2009) p.211

²² I. Head & P.E. Trudeau, *'The Canadian Way'* p.27

commercial shipping at that point, the *Manhattan* transit did have significant effects on Canadian arctic policies.

Manhattan was owned by the Humble Oil Company (later Exxon), and the company asked the Canadian government for permission to make the transit, even though the NWP was not considered territorial waters by then (because of the 3-mile territorial sea still in place by then). A Canadian captain was stationed on board the *Manhattan* and the Canadian Coast Guard accompanied the ship through the ice-infested waters of the NWP. An American icebreaker also accompanied the *Manhattan*, for which no formal permission was asked. Although the Canadian government maintained that the transit had nothing to do with the legal status of the Arctic waters and a successful transit was in Canada's best interest, it did become a political issue at that point.²³ The *Manhattan* was supposed to travel only through (then) international waters of the NWP (straits wider than 6 nautical miles, thus staying beyond the then valid 3-mile zone), but had to change course into narrower waters due to weather and ice conditions. Although the transit was experimental and can easily be described as a highly coordinated effort between the two governments and the Humble Oil Company, it led to a huge public outcry in Canada.²⁴

Canadians felt the transit was a violation of Canadian sovereignty in the Arctic. Although cooperation on governmental level had been good, the public opinion turned against American presence in the Canadian Arctic. According to one author '*Perception displaced reality with the Manhattan transit, and the Canadian public and media were convinced, despite government statements, that the voyage represented both an insult to Canada and a rejection of Canada's sovereignty claims.*'²⁵

Even in recent, mainly Canadian literature, the *Manhattan* voyage can be found described as a challenge to Canada's sovereignty, even though the sovereignty issue had been deliberately put to one side by both the American and Canadian governments at the time of the transit.²⁶ The following governmental response in Canada is described as '*both reactive and concurrently innovative*'²⁷ by Canadian scholar Elliot-Meisel. It comprised of several parts: the aforementioned extension of the breadth of its territorial waters from 3 to 12 nautical miles in 1970, thereby adjusting Canadian law to the international accepted norm and making the two entrances to the NWP into territorial waters. The other major legislative reaction is

²³ Elliot-Meisel, E. 'Politics, Pride and Precedent' p.210

²⁴ Ibid., p. 209-10

Head, I and Trudeau, P. '*The Canadian Way: Shaping Canada's Foreign Policy 1968-1984*' (Ottawa, 1995) p.28

²⁵ Elliot-Meisel, E. 'Politics, Pride and Precedent' p.211

²⁶ Shadian, J. 'In Search of an Identity Canada Looks North' in: '*American Review of Canadian Studies* 37' (2007) p. 332

²⁷ Elliot-Meisel, E. 'Still Unresolved After Fifty Years' p. 413

considered truly innovative by scholars: the 1970 'Arctic Waters Pollution Prevention Act' (AWPPA), setting regulations for ships sailing Arctic waters to prevent pollution and damage to the Arctic waters and environment. This act applied not only to the Arctic waters between the Arctic archipelago, but also to the waters outside the Archipelago, which were mostly high seas.²⁸ The act can be considered an assertion of 'pragmatic sovereignty': sovereignty over the waters was not formally claimed (yet), but jurisdiction over the waters was established on the basis of pragmatism and environmental protection and responsibility, rather than legalistic claims. Prime Minister Trudeau maintained that the act was '*not an assertion of sovereignty*' even stating that he wanted the act '*to withstand the immense Canadian public pressure for an assertion of sovereignty*'.²⁹

The official statements notwithstanding, the American reaction was an immediate rejection of AWPPA. A long-standing US priority is global freedom of the high seas. The United States argument was that no state could have the right to extend jurisdiction over the high seas, and furthermore, was concerned with the international precedent it might set; fearing that countries like Indonesia (Sunda Strait) and the Philippines might also start asserting their sovereignty over international straits. This hardly seems surprising. The new act was innovative in a time when environmental concerns were still far from mainstream and was a creative way to strengthen the Canadian position in the Arctic from a defensible position, which would not lead the American government to '*a plain, flat denial of Canadian sovereignty*'.³⁰

In relation to AWPPA, in 1977 NORDREG was implemented. This registration system of all ships sailing into Arctic waters around Canada is strictly voluntary, although 99% of all ships sailing into the Arctic waters thus far have complied with it. NORDREG was set up to enhance the safety of ships in arctic waters and the Arctic environment they are sailing in. NORDREG issues acknowledgment (not permission!) to ships entering Arctic waters, distributes ice and route information and coordinates Coast Guard icebreaker assistance. The voluntary nature of the system is often emphasized, partly because the Canadian Coast Guard has very limited icebreaking capabilities and cannot be assumed to be able to aid all ships that have run into trouble in Arctic waters.³¹

The next step in the assertion of sovereignty was made in 1985 when the Canadian government drew straight baselines around the Canadian archipelago, thus claiming all waters in the archipelago as internal waters. Internal waters are all

²⁸ D. Pharand, 'The Arctic Waters and the Northwest Passage: A Final Revisit' p.11

²⁹ Elliot-Meisel, E. 'Politics, Pride and Precedent' p. 211

³⁰ Elliot-Meisel, E. 'Still Unresolved After Fifty Years' p. 413-4

³¹ D. Pharand, 'The Arctic Waters and the Northwest Passage: A Final Revisit' p. 49-50

waters inside the coastline (or straight baseline) of a country, over which a country has complete jurisdiction. Territorial waters are waters seaward from the coastline, within 12 nautical miles from the coast. The cause for this new Canadian activity on the matter was a case almost identical to the *Manhattan* voyage: again an American ship sailed into the NWP without officially asking for Canadian permission beforehand. Again this happened in relatively good cooperation on a governmental level, but again it led to huge public outcry in Canada.

In 1985, the US Coast Guard icebreaker *Polar Sea* sailed through the NWP from Greenland to Alaska. The reason given by the US authorities was that using the Northwest Passage would save time and fuel compared to sailing through the Panama Canal. The Canadian public however, never believed this and perceived the transit as a provocative threat to Canadian sovereignty.³² Although both the Canadian and American governments stated that the transit was made '*on a cooperative basis without prejudicing either state's legal position*' and Canadian observers were invited onboard the US ship, formal consent was never asked by the US government for the transit.³³ The transit led to a furious public outcry in Canada over sovereignty in the Arctic.

Remarkably, in a 2007 Royal Canadian Mounted Police Criminal Intelligence Report on Canadian sovereignty in the Arctic described the *Polar Sea* voyage as '*an incident where a U.S. icebreaker had sailed through the Northwest Passage without Canada's consent or knowledge*'.³⁴ A 1992 United States report also dealing with the Northwest Passage dispute states the opposite, giving detailed information on the period right before the *Polar Sea* voyage: '*In 1985 several diplomatic notes were exchanged regarding an upcoming transit of the Northwest Passage by the U.S. Coast Guard icebreaker Polar Sea. In May of that year the U.S. informed the Canadian government that due to the operational requirements the Polar Sea would be navigating the Northwest passage in August and invited Canadian Coast Guard personnel to participate*'.³⁵ In the course of the diplomatic discussion, the United States replied to Canada: '*...although the United States is pleased to invite Canadian participation in the transit, it has not sought the permission of the Government of Canada, nor has it given Canada notification of the fact of transit*'³⁶

³² Elliot-Meisel, E. 'Still Unresolved After Fifty Years' p. 415

³³ P. J. Briggs, 'Polar Sea Voyage and the Northwest Passage Dispute' in: '*Armed Forces and Society 16*' (1990) p. 437

³⁴ RCMP Criminal Intelligence: '*Canadian Sovereignty in the Arctic: Challenges for the RCMP*' (Ottawa, 2007) p.4

³⁵ United States Department of State, Bureau of Oceans and International Environmental and Scientific Affairs: '*Limits in the Seas: United States Responses to Excessive National Maritime Claims*' (Washington D.C., 1992) p.73

³⁶ Ibid. p.74

What stands out from both these government reports, it that the question of notification remains very much unclear. Canada maintains that no notification was given, the United States seem to be making a division between 'notification' (which was not given) and 'informing' (which they did). In either case, both governments did communicate intensively over the matter, with Canada ultimately giving its unsolicited permission for the transit.³⁷

The extensive public outcry in the Canadian media and press, Inuit concerns and the perceived violation of Canadian Arctic sovereignty led to a strong political response from the Canadian government: the establishment of straight baselines around the Arctic archipelago, Arctic cooperation talks with the United States and the promise of a stronger naval presence in the Arctic.

According to international law and jurisprudence, a country may draw straight lines along its coast, thereby causing bays, fjords and other coastal indentations to be considered internal waters. Since 1951, these baselines could –in specific geological circumstances- also be drawn around archipelago areas, making all waters between the islands into internal waters. By drawing straight baselines around the outer perimeter of the Arctic archipelago in 1985, Canada declared all of the waters between its Arctic islands internal waters. Thus, the complete Northwest Passage was now considered internal waters. (See map 2, the red dotted lines indicate the straight baselines, all waters inside these lines are considered internal waters by Canada.) Consequently, the baselines extended the Canadian territorial waters around the archipelago to 12 nautical miles seaward off the baselines. Canada characterized the waters between the islands as '*internal waters of Canada, on historical basis*'³⁸

Both the United States and the European Community protested to the Canadian claim. The United States objected to the claim in general, the EC objected to the way the baselines were drawn, but specifically to the 'historic' justification the Canadian government gave: "*The Member States acknowledge that elements other than purely geographical ones may be relevant for purposes of drawing baselines in particular circumstances but are not satisfied that the present baselines are justified in general. Moreover, the Member States cannot recognize the validity of a historic title as justification for the baselines drawn*".³⁹

According to Pharand, the objections the United States has revolve partly on a technical discussion of how straight baselines can look and what can be considered an appropriate maximum length (if there is a maximum length) of such lines, since

³⁷ Department of State, '*Limits in the Seas*' p.74

³⁸ D. Pharand, '*The Arctic Waters and the Northwest Passage: A Final Revisit*' p. 11

³⁹ Ibid. p. 11-12

Department of State, '*Limits in the Seas*' p.29-30

the length of some of the baselines in especially the western part of the archipelago is relatively long.⁴⁰

The United States protested stating that: "*The United States cannot accept the Canadian claims because to do so would constitute acceptance of full Canadian control of the Northwest Passage and would terminate U.S. navigation rights through the Passage under international law.*"⁴¹

The straight baselines came into effect on January 1st, 1986, as announced right after the Polar Sea voyage some months earlier. Canada emphasizes the unique nature of the arctic waters as another justification for its claim. The argument, which is already in use in the 1930s, is that the permanent, slow moving ice can be used in the same way as land, and the Inuit have always done so, making the normal laws of the seas not applicable to the Arctic.⁴² As the 1985 Canadian Statement on Sovereignty puts it: '*[The Arctic] Islands are joined, not divided by the waters between them. They are bridged for most of the year by ice. From time immemorial Canada's Inuit people have used the ice as they have used and occupied the land.*'⁴³ Although a case can certainly be made for the unique qualities of ice-covered waters, the argument that ice and land are the same and have been used in the same way, is not exactly correct. Neither is the United States' argument that the Arctic ocean should be treated as any other 'liquid' sea, though: '*northern people are keenly aware of the distinctions between ice and land, and various forms of ice [...]* In this sense, the Canadian tendency to assign the icy passage to the land side of the land-water binary is no more accurate (in terms of the passage's material form, its historic uses, or the ways in which it is perceived through everyday spatial practices) than is the American inclination to assign the Passage to the water side.'⁴⁴

In fact, the nature of the waters of the Arctic ocean and Northwest Passage is much more differentiating than a dichotomy between land and water can define. Even in the warmest summers, when navigation through the Passage is possible, the term 'ice-free' is very optimistic. The waters, even though liquid and navigable, are always ice-infested and ships sailing the Passage need special technical adjustments to their construction or ice-strengthened hulls to be able to sail the waters safely. Icebreaker assistance is often necessary and the risk of stranding in the icepack is significant, even the best of conditions.

⁴⁰ Ibid. p. 23

⁴¹ Department of State, '*Limits in the Seas*' p.29

⁴² I.L. Head, '*Canadian Claims*' p.220-221

⁴³ Quoted in: Griffiths, F. '*The Shipping News –Canada's Sovereignty not on Thinning Ice*' in: '*International Journal* 58' (2003) p.278-9

⁴⁴ Gerhardt, H. et al. '*Contested Sovereignty in a Changing Arctic*' in: '*Annals of the Association of American Geographers* 100' (2010) p.995-996

After the *Polar Sea* voyage, talks between the United States and Canada began for an Agreement on Arctic Cooperation to regulate American traffic in waters claimed by Canada, while acknowledging the different opinions on the judicial status of these waters both countries have. An agreement was met on January 11, 1988. This very short, one-page agreement focuses on the scientific and ecological importance of the Arctic and deals only with icebreakers sailing through the Arctic. One of its key clauses reads: '*The Government of the United States pledges that all navigation by U.S. icebreakers within waters claimed by Canada to be internal will be undertaken with the consent of the Government of Canada.*' However, it is explicitly stated that '*Nothing in this agreement of cooperative endeavour between Arctic neighbours and friends nor any practice thereunder affects the respective positions of the Governments of the United States and of Canada on the Law of the Sea in this or other maritime areas or their respective positions regarding third parties.*'⁴⁵

This Agreement it seems, has a very limited scope; only dealing with icebreakers and not with other vessels, such as submarines. Also, the sovereignty question is explicitly left out of the agreement and although both parties have agreed that United States' ships will only sail the Arctic waters with Canadian consent, nowhere it is noted that this consent has to be asked before the waters are entered. In practice however, any surface ship sailing in the Arctic waters will need icebreaker assistance, making the Agreement de facto valid for more vessels than defined in it.

President Reagan described the agreement at the time as 'pragmatic'. Surely, this agreement was to a degree the best reachable in a relatively easy way. Although the question of sovereignty is once again not addressed, Prime Minister Mulroney's Chief of Staff Burney stated that '*it sure is implicit recognition*'. Whether or not the Burney is right remains to be seen, as Elliot-Meisel sums up: '*ultimately, it perpetuated the status quo, that of neighbors continuing to agree to disagree, and the agreement lacked closure on the issue.*'⁴⁶

Some (Canadian) scholars have expressed their doubts on the Agreement, stressing the fact that the sovereignty question remains open and consent is not defined as 'prior consent'. These issues are described '*unfortunate*'⁴⁷ and '*obvious weaknesses*'⁴⁸ by some. The qualification of 'pragmatic' President Reagan gave seems accurate, though. From 1988 to 2000, three American icebreakers have navigated the Northwest Passage, all after Canadian consent was requested and granted in good operational cooperation.⁴⁹

⁴⁵ 'Agreement Between the Government of Canada and the Government of the United States of America on Arctic Cooperation' (signed Ottawa, January 11, 1988)

⁴⁶ Elliot-Meisel, E. 'Still Unresolved After Fifty Years' p. 418

⁴⁷ D. Pharand, 'The Arctic Waters and the Northwest Passage: A Final Revisit' p. 39

⁴⁸ Elliot-Meisel, E. 'Politics, Pride and Precedent' p. 213

⁴⁹ D. Pharand, 'The Arctic Waters and the Northwest Passage: A Final Revisit' p.40

A more comprehensive agreement would have been difficult to maintain for Canada. Although a stronger Canadian naval presence in the Arctic was promised after the *Polar Sea* transit, this eventually hardly happened. The Canadian navy and Coast Guard, despite the Governments ambitions, had (and have) very limited Arctic capabilities. In 1987, a Defense policy '*White Paper*' was written, announcing huge military investments, aiming at a 'three-ocean navy', able to assert and ensure Canadian sovereignty and close the 'commitment-capabilities gap'. These ambitions however, hardly materialized.⁵⁰ The result is that Canada is either dependent on US military presence in the region or, to put it differently, strong cooperation between the United States and Canada is required in the Arctic. In pragmatic terms, this means that sovereignty over the Arctic waters remains difficult to exercise and thus, weakens the Canadian claim.

Canada had (and has) only two icebreakers with Arctic capabilities and it remains difficult for Canada to back up its sovereignty claims, and impossible to even detect underwater submarine traffic.⁵¹ (More on the security implications of this fact can be found in the second chapter of this thesis.)

The Canadian Navy states that "*sovereignty stems from the state's position as final authority over matters within its territory*"⁵² and '*defense of Canadian interests necessitates a presence that "involves a capability for surveillance, patrol and response... [which are] the building blocks of national sovereignty"*' Although Elliot-Meisel notes that sovereignty and cooperation are not mutually exclusive, it remains very much notable that Canada relies heavily on its allies (i.e. the United States) for the practical side of its Arctic ambitions and concerns.⁵³

A smaller and less complicated territorial dispute revolves around the sea border between Alaska and Canada in the Beaufort Sea. Here, both countries claim a wedge of sea north of the land border around the 141° meridian. According to Canada, the sea boundary runs along the same line as the land border, following the 141° meridian. This coincides with the western boundary of the pollution prevention zone as set out in AWPPA. According to the United States, the sea boundary follows the principle of equidistance from the coast, thereby making the boundary run slightly eastwards from the meridian, but a 90° angle from the coast. Both ways of determining a border can be justified in international law. Although the issue is dormant, it could become relevant in the future because of natural resource potential in the disputed area.⁵⁴ It is described by one author as '*definitely an irritant in*

⁵⁰ Elliot-Meisel, E. 'Politics, Pride and Precedent' p. 213

⁵¹ Elliot-Meisel, E. 'Still Unresolved After Fifty Years' p.410, 417

⁵² Ibid. p.419

⁵³ Ibid. p.420

⁵⁴ Dosman, E.J. 'Offshore Diplomacy in the Canadian Arctic: The Beaufort Sea and Lancaster Sound' in: '*Journal of Canadian Studies/ Revue d'études canadiennes* 16' (1981) p. 7

*bilateral relations.*⁵⁵ As with the Northwest Passage dispute however, it is unlikely that this dispute would be dealt with other than in a cooperative fashion, even if the general public might not always perceive it so.

The exact delineation of borders is important especially in regions where natural resources are present or suspected. Corporations planning to invest in these areas will be very reluctant to do so as long as uncertainties on jurisdiction continue to exist. As long as it is unclear under which laws and regulations the work would take place, whose permits are valid, where taxes are to be paid, etc., operations and finance are next to impossible to plan and manage.⁵⁶

In these issues, the end of the Cold War doesn't seem to be a strong break in continuity: the territorial disputes over the Northwest Passage and the sea border with Alaska are still unresolved to this date, although they have become less and less problematic, with the gradual birth of region-oriented, international cooperation regime focused around the Arctic Council (see the last chapter of this thesis). The main arguments from the period described in the beginning of this chapter still stand.

The fact that the US has not (yet) ratified UNCLOS and Canada only did so in 2003, is perceived as problematic by many authors. However, The US has, even officially, voiced its support for the Convention on many occasions. Although still not ratifying it, it is considered part of international common law by US policy makers. This acceptance without ratification seems an unfavorable position for the US to be in, since UNCLOS is generally accepted as the legal charter for maritime jurisdiction and is explicitly accepted by all Arctic states (including the US) as the relevant legal framework.⁵⁷

The Northwest Passage dispute did become somewhat more lively by the end of the 20th century, as it became clear that climatic changes had made the Passage navigable for a longer average period each year, though at the same time more unpredictable because of melting ice. More recently, realization has struck that the NWP will be very challenging to transit for the foreseeable future. The question is therefore not very acute or high on the agenda: commercial shipping through the passage is still a long way off. The amount of literature reflects the increase in attention. Most literature is, notably, of Canadian origin. The few American authors writing about the territorial issues with Canada in the Arctic, mostly do so in government publications. The issues are more of a headache to Canada than to the

Joyner, C. 'United States Legislation' p. 268

⁵⁵ Riddel-Dixon, E. 'Canada and Arctic Politics: The Continental Shelf Extension' in: '*Ocean Development & International Law* 39' p. 347

⁵⁶ Ibid.

⁵⁷ Elliot-Meisel, E. 'Politics, Pride and Precedent' p. 217

United States: Canada has something to lose and a matter of national identity at that. For the United States, the Northwest Passage issue seems more of a problem as a potential precedent for other straits, and a matter of principles, regarding their emphasis on worldwide freedom of navigation. Since the Northwest Passage is still far from being a systematically and regularly navigable strait, the discussion does seem somewhat academic. Even when it comes to an outburst, such as in 1969 and 1985 with the *Manhattan* and *Polar Sea* transits, the aggravation seems to come more from the general public than from governments. Also, both transits were hardly front-page news in the United States, contrary to the Canadian unrest they caused.

Sovereignty is a recurring term in almost all Canadian government publications pertaining to Arctic matters. This gives an idea of the continuing relevance of the issues described here. Although some other countries and organizations (like the EU) have on occasion spoken out on the NWP, these matters are for the main part bilateral. Canada is opposing the US' opinion, and the fact that the matters are still unresolved and Canada continuously feels the need to reassert its claims (at least in print) is reflective of the greater power the US has compared to Canada. The US cannot however, act or speak out too strongly, lest they affront their important neighbor. Canada on the other hand, has no great amount of leverage in these matters, as they depend at least partly on US assistance and cooperation in managing (shipping in) the Arctic waters due to their insufficient icebreaker capabilities. The legislative actions on the Canadian side show a great amount of creativity and pragmatism, as they contribute to a situation nearing sovereignty, in a practical if not legal sense. The fact that the US has adhered to the voluntary Canadian regulations and, even during the controversial transits of the NWP has always cooperated with the Canadian government on a practical level, shows their freedom of action is not unlimited.

Chapter 2: Security

While preparing for the presidential elections of 1980, Ronald Reagan visited the North American Air Defense (NORAD) headquarters in the Cheyenne Mountains, Colorado. On that visit, he was impressed by the possibility of tracking missiles in flight or even in space. At some point, he asked what could be done in the event of a nuclear attack on the US. The answer astonished him: the military could do nothing but sent out a warning that the destruction of the American continent was imminent.⁵⁸ Some three years later, in 1983, Reagan proposed a new security program for the US, called the Strategic Defense Initiative, often dubbed 'Star Wars' because of its science fiction-style innovation plans. The program was aimed at protecting the US from missile strike, rather than retaliation after one had happened. The ambitious program had hardly come underway when the geostrategic world was turned upside down with the end of the Cold War in 1989.

As the US' only northern neighbor, and literally wedged in between the Soviet mainland and the US, Canada was of high importance to the US during the Cold War. The relationship was and is, mainly one of intense cooperation, though several issues existed between the two countries concerning security, during the Cold War, but also after it had ended. The Arctic was, out of geostrategic necessity, a key area. After all, for the USSR to reach the American continent, missiles, aircraft, ships or submarines had to pass over (or under) the Arctic, through Canadian territory.

The North American Air Defense Agreement was established in 1958 between the United States and Canada, mainly to protect North America from the threat of Soviet bombers. Before that, defense cooperation between the two countries already existed in the Permanent Joint Board of Defense, established in 1940. The PJBD ran three Canadian-based radar systems. The Pinetree Line along the 50th parallel, the Mid-Canada Line or McGill Fence, and the Distant Early Warning (DEW) Line, running through the Alaskan and Canadian Arctic roughly along the 69th parallel, which was finished after less than two years of construction in 1957. Of the three, only the Distant Early Warning Line became important in Cold War defense. Although the construction (and to some degree, operation) of radar systems on Canadian soil gave Canadians some concerns over their sovereignty in the Arctic, Americans formally acknowledged Canadian sovereignty over the Arctic lands in return for the development of the radar system.⁵⁹

⁵⁸ Homan, K. and Kreemers, B. *'NMD, de Amerikaanse Waterlinie: Clingendael Occasional Paper'* (Den Haag, 2000) p.33

Reiss, E. *'The Strategic Defense Initiative'* (Cambridge, 1992) p. 42

⁵⁹ Morton, D. 'Providing and Consuming Security in Canada's Century' in: *'The Canadian Historical Review'* (2001) p.19

The 1950's radar lines were designed to give warning for Soviet bombers entering North American airspace. However, by the end of the 1950, Intercontinental Ballistic Missiles (ICBM's, Cruise Missiles) had been developed in the Soviet Union, for which hardly any defense was possible. These missiles could be fired from large distances, in later decades also from aircraft (Air-Launched Ballistic Missiles, ALBM's) and from submarines (SLBM's), were smaller than a manned aircraft, could travel long distances and could be armed with nuclear warheads.⁶⁰ Defense against these missiles would remain the most important security concern of both the United States and Canada during the Cold War and, to some extent, after 1989 as well.

NORAD was established as a common defense of the airspace. Both Canada and the US were active members of NATO, but it was felt that, because of geographic circumstances, a joint air command was necessary. For Canada, sovereignty was an ever-present concern in relations and cooperation with the United States. *'How could Ottawa consider itself to be the equal of Washington in the joint defense of the continent? What influence could Canada hope to exercise? This feeling of threatened independence was exacerbated by the relative high level of US military activity in Canada during these years.'*⁶¹ The US for its part, depended on Canadian cooperation in continental defense, fearing attack from the north. The US could not afford an undefended Arctic.

Canada was now very close to being actively involved in nuclear strategy, although Canada never had any nuclear weapons themselves, nor any American nuclear weapons on its territory, because of its active disarmament and non-proliferation stance.⁶² The advantages of NORAD, however, outnumbered the concerns. Canada was able to have a say in continental defense to a degree they would never have had if the defense were the responsibility of the US alone. They also had access to a comprehensive defense system covering their complete territory, on a scale and level of technology they could never have reached alone. Also, the Canadians were, because of NORAD, privy to defense intelligence that otherwise the US would never have shared with a 'normal' NATO ally. Although the Commander in Chief of NORAD (CINCNORAD) was agreed to be an American, his Deputy (DCINCNORAD) was Canadian, and several Canadian officers would hold positions within in the command. Both Commanders in Chief are responsible to *both* the US and Canadian Governments. Reflecting population and economy sizes, Canada finances about 10% of NORAD, while the US takes on the other 90% which, for Canada, is cheaper than a national air defense system would be, even at a lower

⁶⁰ Purver, R. *'Arctic Arms Control: Constraints and Opportunities'* (Ottawa, 1988) p. 4

⁶¹ Sokolsky, J. 'Changing Strategies, Technologies and Organization: The Continuing Debate on NORAD and the Strategic Defense Initiative' in: *'Canadian Journal of Political Science 19'* (1986) p.754

⁶² Ibid.

level of sophistication and coverage.⁶³ Also, Canadian companies benefit from the so-called Defense Production Sharing Agreement, allowing them to compete on an equal footing with American companies on the American defense market, representing an economic advantage as well.⁶⁴ NORAD is a bi-national (not bilateral) agreement, with the command being joined, not national. However, this has at some points meant that (Canadian) officers in NORAD were better informed than their domestic superiors. For example, when Canadian Prime Minister Diefenbaker signed the agreement in 1958 (after it had been implemented), he was not informed that the threat of Soviet bombers, one of the early justifications for the establishment of NORAD, had largely made way for ICBM's, for which no defense was possible at that time. Also, the influence Canada has over NORAD is limited mainly to operational contributions, according to some authors. It does not reach to the basic strategic imperatives and objectives of NORAD, so they argue.⁶⁵

With concerns over sovereignty in mind, the Trudeau government set about to 'Canadianize' all continental defense activities taking place in Canada. In the 1975 NORAD renewal, the NORAD regional and operational control centers were reorganized, now conforming to the Canada-US border, where before these were mainly based in the United States. Control over the north American airspace was now carried out according to the territorial boundaries. This focus on continental defense in Canada meant a decrease in NATO involvement, something which had Washington concerned.⁶⁶

In 1968, the so-called ABM-clause was added to the NORAD agreement, on the specific request of Canada.⁶⁷ ABM stands for Anti Ballistic Missiles. This type of defense has been controversial from the start. Defense against ballistic missiles was difficult, if not impossible in the first post-war decades. Later, when some form of defense from these missiles became possible, it meant that for a defense to be effective, a huge active ABM-arsenal had to be installed, hardly in line with arms reduction or non-proliferation objectives. For an effective defense against a limited number of cruise missiles, many more ABM weapons had to be installed, because defense against these weapons is more difficult than attacking with them. According to many critics, this would not only start a new arms race, but would be highly destabilizing, because due to the weapons build-up, one side could be tempted to strike first, undermining the stability born out of Mutually Assured Destruction (MAD). MAD was the name for the situation in which both superpowers knew and

⁶³ Sokolsky, J. 'The continuing debate' p. 755

⁶⁴ Government of Canada, '1994 White Paper on Defense' (Ottawa, 1994) p.13

⁶⁵ Massie, J. 'Canada's (In)Dependence in the North American Security Community: The Asymmetrical Norm of Common Fate' in: 'American Review of Canadian Studies 37' (2007) p.503

⁶⁶ Barry, D. & Bratt, D. 'Defense Against Help' p 74

⁶⁷ Sokolsky, J. 'The continuing debate' p. 756

acknowledged that both they and their opponent had the nuclear capability to destroy the other in retaliation to a nuclear attack. This was considered effective deterrence from using nuclear attack and formed the basis of Cold War defense against nuclear arms.⁶⁸

The ABM-clause was removed from the NORAD-agreement in 1981, when it was felt to be unnecessary, because the US and USSR had signed an ABM treaty in 1972, limiting both superpowers' numbers of ABM-installations to one. The ABM-clause in NORAD was more or less symbolical. *'The secretary of state for external affairs has explained that the clause was deleted because it was felt that the ABM treaty was holding. Thus the government wanted to avoid any suggestion that either Canada or the United States would take any action contrary to the Treaty. Another reason was that since the US had not maintained the one system permitted under the Treaty, there was even less need for the clause.'*⁶⁹

In 1981, the name of the agreement was changed to North American Aerospace Defense Agreement, reflecting the changes in possibilities from mere air-defense to include (projected) space defense. Two years later, on March 23, 1983, President Reagan announced a radical change in American defense: the Strategic Defense Initiative. In his televised speech, Reagan did not mention the Initiative itself, but announced, with plenty of rhetoric drama *'a vision of the future which offers hope'*. This vision would entail strategic defense against soviet ICBM's: *'counter the awesome Soviet missile threat with measures that are defensive (...) we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies'*.⁷⁰ In this speech, Reagan announced a research and development project aimed at active defense against ballistic missiles. The program was quickly dubbed 'Star Wars', because of the importance of space and computer technologies and its science-fiction like aspects.

Although Reagan stated that the Initiative would be *'consistent with our obligations under the ABM treaty'*⁷¹, the program was cause for worry on the Canadian side. Since NORAD was renamed to include *Aerospace* defense, many feared Canada would now be involved in active BMD, something they explicitly did not want. A joint House of Commons and Senate Committee looking into Foreign Policy, also set out to assess Canadian public and political opinion on this topic. A clear answer was never formulated. The official government response to SDI was somewhat ambivalent in the end: *'the government had decided not to participate in*

⁶⁸ Ibid.

Barry, D. & Bratt, D. 'Defense Against Help' p. 74

⁶⁹ Sokolsky, J. 'The continuing debate' p. 757, p.762

⁷⁰ Reagan, R. 'Address to the Nation on National Security on 23 March, 1981' p. 4

⁷¹ Ibid, p. 5

SDI on a "government-to-government" basis because "Canada's own policies and priorities" did not warrant it. However, private companies and institutions would be free to compete for SDI business and research contracts. On the question of SDI itself, the minister said that Canada regarded it as "both consistent with the ABM Treaty and prudent in the light of significant advances in Soviet research and deployment of the world's only existing ballistic missile defense system".⁷²

Despite reassurances that Canada would not be involved in SDI on a governmental level, the linkage between SDI and NORAD remained worrisome, especially when in 1985 the US Space Command (USSPACECOM) was established, whose commander in chief (CINCSpace) would also be commander of USAF Space Command and, most notably, Commander in Chief of NORAD. Although the integration of Space Command and NORAD had been underway for some time, this gave rise to additional worries that CINCSpace would be given operational responsibilities for Anti Satellite and Ballistic Missile Defenses, once those systems would be operational. Although the NORAD terms of reference still excluded these operations, many feared the command structure made NORAD perhaps too much intertwined with these more aggressive forms of defense.⁷³

SDI was expected to cost more than \$40 billion.⁷⁴ Although Canada did not actively participate in SDI, the Canadian government mentioned multiple times that the program was in line with the ABM Treaty and did not oppose it in any way. The Canadian military forces meanwhile, had been subject to years of budgets cuts and a decrease in importance over the years the liberal Pierre Elliot Trudeau was Prime Minister (1968-1979, 1980-1984). This had lead to a situation in which the military was underfunded, lacked equipment and personnel and its required maintenance and training. NATO had not been a priority under the Trudeau government, something which not only troubled some European allies, but was not viewed positively in the US either.⁷⁵ A defense review was set up under the new Progressive Conservative Prime Minister Brian Mulroney, which lead to an ambitious Defense White Paper in 1987. The conclusions on the current state of the Canadian Forces were clear: *'we are not able to meet [our] commitments fully and effectively. After decades of neglect, there is indeed a "commitment-capability gap". (...) much of the equipment of most elements of the Canadian Forces is in an advanced state of obsolescence or is already obsolete. Modernization programs have not kept pace with obsolescence.*

⁷² Sokolsky, J. 'The continuing debate' p. 763-4

⁷³ Ibid. p. 764-5

⁷⁴ Homan, K. and Kreemers, B. *'NMD, de Amerikaanse Waterlinie'* p.26

⁷⁵ Barry, D. & Bratt, D. 'Defense Against Help' p. 74

(...) *The root of the problem is the level of funding available to defense over the last 25 year.*⁷⁶

The 1987 Defense Policy stands out among other White Papers of the surrounding decades. Not only is it by far the largest with almost 90 pages, it is clearly also the most ambitious policy paper of the lot. Filled with pictures of 'the men and women in uniform', the paper is fairly bristling with Cold War rhetoric, mentioning the possibility of Soviet attack multiple times and constantly mentioning the strong bond with the United States on defense matters (and NATO to a somewhat lesser extent). Also a very remarkable feature is the continuing mentioning of Canadian sovereignty in the paper. This is a great concern for the Department of National Defense and although national sovereignty may seem obvious or self-evident near the end of the twentieth century, this is clearly not so for Canada, given the continuing differences over the Canadian-Alaskan sea border and the Northwest Passage.

The defense review and the resulting White Paper fit in rather well with Mulroney's efforts at improving relations with the US. Before taking office, Mulroney declared that *'good, super relations with the US will be the cornerstone of our foreign policy'*. Riding the tide of worldwide neo-liberalism, Mulroney's Tory policies fitted well with the Reagan Administration's course. According to some authors, Canadian policy was 'adapted' to US policy in this time.⁷⁷

A shared ambition of both the US and Canada was the replacement of the old Distant Early Warning radar line with the so-called North Warning System (NWS). This new radar system, build to warn of any (Soviet) activity in the Arctic towards the American continent, would consist of 13 long range radars, 11 of which would be stationed in the Canadian Arctic. A further 39 unmanned short range radars would be installed, of which 36 on Canadian soil. The system was specifically designed to warn for low-flying (and thus difficult to trace) bombers and cruise missiles. The system would be complemented with "Over the Horizon Backscatter" (OTH-B) radars, located in the United States. These radars combined would cover the north American airspace completely. The project would cost about \$7 billion, some 88% of which would be paid by the US, leaving 12% of the costs to Canada and thus almost following the usual 1:10 ratio, even though the majority of the radars would be located in Canada.⁷⁸

One important notion in the 1987 Policy is the lack of Arctic capabilities of the Canadian Forces. The Department of Defense wanted a 'three ocean navy', capable

⁷⁶ Government of Canada, Department of National Defense, *'Challenge and Commitment, A Defense Policy for Canada'* (Ottawa, 1987) p. 43

⁷⁷ Herd Thompson, J. and Randall, S. *'Canada and the United States'* p. 276-277

⁷⁸ Sokolsky, J. 'The continuing debate' p. 760

of operating in all three of the oceans surrounding Canada: the Atlantic, Pacific and Arctic oceans (roughly in that order). Although the Atlantic was considered the most important of the three, followed by the (northeast) Pacific, the importance of the Arctic is also stressed in the Policy Paper: *'Over the past two decades, with the development of nuclear power, the Arctic has become an operating area for submarines. (...) In a period of tension or war, Soviet submarines could seek to operate off the deep channels of the Canadian Archipelago to intercept Allied submarines entering the Arctic. Moreover, the Soviets might use these channels in war to reach patrol areas in the North Atlantic, including the Labrador Sea. In light of these circumstances, the Canadian navy must be able to determine what is happening under the ice in the Canadian Arctic, and to deter hostile or potentially hostile intrusions. At present, the Canadian Navy cannot carry out in the Arctic these roles essential to our security and sovereignty.'*⁷⁹ To address this lack of Arctic capabilities, the government planned on acquiring ten to twelve nuclear-powered submarines, capable of under ice operations, to be stationed in ports on all three oceans.⁸⁰ Several other proposals for new materiel are made in the Policy Paper, all with the goal of getting the army up to the task of countering the perceived Soviet threat and *'providing a more credible and sustainable contribution to collective security'*⁸¹ (i.e. be more active in NATO).

According to some scholars, however, the Canadian Forces did not need the investments just for the protection against the Soviets, but also for protection against the US. As a smaller country intimately allied with the US, Canada, so fear many Canadian scholars, is always at the risk of losing the freedom to pursue its own (foreign) policy agenda and objectives, and being subject to 'unwanted help' in mainly defense from their larger neighbor. This idea is called 'defense against help' and has lead many Canadians to believe that the US can constitute a risk to Canadian sovereignty if Canada does not have adequate national defense abilities, and therefore, defense should be a priority for Canada. *'In Canada, defense against help is a policy response to that nation's somewhat unconventional "security dilemma," the essence of which is that the United States, in the process of guaranteeing Canada's safety, could itself become a security threat.'*⁸² This security threat would consist of the US gaining too much influence in Canadian security policy, tipping the balance between interdependence and sovereignty by reducing Canadian freedom to act.

⁷⁹ Government of Canada, *'Challenge and Commitment'* p. 50

⁸⁰ *Ibid.*, p.52-3

⁸¹ *Ibid.* p.89

⁸² Barry, D. & Bratt, D. *'Defense Against Help'* p. 64

Ever since the end of the Second World War, cooperation between the US and Canada has led to a certain level of integration or adjustment of the Canadian Forces to US military practice, or, as one author puts it: *'By 1948 the PJBD had become a justification for converting Canada's armed services to American equipment, doctrine, training, and, ultimately, values.'*⁸³

According to some authors, the attention given to the commitment-capabilities gap was not just to deter the Soviet Union, nor to reassure NATO that the Mulroney government was giving higher priority to the Alliance than Trudeau's had. According to some, the renewed attention for defense was mainly to deter the US from providing any unwanted help in the defense of Canada. *'Although it was couched in Cold War term and was intended "to demonstrate Canada's utility as a loyal American ally," (...) it was also designed to defend Canada from unsolicited American help. This could be seen in the Government's decision to increase the size of the armed forces, and to upgrade Canadian coastal defenses, anti-submarine warfare capabilities, and air defenses.'*⁸⁴

One author states that the US was not happy with the new Canadian ambitions: *'Washington was not pleased with another Canadian initiative: a dozen nuclear-powered submarines could operate in all three of Canada's oceans. By 1989, Canadian critics had loyally sunk the project; henceforth, American submarines would tell Canadians whatever the Pentagon thought they needed to know about activities in the Polar icecap.'*⁸⁵ According to this view, Washington wanted Canada to increase its defense expenses, but only on Washington's terms, following American, not Canadian priorities.

Despite all military ambitions on either side of the 49th parallel, both the US and Canada saw huge defense cuts, rather than investments, by the end of the 80's and the following decade. At first due to economic downturn, and later, because of a lessening of Cold War tensions and the eventual end of the Cold War. Mikhail Gorbachev's *perestrojka* and *glasnost* first reduced the Soviet threat, then it vanished with the collapse of the Soviet Union and Warsaw Pact after 1989. Gorbachev had called for a lessening of military tension in the Arctic in his 1987 Murmansk speech. This speech is seen as the advent of a new security narrative, centering around 'human security' rather than military or strategic security. This means including things like environmental concerns, energy security and a strong focus on human rights and well-being into security policies. This concept included environmental protection as crucial to the safety of food, water, air and living area.⁸⁶

⁸³ Morton, D. 'Providing and Consuming Security' p. 19

⁸⁴ Barry, D. & Bratt, D. 'Defense Against Help' p. 76

⁸⁵ Morton, D. 'Providing and Consuming Security' p. 25-6

⁸⁶ Heininen, L., Nicol, H. 'The Importance of Northern Dimension' p. 140

With the end of the Cold War, cooperation between the former adversaries became possible. At the same time, globalization became truly possible, since no longer was a significant part of the world off-boundary for governmental and commercial cooperation.

The results of Gorbachev's policies can be seen in early 1989, with the Canadian Defense Update for 1988-89, the first (and last!) annual update on the 1987 Policy Paper. The tone of this document is much more hopeful than that of the former. But, though the Soviet threat is acknowledged to have decreased, the plans as laid out are still to be continued. The acquisition of 10-12 nuclear-powered submarines by 1996 is repeated and an update of the progress on the NWS is given, which is by then nearing completion.⁸⁷

Three years later, however, when the next White Paper on Canadian Defense Policy is published, the level of ambition has been greatly reduced already, given the changes in the geopolitical and geostrategic world. The new security narrative is reflected in an emphasis on global peace and security, with an important role for the United Nations. The recurrent theme of defense against help can also be seen again: *'In the North American context, only the United States has the full arsenal of weapons necessary to defend a continent as vast, as diversified and as thinly populated as ours. At the same time, the United States relies upon us to undertake a reasonable effort in our own defense. If we were to fail to do so, we could expect demands from the United States with regard to its own northern security requirements. These could well be incompatible with full Canadian independence and sovereignty. In short, some degree of defense effort is required if we are to remain an independent nation.'*⁸⁸ Defense against help is clearly an important point for Canadian defense policy makers.

The reason why this is an even bigger point in the 1992 White Paper, is because large budget cuts in defense are being presented. Canada retreats all its forces from Europe (which are presumed not to be necessary anymore with the Warsaw Pact no longer in place), personnel numbers are being cut drastically, as are equipment and infrastructure expenses: *'A greatly altered geostrategic situation and the consequent increase in threat warning time means that we can reduce the readiness of certain elements of the Canadian Forces without jeopardizing Canadian security.'*⁸⁹ The cuts were dramatic: by 1999, defense spending had been cut by 25% and reduced the armed forces by 30% of the amounts of ten years before.⁹⁰

⁸⁷ Government of Canada, Department of National Defense *'Defense Update 1988-89, presented to the House of Commons Standing Committee on National Defense'* (Ottawa, 1989) p. 10-11

⁸⁸ Government of Canada, Department of National Defense *'Defense Policy 1992'* (Ottawa, 1992) p.6

⁸⁹ Ibid. p. 13

⁹⁰ Barry, D. & Bratt, D. *'Defense Against Help'* p. 77

Although the objectives of the Department of National Defense related to the Arctic do not change, the planned investments do differ quite a bit from the former policy papers. Where the diesel-powered Oberon-class submarines were called '*obsolete and insufficient to perform today's tasks*'⁹¹, the 1992 White Paper states that '*Despite their many years of service, these boats are equipped with modern combat control equipment and weapons.*'⁹² In 1994 the option was 'explored' to acquire from the British navy four Upholder class (later named Victoria class) Diesel-electric submarines instead. Bought in 1998, they were taken into service from 2000-2003. While this is a significant modernization and these ships do have Arctic capabilities, these ships are a clear down scaling from the original 10-12 nuclear-powered submarines proposed in 1987.⁹³ Notice is given to the acquisition of some aircraft with arctic capabilities and the full implementation of the NWS, but given the fact that the former is far less expensive than ships with Arctic capabilities and the latter was almost finished in 1989 already, the Arctic ambitions are clearly tuned down significantly.

The fact that the Cold War had ended, did not make the world a safer place. In fact, before 1989, it was at least clear where the threat came from. After the end of the Cold War, a more unstable world emerges, with wars erupting in unexpected places and 'rogue states', such as North-Korea becoming a new threat. The possibility of these states harboring ballistic missiles, weapons of mass destruction (WMD) or terrorists emerges. The United States kept playing an active role in international peacekeeping, and so did Canada.

Canada however, only took action in UN-sanctioned missions and stayed clearly within the UN framework. This might have been yet another example of the defense against help doctrine; Canada actively asserting its military capabilities to ensure to the US it was still a reliable NATO, NORAD (and UN) military ally. According to one author '*in the post-Cold War era, the Canadian government continued, and continues, to attempt to temper America's security-driven agenda regarding continental defense by reassuring Washington that it is concerned about security imperatives, in order to reduce the likelihood and potential impact of American unilateral gestures.*'⁹⁴

Canada does play an active military role, but has changed its perception of security more radically away from strategic security and towards the broader concept of human security. Washington seemed less than pleased with their neighbor's

⁹¹ Government of Canada, '*Challenge and Commitment*' p. 51

⁹² Gouvernement of Canada, Department of National Defense '*Defense Policy 1992*' p.20

⁹³ Gouvernement of Canada, '*1994 White Paper on Defense*' p.26

⁹⁴ Massie, J. '*Canada's (In)dependence* p. 504

military budget cuts, but since Canada was living up to its military promises in conflict areas, real pressure could not be mounted.

With the new threats taking place more and more on other, more localized places of the world, the relevance of the Arctic from a defense perspective decreased. True, the transfer of the Soviet nuclear missile arsenal to Russia had many, both in Ottawa and Washington, worried, but a threat from 'up north' had become highly unlikely. This is reflected in the down scaling of equipment acquisitions and the heightened attention given to new threats, including rogue states, cyber attacks, drugs trafficking and other non-military threats. These would probably not come via the Arctic. The importance of the high north shifted towards the economic and ecological, and away from the strategic.

The US-Canadian defense relationship during the whole second half of the twentieth century, and explicitly in the last two decades of it, strongly reflect the icy grip thesis and clearly shows the balance between interdependence and sovereignty. The Arctic was a region of major importance for both countries, as it lies directly between the north American continent and the Soviet Union. The US cannot afford an undefended northern boundary of the continent, but Canada cannot afford (literally) the defense infrastructure necessary to defend and monitor their northern territories. In short: both countries need each other. And although the US seems to determine the overall direction of the continental defense, Canada does have its own opinion, for example on ABM and is capable of making itself heard. Canada managed to stay out of ABM for the most part and the Canadian government stayed out of SDI. This was not easy, however.

Economic downturn and the end of the Cold War meant a decrease in military expenditure in both countries. After the Cold War, however, Canada could renew its ambition of being a leading nation in international mediation and peacekeeping, through active UN-participation. In this role, Canada is somewhat more free from US dominance. New threats, however, also mean new defenses, and cooperation is still very much necessary, leaving both countries intimately connected.

Chapter 3: Energy

The US as the determinant factor and Canada mostly in a responsive position is the basic situation in many US-Canadian interactions. This situation seems quite different in the field of energy. With oil (and to a lesser extent natural gas) as the motor of the world economy for the past century and the foreseeable future, Canada, as a net exporter and major producer of fossil fuels has some clear bargaining power over its main importer, the US. However, this also means that the Canadian economy is highly dependent on US oil imports, making the relationship once again one of mutual interdependence.⁹⁵ Energy security has for a long time been a concern of especially the US, but with the post-Cold War security concept including energy security more prominently, this facet of energy policy has come more to the foreground. Meanwhile, that new security concept also gives higher priority to environmental concerns, which are an important factor in especially Arctic energy production and transport.

The United States are a net importer of oil, importing more than half of their required oil in 2003, as oil demand is about twice as high as domestic production.⁹⁶ Oil is imported mainly from Canada, which is perceived as a solid, safe partner to import the economically vital commodity from.⁹⁷ Although the US produces substantial amounts of oil and natural gas on its own, domestic demand greatly exceeds supply for energy. Canada on the other hand, has oil reserves about eight times larger than those of its southern neighbor (although not all of these are readily available, as we shall see) and domestic supply exceeding demand. Although Canadian natural gas reserves are about a third of those in the US, domestic demand in the US exceeds supply in the gas sector as well.⁹⁸ Canada does import some of its oil, though, since oil production almost exclusively takes place in the western provinces and then mainly in Alberta. The Atlantic provinces are predominantly serviced by imported oil. The Arctic contains substantial amounts of hydrocarbons: mainly natural gas, but oil as well. Exploitation of Arctic oil and gas reserves is more technologically challenging than in moderate climates.

The 1970's witnessed several major oil crises, with OPEC-countries showing their muscles and their power over the world economy because they controlled oil supply to basically everywhere on the globe. The apparent volatility of oil supply and the sudden skyrocketing of energy prices made many developed countries anxious. In Canada, the Liberal Trudeau government embarked on a controversial federal

⁹⁵ Gattinger, M. 'From Government to Governance' p.322

⁹⁶ Cleveland, C., Kaufmann, R. 'Oil Supply and oil politics: Déjà Vu all over again' in: 'Energy Policy 31' (2003) p. 485

Gattinger, M. 'From Government to Governance' p. 323-4

⁹⁷ Herd Thompson, J., Randall, S. 'Canada and the United States' p. 256

⁹⁸ Gattinger, M. 'From Government to Governance' p. 323-4

energy policy in 1981, called 'National Energy Program' (NEP). This sparked a myriad of conflicts and discontent, both domestic and with the United States.

The NEP had three main goals: first, to provide for energy security in Canada through greater self-sufficiency in (mainly) oil and decrease dependence on the world market; secondly, 'fairness' in pricing and revenue sharing, which meant a lower consumer price for domestically produced oil than foreign oil and a larger share of domestic oil revenues to flow to the federal government; thirdly, increase Canadian participation in and ownership of the energy sector, which was at that time mainly foreign-owned.⁹⁹ A fourth goal was the promotion of exploration and exploitation of 'new' hydrocarbon sources, mainly the Albertan oil sands and Arctic oil and gas fields, which would mean higher domestic production and thus improve self-sufficiency.

Although a 1976 Economic Council of Canada Report advised against a '2-price' policy, calling it '*too blunt and coarse an instrument*'¹⁰⁰, exactly such a policy was developed in NEP. Domestic wellhead prices of conventionally produced oil ('old' oil) would not be allowed to exceed 75% of world prices. Newly discovered oil and oil from unconventional sources (for example, the Albertan Tar Sands or Arctic oil) could be priced at a maximum of 100% of world prices.¹⁰¹ Exports of oil would be subject to approval of the National Energy Board (NEB), and permitted only if there was an exportable surplus.¹⁰²

In 1970, more than 90% of all oil and natural gas related industry in Canada was foreign owned. Twenty years later, the majority of these activities are controlled by Canadians.¹⁰³ Although opinions of authors differ whether that was more or less caused by NEP or that NEP was merely an episode in the ongoing process of 'Canadianization', fact is that the Canadian oil and gas industry changed from mainly foreign companies and interests to an industry profoundly Canadian. By the time NEP was introduced, the oil industry was still more than 70% foreign-owned. One of the goals of NEP was a 50% Canadian ownership of the oil industry by 1990. To promote Canadian ownership and the development of unconventional oil sources such as those in the Arctic, an incentive program was developed for exploration and development projects: the Petroleum Incentive Program (PIP). Grants were awarded based on the percentage Canadian ownership of a company: for companies more

⁹⁹ Jenkins, B. 'Reexamining the "Obsolescing Bargain": A Study of Canada's National Energy Program' in: 'International Organization 40' (1986) p.146

¹⁰⁰ Powrie, T., Gainer, W. 'Canadian Policy Toward Trade in Crude Oil and Natural Gas -A Review of the Alternatives' (Ottawa, 1976) p. 92

¹⁰¹ Jenkins, B. 'Reexamining the "Obsolescing Bargain" p. 147, 149

¹⁰² Helliwell, J., McRae, R. 'Resolving the Energy Conflict: From National Energy Program to the Energy Agreements' in: 'Canadian Public Policy/Analyse de Politiques 8' (1982) p.15

¹⁰³ Niosi, J. and Duquette, M. 'La Loi et les Nombres: le Programme Énergétique National et la Canadianisation de l'industrie Pétrolière' in: 'Canadian Journal of Political Science/Revue Canadienne de Science Politique 20' (1987) p. 317

than 75% Canadian-owned, PIP grants provided 35% costs for exploration on provincial lands and as much as 80% on the so-called 'Canada lands', federal-owned lands, such as the (semi-)Arctic Yukon and Northwest territories, offshore areas and the Canadian Arctic. Companies that were 50-75% Canadian owned could have 10% of costs provided for by PIP on provincial lands and 45% on Canada lands. Companies less than 50% Canadian were not eligible for PIP on provincial lands, but could receive grants for 25% of exploration costs on Canada lands. Production on Canada lands could only be carried out by companies at least 50% Canadian owned.¹⁰⁴

The state-owned oil company Petro-Canada (established already in 1975) was also used as a tool to increase domestic ownership of the industry. A particularly controversial part of NEP was the so-called 'back-in' clause, reserving a 25% interest rate for Petro-Canada in all existing and future oil and gas discoveries (which could be converted into a working interest) on Canada lands. This would give the government more influence in future oil exploration projects in the Arctic and other federal lands. This clause was one of the first parts of NEP to be changed, with the federal government offering to pay some of the exploration costs of the projects it was backing into, to be paid for by the money they would receive once production began.¹⁰⁵

Since a large part of foreign companies active in the Canadian oil sector were from the US, the reaction from Washington was furious. The canadianization measures were called '*unfair, discriminatory, and worse*', mainly because '*US companies are by far the dominant foreign entities in the Canadian petroleum industry, the impact of the NEP has fallen heavily upon US corporate interests.(...) NEP appeared to be linked to a number of unfriendly takeover attempts by Canadian firms directed at US parent companies*'.¹⁰⁶ US companies feared that mainly the 'middle tier' of the oil industry would be threatened by NEP. Mostly however, the US government was very worried about the discriminatory measures featured in NEP. According to the US, the structure of PIP, amongst others, was not in line with the principles of 'national treatment' of foreign investment as laid down in GATT and the foreign investment regime of the Organization for Economic Cooperation and Development (OECD). The US response was fierce in part because the US feared that other countries would follow Canada's example in nationalist and protectionist policies: '*The US government response has potentially considerable precedential significance vis-à-vis other countries which might seek to emulate Canada (...)* The

¹⁰⁴ Jenkins, B. 'Reexamining the "Obsolescing Bargain" p. 147

¹⁰⁵ Ibid. p. 147, 149

¹⁰⁶ Wonder, E. 'The US Government response to the Canadian National Energy Program' in: '*Canadian Public Policy/ Analyse de Politiques 8*' (1982) p. 481

*US regards this situation as undesirable not only in itself, but particularly in terms of the encouragement it might give to less developed countries (LDCs).*¹⁰⁷

One of the key points the Reagan administration objected to was the new, more active role of the Canadian Foreign Investment Review Agency (FIRA). Set up in 1974, its goal was to assess whether a foreign investment in Canada, in any sector, was beneficial to the Canadian economy. In the period 1974-1980, FIRA had usually refused some 7% of applications for investment or acquisition. In 1980, this percentage rose to 13%, in addition to a far more rigorous review process, which increased process time and created a considerable backlog in cases. Although officially separate, the US government saw the new FIRA policy as part of NEP (although FIRA oversaw all economic sectors, not only the energy sector). *'Although the U.S. government had taken a rather tolerant view in the past, it viewed the combined impact of the NEP and the "new" FIRA as excessively nationalist.'*¹⁰⁸ A GATT-panel review was requested for by the US, which eventually led to approval of FIRA's policies, but it was a clear sign for Ottawa that the US was not content with Canada's nationalist policies.

The Canadian reaction was partly defensive, but mostly very pragmatic. Canada never failed to point out that much of the American objections were fuelled by US corporate interests –especially when Congress got actively involved for a short period.¹⁰⁹ Congressional calls for retaliatory measures were not taken very seriously by the Administration, since these would severely frustrate the bilateral relationship. In an especially polemic set of articles, a Canadian M.P. not only noted the rash proposals of *'certain US Congressmen'*, but also mentioned the role of US media: *'much of the US media had its own reasons (some of them related to previous brushes with Canadian regulation on foreign magazines and cable television) for searching out further 'lapses' in Canadian treatment of foreign enterprises.'*¹¹⁰ According to this M.P., part of the problems stemmed from *'mistiming or misperceptions superimposed on serious and deep differences in policy approaches by the two governments'*.¹¹¹ Although communications may have been smoother had *'timing'* and *'perception'* been more advantageous, the *'serious and deep differences in policy approaches'* were so profound that blaming circumstances, rash Congressmen or corporate lobbying does not seem sufficient.

Although NEP never called for nationalization of oil companies, this was often misperceived in the US. Canadianization meant promoting ownership of firms

¹⁰⁷ Ibid. p. 482-483

¹⁰⁸ Jenkins, B. 'Reexamining the "Obsolescing Bargain" p. 152-153

¹⁰⁹ Ibid. p. 492

¹¹⁰ Maclaren, R. 'Canadian Views' p.494

¹¹¹ Ibid. p. 494

operating in Canada by Canadians, not the Canadian government. One other heavily criticized point, the 'back-in' clause, was said to affect Canadian firms as well as foreign ones, therefore not being especially disadvantageous to US companies. The most problematic point however, that of discriminatory measures against foreign companies, was reacted upon strictly defensively by the Canadian government: *'Generous grants are paid to foreign companies to help them with their exploration costs on federal lands and offshore; we are simply giving even more generous grants to Canadian-owned firms.'*¹¹² Clearly, Ottawa had set out a course and was not at all willing to change it.

However, the firm political stance notwithstanding, the practical outcome of the policies was far more pragmatic. The new ownership rules of PIP sparked a wave of joint-ventures between Canadian and US firms being set up, dramatically increasing the percentage of Canadian ownership in the energy sector, but maintaining a significant level of US influence in it. Moreover, the Canadian government was willing to make many and far-reaching exceptions and concessions to energy projects, such as tax-holidays, exceptions to price policy, etc. This led to one company executive's analysis that the government *'made a whole series of exceptions, so that the exception is now the rule'*.¹¹³

In the end, the program did succeed insofar as that Canadian ownership was increased (although this may have been part of an ongoing trend¹¹⁴) and federal income from oil and gas exploration increased. However, it was not Canadian consumers who paid the price for higher taxes, because of the stringent pricing policies, nor were the foreign (or national) oil companies the ones who footed the bill. They were able to set up lucrative joint ventures, lobby for significant exceptions and overall found ways to work around the rules and regulations to their advantage. The party who eventually turned out to be paying for the increase in federal income and influence were the governments of the producing provinces: mainly Alberta.¹¹⁵

The NEP did not last very long. It was designed in a time of extremely high oil and gas prices, due to the energy crises. When prices dropped rapidly in the early 1980's, the program's outlook changed dramatically. Exploration of frontier areas such as offshore and Arctic, strongly influenced by NEP under the Canada lands regulations, came to a near standstill. Lower oil prices meant exploration and production costs would grossly exceed expected revenues. Arctic oil and gas, while still a very hot issue in the late 1970's and early 1980's¹¹⁶, was reduced to second

¹¹² Ibid. p. 497

¹¹³ Jenkins, B. 'Reexamining the "Obsolescing Bargain" p. 148

¹¹⁴ Niosi, J., Duquette, M. 'La Loi et les Nombres p. 321

¹¹⁵ Jenkins, B. 'Reexamining the "Obsolescing Bargain" p. 150

¹¹⁶ Dosman, E. 'Offshore Diplomacy' p.8

stage when oil prices decreased again.¹¹⁷ It simply was not economically viable to exploit Arctic oil reserves –yet.

Basically, the NEP was the wrong program at the wrong time. It made relations between the federal government and the provincial government of Alberta more problematic than they ever were and was a major stress-point in US-Canadian relations. NEP was abolished as soon as the Progressive-Conservative Mulroney government came into power in 1984. In the course of about a year, measures were announced that would gradually but quickly abolish the newly founded federal taxes, liberalize oil and gas prices, abolish PIP and replace it with a credit system not distinguishing between Canadian or foreign owned companies. The back-in clause was also abolished. All in all, the NEP had not existed longer than five years.¹¹⁸ Any return to these type of nationalistic policies was made impossible when the Mulroney government signed the US-Canadian Free Trade Agreement in 1988 and even more so when NAFTA was established in 1993.¹¹⁹ Although both agreements were controversial in Canada, export increased dramatically after they were implemented, although that was partly caused by a cheap Canadian dollar as well.¹²⁰

The Mulroney government set out to deregulate much of the energy market, just like the Reagan Administration in the US had begun earlier. The Crown Corporation was largely privatized. Exports to the US rose sharply in the 1980s and 1990s, with Canada exporting about half of both its oil and natural gas produce, virtually all of both to the United States. This amounted to 27% of total US energy imports in 2000. Some energy is exported from the US to Canada, although that flow is hardly significant compared to the southward one.¹²¹ The oil and gas mentioned, however, comes mainly from conventional sources, still mainly in Alberta. In a 1975 report, the horizon for oil and gas reserves was set at 1995 at the latest, because after that, *'the prospects are good, or at least by major effort not too long delayed can be made good, for adequate alternative sources of energy.'*¹²² Although considerable progress is made, it is clear that even now, these alternatives have not yet been able to replace oil as major source of energy in the world. It demonstrates also that actual reserves were larger than presumed a few decades ago.

Canada has large reserves of 'unconventional' oil. The most important of those are the Albertan Oil Sands¹²³: sand containing heavy, extremely viscous

¹¹⁷ Niosi, J., Duquette, M. 'La Loi et les Nombres' p. 330

¹¹⁸ Ibid. p. 325

¹¹⁹ Gattinger, M. 'From Government to Governance' p. 325

¹²⁰ Herd Thompson, J. 'Canada and the United States' p. 309

¹²¹ Gattinger, M. 'From Government to Governance' p. 328

¹²² Powrie, T., Gainer, W. 'Canadian Policy' p. 6

¹²³ There seems to be some discussion about the name of these fields: either oil sands or tar sands. Although the heavy petroleum found in the oil sands may look like tar, it is chemically considered to be oil. Thus, the term 'oil sands' is used here.

petroleum called bitumen. The reserves in these sands are huge. Without them Canada's proven oil reserves would be some 5 billion barrels according to the US Energy Information Agency. With these sands added, Canadian reserves go up to as much as 175 billion barrels (and almost twice that amount with future expected extraction technologies taken into account).¹²⁴ Extraction, however, is difficult and requires high amounts of energy and water, produces a lot of carbon dioxide emissions and is very damaging to the environment.

Arctic oil and gas, although looking very promising during the oil crises, seems not to have lived up to its promise. Extraction of Arctic oil and gas has proven to be far more difficult and expensive than thought earlier. Currently the only productive oil and natural gas field north of the Arctic circle in north-America is Prudhoe bay in Alaska, although for some years Cameron Island in the Canadian Arctic has also yielded some small quantities of oil.

In 1969, the Alyeska Pipeline Service Company, a consortium of several major oil companies, applied for a permit to construct a pipeline from Prudhoe Bay on the northern slope of Alaska to Valdez in the south. The so-called Trans-Alaskan Pipeline System (TAPS) runs some 800 miles through Alaska, ending in a sea port from where crude oil is transported to US West Coast refineries. A permit to build the line was given in 1973 and building was finished in 1977. The four years between Alyeska company's applying for a permit and the permit being granted, heavy debate took place in Congress between the Alyeska company, government, environmentalists, native Alaskans, politicians and lobbyists with a wide range of backgrounds and interests.

In 1969, the National Environmental Policy Act had been signed, requiring an environmental impact statement for any '*major federal action significantly affecting the environment*'. An 800-mile hot-oil pipeline running through Arctic tundra, wildlife habitat and other pristine landscape federally owned, seemed to fit that description.¹²⁵ However, by the late 1960s, oil companies were used to getting government support and encouragement for their projects, not waiting years for a permit to be reviewed for possible environmental damage. The 1969 Santa Barbara oil blowout and consequential spill had changed legislator's perspective to oil drilling, however.¹²⁶ What ensued was a four-year process of writing an environmental impact statement, settling native Alaskans' land claims and notably, a remarkable suspicious view of US politicians towards Canada.

¹²⁴ Gattinger, M. 'From Government to Governance' p. 339

¹²⁵ Ashenmiller, J. 'The Alaska Oil Pipeline as an Internal Improvement: 1969-1973' in: '*Pacific Historical Review 75*' (2006) p.468

¹²⁶ Ibid. 470

The pipeline runs through Arctic and semi-Arctic tundra, which was problematic, because the crude oil transported through the pipeline needs to be warmed in order to flow properly. This would lead to melting the permafrost soil and turning it into soft mud if the pipeline was buried, undermining the construction on which it is built. However, building the pipeline aboveground meant it would block migration paths of animals living in the area.¹²⁷ Meanwhile, native Alaskans successfully pushed claims to be compensated for use of their ancestral lands which the pipeline crossed. The proposed route of the pipeline worried many, since it would end in a sea-port rather than at an existing pipeline hub. Not only did this make environmentalists anxious, but it also worried politicians. And rightly so, it appeared in hindsight with the 1989 *Exxon Valdez* oil spill in mind. This spill was caused by a ship transporting Prudhoe Bay oil from the port of Valdez to the US west coast. Furthermore, the possibility existed that Alaskan oil would not be shipped to US west coast refineries, but to Japanese ports, were oil prices were much higher. This worried US politicians greatly.¹²⁸

A different pipeline route was proposed, running along the Mackenzie river to Winnipeg, Manitoba. This would link the pipeline up to the existing north American pipeline network, and it would run along the Mackenzie Valley pipeline Canada was planning. This would mean that no tanker shipping from the port of Valdez was necessary. It would also mean a longer route though, with as much as 2000 miles running through Arctic and semi-Arctic terrain, instead of just 800 miles the Alaskan route would run through such terrain.¹²⁹ The prospect of having the pipeline running partly through Canada was worrisome as well: *'the mostly Canadian route sacrificed U.S. autonomy over the pipeline. Although hardly a Cold War adversary, Canada was still a different country, and trans-Alaska supporters argued that even close allies would come into conflict over how to divide the riches of such a wealth-producing enterprise, especially in a time of oil-market shocks.'*¹³⁰ This demonstrates the amount of anxiety present in the US energy security debate during the early 1970s.

When the permit for the Trans-Alaska Oil pipeline was finally granted in 1973, it was for the Alaska route, prohibiting Alaskan crude oil to be sold outside the US, and most notably, without any further need for environmental impact statements or other action required under NEPA.

An episode of almost comparable complexity took place in Canada with the Mackenzie Valley Gas Pipeline. Shortly after oil was discovered in Prudhoe Bay, natural gas was discovered in the Mackenzie Delta, eastwards of Prudhoe Bay on the

¹²⁷ Ibid. p.476-477

¹²⁸ Ibid. 486

¹²⁹ Ashenmiller, J. 'The Alaska Oil Pipeline'p. 479

¹³⁰ Ibid. p. 485-489

Canadian side of the border. The amounts of gas here were smaller than those found in Alaska, so a separate pipeline would be difficult to justify. Plans were made to join a possible Canadian gas pipeline with an Alaskan one, leading to the existing natural gas pipe network in Canada. An inquiry was set up to assess '*the social, environmental and economic impact*'¹³¹ of the pipeline. After 20 months of investigations, the National Energy Board rejected the application in 1976. Aboriginal groups and environmentalists opposed the pipeline, fearing it would not sustainably enhance aboriginals' economic outlook and damage the Arctic environment.¹³²

In 2004 the debate was re-opened and a new inquiry was started. By now, most aboriginal peoples were proponents of a gas line. Convened in the 'Aboriginal Pipeline Group', they would be stakeholders in the new project, able to exert influence in development, ownership and operation of the pipeline. Not all peoples agreed with that, though, as some peoples inhabiting lands along the pipeline's route still oppose construction. The price of natural gas has risen over the last decades, making it an economically more lucrative commodity. The natural gas, although a relatively 'clean' fossil fuel, could be used to extract oil from the Albertan oil sands: a source of oil whose extraction is highly polluting. Unchanged over the last decades, is the fact that the main stakeholders in the project would be American oil companies.¹³³

Even though natural gas has increased in importance, the pipeline would still be economically more sound if combined with an Alaskan gas pipeline, because of the larger quantities of natural gas present in Alaska. Even the viability of an Alaskan pipeline is doubted, though.¹³⁴ A number of possible routes exist for both pipelines, both with and without the possibility of linking up to each other. Both countries have not yet decided on the issue, so at this point the future of both planned pipelines remains uncertain.

One area keeps showing up in Canadian-US energy relations: the Alaskan Arctic National Wildlife Reserve (ANWR). East of Prudhoe Bay and west of the Mackenzie Delta, this area is completely Alaskan, but is close to the Canadian border. On the northern coastal plain of the refuge, an oilfield is situated. Although even reaching this area is very challenging for a large part of the year, let alone drilling in it, the amount of oil is often considered to be so significant that drilling could be economically viable. The exact amount of oil present there is difficult to determine. Practically the only reliable source of oil reserve estimates is the US

¹³¹ Stern, P. 'Hunting for Hydrocarbons' p. 421

¹³² Ibid. p. 422-423

¹³³ Stern, P. 'Hunting for Hydrocarbons' p. 430

¹³⁴ Mason, A. 'Neglected Structures of Governance in U.S.-Canadian Cross-Border Relationships' in: '*American Review of Canadian Studies* 38' (2008) p. 216

Geological Service (USGS). Their estimates vary strongly, depending on probability levels of a certain amount of oil to be found, based on areas with comparable geological features. With probability levels varying from 5% to 50% and 95% and different types of estimates (difference is made between all available oil, technically recoverable oil and economically recoverable oil), in addition to the importance of global oil prices in determining the amount of oil economically recoverable, estimates vary as wildly as 2-32 billion barrels of oil available in the ANWR. According to some authors, this makes any estimate of oil reserves and thus the potential importance of ANWR '*politically constructed*'.¹³⁵ Since wildly fluctuating estimates can all be justified in some way, these estimates can easily become more of a political tool than a reliable prediction.

The ANWR is a designated wildlife reserve and the calving ground of Porcupine Caribou herds crucial for the subsistence of the Gwich'in Inuit living in Alaska and Canada. Fierce discussion abounds about possible drilling in the ANWR, since first plans for drilling were made in the early 1970s. In 1987, a US-Canadian agreement on the conservation of the porcupine caribou herd was signed, acknowledging the importance of the caribou for indigenous peoples and as a natural species requiring protection. Both countries agreed to cooperation on the matter: '*Where an activity in one country is determined to be likely to cause significant long-term adverse impact on the Porcupine Caribou Herd or its habitat, the other Party will be notified and given an opportunity to consult prior to final decision.*'¹³⁶ Canada has placed much emphasis on the Porcupine Caribou and Gwich'in issue. According to one author, this issue is '*not one of energy for Canada, but one of the environment and of aboriginal peoples*'.¹³⁷ Apart from that, stressing this issue may enhance Canadian credibility in circumpolar cooperation, which is centered for a large part around precisely these two themes: environmental and indigenous concerns.

Several times since the 1970s, permission to drill in the ANWR was granted by either House of Congress, but each time it was rejected again by the other House, or, as happened in 1996, by veto of the President. Behind the wish to drill for oil in the remote ANWR, lies the desire of many in the United States to decrease dependence on foreign oil, especially from OPEC countries. It is hard to assess how much the energy security relation of the US would benefit from ANWR oil, as

¹³⁵ Schlosser, K. 'U.S. National Security Discourse and the Political Construction of the Arctic National Wildlife Refuge' in: '*Society and Natural Resources 19*' (2006) p. 7

¹³⁶ Agreement Between the Government of the United States of America and the Government of Canada on the Conservation of the Porcupine Caribou Herd (signed Ottawa, 1987) p. 2

¹³⁷ Gattinger, M. 'From Government to Governance' p. 342

estimates on the amounts of oil in the reserve vary and exploitation would be very difficult given the Arctic climate.¹³⁸

Many argue that energy security would be better served with energy efficiency measures, decreasing the almost 18 million barrels per day US the US consumes, which makes it the number one oil-consuming country in the world.¹³⁹ With Canada as the main foreign supplier of oil to the US, this emphasis on self-sufficiency and security is of importance to the US-Canadian relationship. With the end of the Cold War including non-military security threats into the security narrative, energy security became even more important.¹⁴⁰ Any disruption of energy supply would be such a security threat. The idea hardly seems new, though. Already in the early 1970s, anxiety existed in the US over possible Canadian authority over the Alaskan pipeline. Apparently, if the need is high enough, any country can be a threat when it comes to that determining factor in the global economy that oil is. An added risk of damage to (or attacks on) pipelines providing the US with oil and gas is also included in the energy-security debate. The Cold War, nor its ending hardly seems to have had a significant influence on US-Canadian energy relations.

Despite the existence of many transnational pipelines between the US and Canada, as well as many bi- or multinational energy companies and joint ventures between American and Canadian companies, a certain suspicion seems to exist, mainly in the United States, towards any country when it comes to energy and energy imports. This suspicion is present in the whole described period, from the early 1970s to the present. It became especially strong during the years of the Canadian NEP, when Canada showed unprecedented assertiveness and nationalism in energy matters in response to the worldwide oil crises. Afterwards, relationships relaxed again, but the US always seems uncomfortable with its position of a net importer.

The US-Canadian energy relationship is perhaps the clearest example of mutual interdependence. Canada needs the US in an economic sense as the main foreign consumer of Canadian produced oil and gas. The US needs Canada as a reliable partner to import oil and gas from. With NEP, Canada showed more initiative in energy policy than in most other areas described in this thesis. This reflects their strong position in the energy field. NEP was not long-lived, though. In the end, a new political climate in Canada, notably more inclined to cooperation with the US than the one it replaced, combined with US and domestic protest ended the program after only a few short years.

¹³⁸ Cleveland, C., Kaufmann, R. 'Oil Supply and oil politics' p. 487

¹³⁹ CIA World Factbook, 2009 estimate

¹⁴⁰ Schlosser, K. 'U.S. National Security Discourse' p. 9

The Arctic was important in Canadian energy policy mainly during the NEP years. Exploration and production in the difficult but resource-rich areas was actively promoted under NEP. When oil prices dropped again however, Arctic oil and gas became commercially unviable for the most part. The only significant Arctic oilfield remains US Prudhoe Bay in Alaska. This single case, however, hardly does anything to structurally alter US policy on the Arctic.

Despite their strong position vis-à-vis the US, Canada could not, or would not, maintain policies that angered the US for long. As to Canadian opposition to drilling in the ANWR, their reaction is reactive, but stems from a strong position. The outcome of this controversy remains yet to be seen.

Chapter 4: Environment and regional governance

Environmental protection is clearly an issue where national boundaries are of little consequence and international cooperation is necessary. With the Arctic as an multinational, exceptionally large area of somewhat comparable environmental conditions around the globe, it is not surprising to see examples of bi- and multilateral cooperation being established early on. One of the first of such cooperation projects was the 1911 Convention for the Preservation and Protection of Fur Seals. Under this Convention, hunting for fur seals was only permitted for Indigenous peoples, hunting for subsistence purposes in traditional ways.¹⁴¹ Revised in 1957, the Convention continued to operate until 1984, when the US failed to ratify a protocol to extend its operation for another four years.¹⁴² Presumably, this was because of environmentalist groups opposing an agreement in which any wild animals were allowed to be killed.¹⁴³

Protection of nature and regional cooperation, therefore, are comfortably connected to each other. However, a lot has changed in environmental protection since the 1911 Convention protecting a single species from over hunting. The Arctic environmental agenda has evolved from relatively straightforward initiatives in wildlife protection and hunt regulation to becoming part of a new definition of security, and has broadened to encompass global phenomena such as pollution (not necessarily in the Arctic), ozone depletion, acidification and most recently, climatic change. International cooperation on these topics has increased from bi- and multilateral agreements to a widely acknowledged regional governance structure with its own unique features, accents and omissions. Although this cooperation has involved all eight Arctic states, the roles of both Canada and the United States are especially important in the process. Canada has often been the leading country in circumpolar cooperation initiatives, while the US has its own, more issue-based outlook. This makes US-Canadian relations on these issues interesting, since, once again, both countries are very much interdependent in their policy possibilities and aims, which is an important influence in the outcome of the different circumpolar cooperation initiatives discussed here. The new post-Cold War security narrative has been crucial in this field, opening up possibilities for cooperation and providing a new framework for especially circumpolar relations.

Although environmental concerns have sprung up all over the world, especially since the 1970s, it's no wonder that an early form of these issues were already addressed in the 1910s in the Arctic. The Arctic environment is especially

¹⁴¹ Joyner, C. 'United States Legislation' p.275

¹⁴² Rothwell, D. 'International Law and the Protection of the Arctic Environment' in: *International and Comparative Law Quarterly* 44' (1995) p. 290

¹⁴³ Young, O. *Arctic Politics: Conflict and Cooperation in the Circumpolar North* (Hanover, 1992) p.184

vulnerable compared to other regions, given the difficult climatic situation and the amount of adjustment necessary for any life to flourish there.

The earliest recognized environmental risk is that of threatened polar species such as fish stocks, whales, polar bears and fur seals. From the 1970s on, environmental protection gained in importance and scope in international politics. Air pollution became an issue, as did the depletion of the ozone layer, acidification and acid rain some years later.¹⁴⁴

Acidification of Canadian Arctic and semi-Arctic waters have been an irritant in Canadian-US relations in the 1980s and early 1990. Midwestern heavy industry and energy plants caused water in Canadian lakes to become more acidic. Under the Reagan Administration, the problem was largely denied, much to the irritation of Canadian environmentalists and policy makers. Prime Minister Mulroney spoke out on the subjects against Reagan, but was unable to have a serious effect. Laws limiting pollution and acidification were already in place in the US, but they were not enforced until the 1990s. Although the process of acidification is still going on, attention has for a large part shifted to the interlinked climate change, making acidification less prominent on the political agenda.¹⁴⁵

Also of more recent date are concerns with externally produced pollutants and climatic change. Although most research –and political controversy– on global warming is very recent and falling outside the scope of this thesis, the notion of climatic change and greenhouse gas emissions has been present in environmental discourse for longer, especially for the Arctic region.

Climatic change, higher average temperatures and receding and thinning of the polar ice pack have been registered for some decades.¹⁴⁶ Climatic change has gone faster and has been more far-reaching in the Arctic than in most other places on the globe. Air pollution and soot from industrial activity in and near the Arctic has darkened the ice cap, making it less reflective and more absorbent of solar heat. The same effect is found when the dark ground becomes visible under the thinning icecap, which helps warm the ground and melt permafrost. This self-accelerating process is one of the reasons climatic change has been so visible in the Arctic. A thinner ice cap reduces the habitat of polar bears, makes hunting for indigenous peoples more difficult as ice conditions become less predictable migratory patterns of Arctic mammals are disrupted and vegetation patterns change. Melting glaciers and land-ice also raise the average sea-level. Warmer temperatures push more species

¹⁴⁴ Rothwell, D. 'International Law' p. 289-293

¹⁴⁵ Herd Thompson, J. and Randall, S. 'Canada and the United States' p. 279-281

¹⁴⁶ Recently, this issue has become highly controversial. Leaving the question of determining the origins of climatic changes (naturally occurring fluctuations, anthropogenic greenhouse-effect or a mix of both) to climatological experts, an overview of the witnessed effects on the Arctic is given here. International policy has been greatly influenced by these changes, no matter what the exact causes have been.

northward, sometimes replacing exclusively Arctic species with those originating from sub-Arctic habitats. Navigation of Arctic waters becomes at once better possible and more treacherous, as known constellations of multi-year ice melt, change and get adrift and uncharted, seasonal ice drifts into the ice-infested waterways of the Arctic.¹⁴⁷

Another more recent realization is that the Arctic is an importer of pollutants produced elsewhere. Through sea and air currents, radionuclides and so-called Persistent Organic Pollutants (POPs), such as pesticides and chemicals are transported to the Arctic region. There, low temperatures can create a 'cold trap', preventing or slowing down further transportation and degradation. Thus, the Arctic becomes a 'sink' for polluting substances. POPs are especially problematic, due to their persistent nature: these substances are not or hardly degradable even in optimal conditions. These substances, together with heavy metals, accumulate in blood and body fat of Arctic animals, thus spreading through the food chain. Canadian Inuit, especially infants depending on breast milk, have been shown to be especially vulnerable to these pollutants as these Indigenous peoples rely on Arctic animals for their diet. Polar bears, another species at the top of the Arctic food chain, have also been affected.¹⁴⁸

The trans boundary nature of environmental issues has been one of the main reasons for the development of several regional governance initiatives in the Arctic. As a relatively unpoliticized field, environmental concerns have been a common cause for almost all Arctic nations and a reasonable starting point for cooperation. However, a new, post-Cold War concept of security has, at the same time, put the issue on the international agenda, this has largely been in a remarkably cooperative, uncontesting way.

Although many multi- and bilateral agreements on specific subjects were already in place, the starting point for circumpolar governance is often placed with the 1987 'Murmansk initiative' by Mikhail Gorbachev, named after the location of the speech in which it was presented in November of that year. Gorbachev called for international cooperation on Arctic environmental protection: '*The Soviet Union proposes drawing up jointly an integrated comprehensive plan for protecting the natural environment of the North.*'¹⁴⁹ Although Gorbachev mainly addressed northern European countries with his proposals for decreased military activity and

¹⁴⁷ Ebinger, C. and Zambetakis, E.: 'The Geopolitics of Arctic Melt' p. 1215, 1218

¹⁴⁸ Schram Stokke, O. A Legal Regime for the Arctic? Interplay with the Law of the Sea Convention' in: '*Marine Policy 31*' (2007) p. 404

¹⁴⁹ Gorbachev, M. '*Speech in Murmansk at the Ceremonial Meeting on the Occasion of the Presentation of the Order of Lenin and the Gold Star to the City of Murmansk*' (1987)

environmental protection, his speech set wheels in motion for circumpolar cooperation on a larger scale.

The Arctic had been an important area in the Cold War security discourse, as we have seen in chapter 3. With the lessening of tension between east and west and the end of the Cold War, a new concept of 'human security' was developed, focusing not so much on strategic security as on security of human life in general. With the former Cold War adversaries now on less hostile footing with one another, true globalization became a possibility. Globalization also triggered a surge in regional cooperation, centered around the new security narrative and prompted by the new openness in world politics. However, traditional political concerns and anxieties were also behind the new cooperation initiatives. The Cold War may have thawed, but decades of distrust were not easily overcome. One author notes: '*The [Murmansk] initiative was one way for the Soviet Union to build up cooperation in order to develop its offshore industry in the Barents Sea without having to turn directly to the USA.*'¹⁵⁰ Cooperation on a regional level meant that the two former superpowers would not always have to engage in difficult and uncomfortable bilateral contact, but could benefit from the influence of other, perhaps more moderate states.

After Gorbachev first proposed circumpolar cooperation, other Arctic countries then took up the initiative. Although Gorbachev addressed many Arctic issues in his speech, including strategic security and non-proliferation, environmental protection was the only issue seriously taken up by other Arctic states. This is understandable, as it was a relatively uncontroversial subject.¹⁵¹ In 1991, a Finnish proposal from 1989 led to the establishment of the Arctic Environmental Protection Strategy (AEPS). All eight Arctic states signed the Declaration in Rovaniemi (Finland). The AEPS outlined existing cooperation and issues and proposed responses to several problems. AEPS had five major objectives:

- i) To protect the Arctic ecosystem, including humans;*
- ii) To provide for the protection, enhancement and restoration of environmental quality and the sustainable utilization of natural resources, including their use by local populations and indigenous peoples in the Arctic;*
- iii) To recognize and, to the extent possible, seek to accommodate the traditional and cultural needs, values and practices of the indigenous peoples as determined by themselves, related to the protection of the Arctic environment;*
- iv) To review regularly the state of the Arctic environment;*

¹⁵⁰ Keskitalo, C. 'International Region-building' p.195

¹⁵¹ Ibid. p. 196

v) *To identify, reduce, and, as a final goal, eliminate pollution.*¹⁵²

What immediately stands out in this list is the importance of indigenous peoples. Three out of the five stated objectives deal with the people living in the Arctic, and objective iii centers around indigenous peoples. Although the only signatories of the declaration are the eight Arctic countries, indigenous peoples' organizations are mentioned in the documents as observers, together with observers states, UN organizations and a scientific organization. AEPS was an example of a 'soft law' regime: it was not a legally binding agreement, there was no legal status to any outcome of the strategy. AEPS was an advisory, not a regulatory body.

AEPS identified six major environmental threats to the Arctic: POPs (called Persistent Organic Contaminants in the Declaration), oil pollution, heavy metals, noise, radioactivity and acidification. Four working groups were formed to carry out the research and advisory tasks of AEPS: the Arctic Monitoring and Assessment Program (AMAP), Protection of the Arctic Marine Environment (PAME), Emergency Prevention, Preparedness and Response (EPPR) and Conservation of Arctic Flora and Fauna (CAFF).¹⁵³ The AEPS was governed through bi-annual ministerial meetings and administered by civil servants.¹⁵⁴

Several problems and deficiencies were identified with AEPS. The regime was fragmented, partly because of its non-binding nature. AEPS acknowledged existing conventions, but these individual conventions were not always accepted by all Arctic states. Any legal obligations under these conventions were uncertain, and AEPS did nothing to change that. This is linked to another major problem: the fact that separate conventions had been created for different problems. AEPS did not amalgamate them in any way, but realization struck more and more that many environmental issues are in fact intertwined. A comprehensive regime was not in place, nor created.¹⁵⁵ Some issues were also not adequately addressed in AEPS, partly because of this fragmentation. Trans boundary pollution and attention to pollution produced in more southern areas which affected the Arctic, were insufficiently addressed.¹⁵⁶

Due to the 'soft law' nature of the AEPS, individual states enjoyed a lot of freedom in developing domestic standards for environmental protection measures. This led to differences in scope and style of implementation. Canada freed up some \$100 million for Arctic research and cleanup operations in 1991, making it the country '*best placed to meet its domestic obligations under the Strategy*'¹⁵⁷, for as far

¹⁵² Declaration on the Protection of Arctic Environment (signed Rovaniemi, 1991) p. 9

¹⁵³ Declaration on the Protection of Arctic Environment p.20-23, 30-39

¹⁵⁴ Keskitalo, C. 'International Region-building' p. 196

¹⁵⁵ Rothwell, D. 'International Law' p.298-299

¹⁵⁶ Keskitalo, C. 'International Region-building' p. 197

¹⁵⁷ Rothwell, D. 'International Law' p. 300

as any obligations can be identified under AEPS. The US at the same time, was willing, under the newly installed Clinton Administration, to address environmental issues, although a review of Arctic policy delayed the actual implementation of AEPS.¹⁵⁸

A call for a stronger, more comprehensive circumpolar cooperation initiative came up, mainly from Canada. Canadian interest in the Arctic had been great for some decades. This was partly due to sovereignty concerns discussed in chapter 1 of this thesis. Partly also, it was because of the large number of indigenous peoples living in the Canadian Arctic who were going through an emancipation process in this period. Lastly, it was part of a national identity-building process focusing on Canada as a 'northern' Country. Canada had been very important in establishing and defining the AEPS, which is considered by some authors to strongly reflect a Canadian perspective.¹⁵⁹ Although calls for an 'Arctic Council' had been made by (mainly) Canadian scholars and NGO's for some decades, the initiative finally got political support in 1989, when Prime Minister Mulroney proposed it in a speech to Soviet polar specialists. In 1991 a report on the possible establishment of an Arctic council was produced, two months before the AEPS declaration was signed.¹⁶⁰ The following years, the initiative was further developed, mainly in Canada. Authors seem to agree that a Canadian perspective is reflected in the ensuing organization.

In September 1996, the Arctic Council Declaration was signed in Ottawa by all eight Arctic States also signatory to AEPS. The Arctic Council was defined as a 'high level forum', rather than an authority with legally binding powers. It incorporated all AEPS activities, but was broader in scope. Just like its predecessor, the Arctic Council is a clear case of a soft law institution. At the signing of the AEPS declaration, indigenous peoples organizations had been mere observers. For the Arctic Council, a category of 'permanent participants' was created for these organization and any other organization representing '*a single indigenous people resident in more than one Arctic State; or more than one Arctic indigenous people resident in a single Arctic state*' this category was created with the intention to '*provide for active participation and full consultation with the Arctic indigenous representatives within the Arctic Council*'.¹⁶¹ A separate observer category was created for non-Arctic states, intergovernmental organizations and NGO's.

The Arctic Council fully incorporated AEPS, expanded the importance of indigenous peoples, and added a focus on sustainable development through the introduction of a new working group on that topic: the Working Group on Sustainable

¹⁵⁸ Ibid.

¹⁵⁹ Keskitalo, C. 'International Region-building' p. 197

¹⁶⁰ Rothwell, D. 'International Law' p. 302

¹⁶¹ Declaration on the Establishment of the Arctic Council (signed Ottawa, 1996) p.3

Development (WGSD). The Arctic Climate Impact Assessment is also a new initiative from the Arctic Council. Although the Arctic Council would be open to address any 'common Arctic issue', the issue of 'military security' was explicitly mentioned *not* to be within the scope of the Council.

Although the important role of indigenous peoples, the regional outlook and the focus on sustainable development are often viewed as being Canadian in outlook. The soft law character and explicit exemption of military issues reflect American concerns in the Council's design. For northern European countries, the question of dealing with indigenous peoples is not as pressing as it is in North America. In the case of the Scandinavian Saami, these differences with north American indigenous peoples are telling. In northern Europe, areas are generally smaller, indigenous peoples have for centuries integrated with immigrants from the south and many traditional industries (mainly reindeer herding) are not at all subsistence-based, but rather industrialized and commercial.¹⁶² In Canada and the US, indigenous peoples are not at all as integrated into mainstream society. Native peoples are a large minority in Alaska and comprise the majority of inhabitants of the northern territories of Canada. Land claims and self-governance have been important issues in both Canada and the US for decades. After a painful period of forced integration, Canada has been actively seeking land settlements, political emancipation and some form of self-governance for the last decades of the 20th century. The attention given to '*active participation and full consultation*' found in the Arctic Council declaration clearly reflects that.

Regional governance initiatives would have been attractive to Canada, providing them with policy tools and institutions that allowed Canadian policy-makers to cooperate with other countries, instead of placing them in their usual difficult position vis-à-vis the United States. Being 'not alone' could offer Canadian a stronger position and a leading role in the formulation of compromise and consensus.¹⁶³ As stated in a 1997 Canadian report on circumpolar cooperation: '*Canada could be uniquely positioned to build bridges between the various polar perspectives –North American and Euro-Arctic (Nordic and Russian), aboriginal and non-native, state and nongovernmental, national and regional*'.¹⁶⁴ Also, the new emphasis on sustainable development was a subject Canada promoted wholeheartedly in many international issues. To apply it to the Canadian priority area

¹⁶² Keskitalo, C. 'International Region-building' p. 201

¹⁶³ Heininen, L., Nicol, H. 'The Importance of Northern Dimension' p. 157

¹⁶⁴ House of Commons Canada, Report of the Standing Committee on Foreign Affairs and International Trade 'Canada and the Circumpolar World: Meeting the Challenges of Cooperation into the Twenty-First Century' (Ottawa, 1997)

of the Arctic was a very comfortable fit. Canada had, in short, an opportunity to assume a leading position in an international field that was domestically important.

However, US influence can also be clearly identified in the design of the Arctic Council. Apart from its broader focus, the Arctic Council operated much like its predecessor: decisions are made in bi-annual ministerial meetings, daily operations are conducted by states' civil servants. The Arctic Council does not have binding legal power, but gives out non-binding declarations and advise. The Council does not have its own secretariat or budget. It is financed on an ad-hoc basis. Chairmanship of the Council changes at every ministerial meeting, giving all member states two-year chairing positions. The chairing country provides secretariat services.¹⁶⁵ The lack of any formal treaty, regulatory and executive power, permanent secretariat and funding makes the Council legally weak, but also more flexible. Perhaps that point is not irrelevant given the '*shifting and hard to forecast circumstances prevailing in the Arctic*'.¹⁶⁶ This was an objective for the US during the establishment of the Council.¹⁶⁷ This way, the US (as do all member states) have a maximum of policy freedom, while benefiting from the advantages of cooperation in research and advise.

The explicit exception of military issues and the overall avoidance of politically controversial issues can also be seen as a point especially important to the US. Since US politicians highly value policy freedom, the soft law nature was key to US support for the Council, since the US often has '*extreme difficulty ratifying legally binding agreements that seem relatively uncontroversial*', something that can be seen in the failure of the US to ratify UNCLOS as well.¹⁶⁸ The differences in the level of ambition for the Arctic Council between the US and Canada are telling. Regional governance is an important factor in Canadian Arctic policy, especially since the end of the Cold War. For the US however, a preferred low-profile Arctic Council reflects the low importance of a general, overarching Arctic policy in the US.

Although some Arctic issues have gained in importance in US policy in the last decade of the 20th century, a comprehensive Arctic outlook has never been developed. The Arctic was important in Cold War security policy, is important when it comes to energy, and is seriously considered in environmental issues and when native peoples are concerned, but all these issues remain separate. One of the reasons for this is the fact that many issues concerning the Arctic are not nationally relevant, but are (almost) only relevant for Alaska. As a single state, Alaska has less to win in circumpolar cooperation than in investing in the relationship with the lower

¹⁶⁵ Koivurova, T. 'Limits and Possibilities of the Arctic Council in a Rapidly Changing Scene of Arctic Governance' in: '*Polar Record 46*' (2010) p. 147-148

¹⁶⁶ Young, O. 'Whither the Arctic? Conflict or Cooperation in the Circumpolar North' in: '*Polar Record 45*' (2009) p. 76

¹⁶⁷ Koivurova, T. 'Limits and Possibilities' p. 148

¹⁶⁸ Young, O. 'Whither the Arctic?' p. 76

48. US involvement in regional Arctic cooperation is divided over two levels: state and federal.¹⁶⁹ This is not to say that the federal government or the government of Alaska is not cooperative or disinterested in the Arctic Council. Many initiatives are supported by either government, but these are usually approached in a somewhat ad-hoc manner, lacking an overall policy. The need for regional governance in areas other than environmental protection is also hardly or not at all recognized in the US.¹⁷⁰

For Canada, the 'North' is much more important in the national identity. A 'Northern' foreign policy overarching any individual Arctic issues can be identified from the 1990's onwards. The general policy objectives of this northern policy are *'first, to enhance the security and prosperity of Canadians, especially northerners and Aboriginal peoples; second, to assert and ensure the preservation of Canada's sovereignty in the North; third, to establish the Circumpolar region as a vibrant geopolitical entity integrated into a rules-based international system; and fourth, to promote the human security of northerners and the sustainable development of the Arctic'*¹⁷¹

A notable exception is one topic perceived as strictly bilateral: that of acidification of (Canadian) waters due to (mainly) US industry and power plants' pollution. Canada has not been able to convince the US to effectively enforce its existing legislation. In this case, Canada had relatively small leverage and was unable to convince the US to act. Change only came when environmental concerns became more important in US policy during the Clinton years, independently of Canadian pressure.

Although Canadian policy makers prefer a broader scope for the Arctic Council, they too avoid politically sensitive subjects, although given the high importance of circumpolar cooperation in the Canadian policy discourse, this is probably more due to pragmatic reasons than their own desire. An Arctic Council without US (and perhaps Russian) participation would be utterly toothless. Emphasis is put on issues like trade and economic development, education and employment mobility.¹⁷² Topics perhaps not completely uncontroversial, but all possible to address without much political contestation.

This issue brings us back to the situation observed in many other fields as well: the overall interdependence of Canadian-US relations, with the US as the senior partner. Both the US and Canada acknowledge the importance of regional cooperation, at least in some areas. For Canada, circumpolar cooperation has been a

¹⁶⁹ Heininen, L., Nicol, H. 'The Importance of Northern Dimension' p. 150

¹⁷⁰ Ibid. p. 153

¹⁷¹ Ibid. p. 149

¹⁷² Heininen, L., Nicol, H. 'The Importance of Northern Dimension'. p. 153

golden opportunity to assume an international leading role. In practice, however, the very much 'Canadian-flavored' initiatives have also been largely defined by US demands for a lower-profile, non-binding character. Both the Arctic Council and the earlier AEPS would hardly have been worth the effort had the US (or indeed any Arctic state) not been willing to join them. Literature suggest though, that the soft law nature of both regional initiatives was explicitly an American demand. Even when in a leading and largely determining role, Canada could not ignore US interests. In the end, these became perhaps as much of a determining factor in the AEPS and Arctic Council as the Canadian influence in them.

The end of the Cold War has been an important trigger for regional cooperation. The new security narrative freed the way for regional cooperation with all circumpolar states, including Russia. Environmental protection had already become a priority earlier, but was then taken on board the issue best suited to start with in the new circumpolar regime.

Conclusion

This thesis set out to assess the US-Canadian relationship concerning the Arctic, analyzing the situation in the last decade of the Cold War compared to the first decade after its ending. A complicated picture emerges, one in which both countries are intimately dependent upon one another, yet enjoy different amounts of policy freedom. The US obviously emerges as the most powerful side of the relationship, although Canada is by no means powerless.

We have seen that in several conflicts, the end result is usually not exactly the situation dreamed of by Washington. Rather, Canadian politicians and policy makers repeatedly show a great amount of creativity and pragmatism in finding a solution both countries are content with –often resulting in a completely new situation. The status quo is not returned to, nor is a median position found. Rather, something radically else happens in which, notably, Canada gets its way to a larger extent than might be expected from a situation arising from a conflict with a state as powerful as the USA.

In the case of the contested sovereignty over the Northwest Passage discussed in chapter 1, the standoff was eventually (temporarily) resolved when Canada adopted new (at the time revolutionary) environmental legislation: legislation the USA respected, albeit somewhat grudgingly perhaps.¹⁷³ Ultimately, a situation in which both parties agree to disagree ensues, while Canada has managed to establish a form of 'pragmatic sovereignty' with the added implementation of the voluntary NORDREG system to regulate shipping in the Arctic waters. The dispute over the Beaufort sea boundary remains unresolved and dormant. Clearly, these territorial issues are more important to Canadian policy makers than to their American counterparts. However, the fact that the US has been unwilling to give in, indicates that this Arctic issue is relevant to them, even when mainly as a potential precedent. The end of the Cold War does not seem to have had a great influence on these bilateral issues, although the strategic importance of the NWP has decreased with the Soviet threat disappearing.

In continental security, the US desperately needed Canada to defend its (northern) borders in order to keep the continent safe during the Cold War. Canada was unable to provide for the complete defense of its territory on its own, so cooperation was essential. In the end, both countries got what they aimed for: the US reached its goal of improved continental security, Canada gained defense infrastructure on a scale and a level of sophistication it could never have afforded on its own. This seems the only topic from the chosen four where the Arctic seemed to have a higher priority for the US than for Canada. The US assumed the initiative for

¹⁷³ Rothwell, D. 'International Law' p. 286

continental security. Obviously, the end of the Cold War dramatically changed the strategic security outlook. After 1989, defense cooperation continued, also on continental security, but the Arctic decreased dramatically in relevance with the disappearance of the Soviet threat from the north.

The closest interdependence between Canada and the US can be seen in the field of energy. Small wonder that nationalistic, protectionist policies in Canada sparked a conflict with the US, Canada's most important energy consumer. When US pressure and a change in the Canadian political climate lead to the abolition of the short-lived NEP, the ensuing situation was one where a far larger part of the Canadian energy sector was Canadian-owned than before. American companies on the other hand, were fully able to make use of the opportunities in Canada again. The end of the Cold War strengthened the already existing notion that energy security was in fact part of national security. This makes energy policy a sensitive topic, and helps explain both countries' apprehension towards each other (or indeed any other country). The relevance of the Arctic in energy production is difficult to assess. The US Prudhoe Bay oilfield is a significant source of oil, but other estimates sources of Arctic oil and gas are as yet hard to exploit in an economically viable way.

Environmental cooperation in the Arctic has a long and fruitful past. In the 1970s and 1980s, environmental concerns became more important, especially for the vulnerable Arctic. A new security narrative included environmental issues in its scope and made cooperation in this field more of a priority, especially in Canada. When the end of the Cold War led to a new regional outlook in many circumpolar states, Canada took full opportunity of the US' reluctance to embrace the new circumpolar narrative, giving Canada a leading position in this field, even defining the new 'Arctic vision'.¹⁷⁴ This has made the Arctic even more of a priority for Canada, as they have assumed this international leading role. The US' international power and influence have, however, also greatly influenced the way in which circumpolar cooperation has taken shape. In this instance, the US and Canada 'switch sides': Canada has taken initiative and the US reacts and changes the outcome significantly.

The 'icy grip' both countries have on each other means that both are highly dependent on one another. Neither country can dictate the other's policy or direction. The USA is usually more powerful and can protest against Canadian initiatives and actions, something which Canada is usually not capable of.¹⁷⁵ However, Canada does not have to bow to the US' wishes: they have leverage of their own, and know how to use it.

¹⁷⁴ Shadian, J. 'In Search of an Identity' p. 324

¹⁷⁵ James, P. and Kasoff, M. (eds.) '*Canadian Studies in the New Millennium*' (Toronto, 2008) p.257

Since the signing of the US-Canada Free Trade Agreement (FTA) in 1987 and the following tri-national North American Free Trade Agreement (NAFTA) in 1993, both Canada and the US (and Mexico) have given up some freedom in their (economic) policy in order to make free trade possible in all of North America. According to some, this economic integration has meant that Canada and Mexico have had to adjust to the American standard, thus giving up more policy freedom than the US.¹⁷⁶ Other argue that while Canada and the US get more economically integrated, they also grow more politically distinct.¹⁷⁷ While it seems difficult to distinguish economic policy from politics, both theses predict the mutual interdependence of both countries to grow even stronger in the future. Canada has shown not to give up policy freedom easily, so a mere 'adjusting to the American model' seems overly simplistic.

Concluding, the picture of an icy grip where both countries are dependent on one another and have a strong influence over each other seems correct. Canada is not a meek, powerless 'smaller power' in the relationship, nor is the US limitless in its power over its smaller neighbor. The relationship is unequal, though, giving the US more possibilities to take initiative than Canada. The end of the Cold War has done nothing to change this basic structure of the relationship, it has, however changed policies on both sides in some areas. What has become clear in this analysis, is that at least concerning the Arctic, Canada and the US are intimately connected to each other. Neither country can act completely unilaterally, but levels of policy freedom vary. Canada may be a junior partner, but it still has significant power in all discussed issues. Canada, it seems, is far more than just 'America's hat'.

¹⁷⁶ Maclean, G. (ed.) '*Canada and the United States*' p.23

¹⁷⁷ James, P. and Kasoff, M. (eds.) '*Canadian Studies*' p.63

Bibliography

- 'Agreement Between the Government of the United States of America and the Government of Canada on the Conservation of the Porcupine Caribou Herd' (signed Ottawa, 1987)
- 'Agreement Between the Government of Canada and the Government of the United States of America on Arctic Cooperation' (signed Ottawa, January 11, 1988)
- Ashenmiller, J. 'The Alaska Oil Pipeline as an Internal Improvement: 1969-1973' in: '*Pacific Historical Review 75*' (2006)
- Barry, D. and Bratt, D. 'Defense Against Help: Explaining Canada-U.S. Security Relations' in: '*American Review of Canadian Studies 38*' (2008)
- CIA World Factbook, <https://www.cia.gov/library/publications/the-world-factbook>
- Cleveland, C., Kaufmann, R. 'Oil Supply and oil politics: Déjà Vu all over again' in: '*Energy Policy 31*' (2003)
- Declaration on the Protection of Arctic Environment (signed Rovaniemi, 1991)
- Declaration on the Establishment of the Arctic Council (signed Ottawa, 1996)
- Dosman, E.J. 'Offshore Diplomacy in the Canadian Arctic: The Beaufort Sea and Lancaster Sound' in: '*Journal of Canadian Studies/ Revue d'études canadiennes 16*' (1981)
- Ebinger, C. and Zambetakis, E. 'The Geopolitics of Arctic Melt' in: '*International Affairs 85*' (2009)
- Elliot-Meisel, E. 'Still Unresolved After Fifty Years: The Northwest Passage in Canadian-American Relations, 1946-1998' in: '*The American Review of Canadian Studies*' (1999)
- Elliot-Meisel, E. 'Politics, Pride and Precedent: The United States and Canada in the Northwest Passage' in: '*Ocean Development and International Law 40*' (2009)
- Gattinger, M. 'From Government to Governance in the Energy Sector: The States of the Canada-U.S. Energy Relationship' in: '*American Review of Canadian Studies 35*' (2005)
- Gerhardt, H. et al. 'Contested Sovereignty in a Changing Arctic' in: '*Annals of the Association of American Geographers 100*' (2010)
- Gorbachev, M. 'Speech in Murmansk at the Ceremonial Meeting on the Occasion of the Presentation of the Order of Lenin and the Gold Star to the City of Murmansk' (1987)
- Government of Canada, Department of National Defense, '*Challenge and Commitment, A Defense Policy for Canada*' (Ottawa, 1987)
- Gouvernement of Canada, Department of National Defense '*Defense Update 1988-89, presented to the House of Commons Standing Committee on National Defense*' (Ottawa, 1989)
- Gouvernement of Canada, Department of National Defense '*Defense Policy 1992*' (Ottawa, 1992)
- Government of Canada, '*1994 White Paper on Defense*' (Ottawa, 1994)
- Government of Canada, '*Statement on Canada's Arctic Foreign Policy*' (Ottawa, 2010)
- Griffiths, F. 'The Shipping News –Canada's Sovereignty not on Thinning Ice' in: '*International Journal 58*' (2003)
- Head, I. 'Canadian Claims to Territorial Sovereignty in the Arctic Regions' in: '*McGill Law Journal*' (1963)
- Head, I and Trudeau, P. '*The Canadian Way: Shaping Canada's Foreign Policy 1968-1984*' (Ottawa, 1995)
- Heininen, L. and Nicol, H. 'The Importance of Northern Dimension Foreign Policies in the Geopolitics of the Circumpolar North' in: '*Geopolitics 12*' (2007)
- Helliwell, J., McRae, R. 'Resolving the Energy Conflict: From National Energy Program to the Energy Agreements' in: '*Canadian Public Policy/Analyse de Politiques 8*' (1982)

- Herd Thompson, J. and Randall, S. *'Canada and the United States: Ambivalent Allies'* (Athens, 2002)
- Homan, K. and Kreemers, B. 'NMD, de Amerikaanse Waterlinie: Clingendael Occasional Paper' (Den Haag, 2000)
- House of Commons Canada, Report of the Standing Committee on Foreign Affairs and International Trade *'Canada and the Circumpolar World: Meeting the Challenges of Cooperation into the Twenty-First Century'* (Ottawa, 1997), Conclusion (accessed : http://www.parl.gc.ca/content/hoc/archives/committee/352/fore/reports/07_1997-04/concl-e.html)
- James, P. 'Energy Politics in Canada, 1980-1981: Threat Power in a Sequential Game' in: *'Canadian Journal of Political Science/Revue Canadienne de Science Politique 26'* (1993)
- Jenkins, B. 'Reexamining the "Obsolescing Bargain": A Study of Canada's National Energy Program' in: *'International Organization 40'* (1986)
- Joyner, C. 'United States Legislation and the Polar Oceans' in: *'Ocean Development & International Law 29'* (1998)
- Keskitalo, C. 'International Region-Building: Development of the Arctic as an International Region' in: *'Cooperation and Conflict 42'* (2007)
- Koivurova, T. 'Limits and Possibilities of the Arctic Council in a Rapidly Changing Scene of Arctic Governance' in: *'Polar Record 46'* (2010)
- Maclaren, R. 'Canadian Views on the US Government Reaction to the National Energy Program' in: *'Canadian Public Policy/ Analyse de Politiques 8'* (1982)
- Maclean, G. (ed.) *'Canada and the United States: A Relationship at a Crossroads?'* (Winnipeg, 2005)
- Mason, A. 'Neglected Structures of Governance in U.S.-Canadian Cross-Border Relationships' in: *'American Review of Canadian Studies 38'* (2008)
- Massie, J. 'Canada's (In)Dependence in the North American Security Community: The Asymmetrical Norm of Common Fate' in: *'American Review of Canadian Studies 37'* (2007)
- Morton, D. 'Providing and Consuming Security in Canada's Century' in: *'The Canadian Historical Review'* (2001)
- Niosi, J. and Duquette, M. 'La Loi et les Nombres: le Programme Énergétique National et la Canadianisation de l'industrie Pétrolière' in: *'Canadian Journal of Political Science/Revue Canadienne de Science Politique 20'* (1987)
- James, P. and Kasoff, M. (eds.) *'Canadian Studies in the New Millennium'* (Toronto, 2008)
- Pharand, D. 'The Arctic Waters and the Northwest Passage: A Final Revisit' in: *'Ocean Development and International Law 38'* (2007)
- Powrie, T., Gainer, W. *'Canadian Policy Toward Trade in Crude Oil and Natural Gas – A Review of the Alternatives'* (Ottawa, 1976)
- Purver, R. 'Arctic Arms Control: Constraints and Opportunities' (Ottawa, 1988)
- RCMP Criminal Intelligence: *'Canadian Sovereignty in the Arctic: Challenges for the RCMP'* (Ottawa, 2007)
- Reagan, R. 'Address to the Nation on National Security on 23 March, 1981'
- Reiss, E. 'The Strategic Defense Initiative' (Cambridge, 1992)
- Riddel-Dixon, E. 'Canada and Arctic Politics: The Continental Shelf Extension' in: *'Ocean Development & International Law 39'*
- Rothwell, D. 'International Law and the Protection of the Arctic Environment' in: *'International and Comparative Law Quarterly 44'* (1995)
- Scandinavia and the World, 'A Matter of Perspective' accessed: <http://satwcomic.com/matter-of-perspective>
- Schlosser, K. 'U.S. National Security Discourse and the Political Construction of the Arctic National Wildlife Refuge' in: *'Society and Natural Resources 19'* (2006)
- Schram Stokke, O. A Legal Regime for the Arctic? Interplay with the Law of the Sea Convention' in: *'Marine Policy 31'* (2007)

- Shadian, J. 'In Search of an Identity Canada Looks North' in: *'American Review of Canadian Studies 37'* (2007)
- Stern, P. 'Hunting for Hydrocarbons: Representations of Indigeneity in Reporting on the New Mackenzie Valley Pipeline' in: *'American Review of Canadian Studies 37'* (2007)
- Sokolsky, J. 'Changing Strategies, Technologies and Organization: The Continuing Debate on NORAD and the Strategic Defense Initiative' in: *'Canadian Journal of Political Science 19'* (1986)
- United States Department of State, Bureau of Oceans and International Environmental and Scientific Affairs: *'Limits in the Seas: United States Responses to Excessive National Maritime Claims'* (Washington D.C., 1992)
- Wonder, E. 'The US Government response to the Canadian National Energy Program' in: *'Canadian Public Policy/ Analyse de Politiques 8'* (1982)
- Young, O. *'Arctic Politics: Conflict and Cooperation in the Circumpolar North'* (Hanover, 1992)
- Young, O. 'Whither the Arctic? Conflict or Cooperation in the Circumpolar North' in: *'Polar Record 45'* (2009)