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## DOES CHINA POSE A CREDIBLE SECURITY THREAT TO CANADA'S ARCTIC?

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**JCSP 46**

**Solo Flight**

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SOLO FLIGHT

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**By Lieutenant Commander Valérie Allard**

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## DOES CHINA POSE A CREDIBLE SECURITY THREAT TO CANADA'S ARCTIC?

Canada shares the Arctic, a vast and rich in natural resources area of approximately 18 million square kilometers that inhabits a population of approximately four million people, with seven other nations: The Kingdom of Denmark, Iceland, Finland, Sweden, Russia, Norway, and the United States.<sup>1</sup> Over recent years, there has been three major driving forces bringing significant changes to Arctic. These forces are the rapid climate change, the changes in the geopolitical situation and resource development.<sup>2</sup> While the global warming impacts all areas of the globe, the temperature in the Arctic has been increasing at a rate two to three times faster than elsewhere on the planet.<sup>3</sup> The warming of the Arctic brings about significant melting of sea ice, opening the navigable sea routes for longer periods, and facilitating the exploration and exploitation of natural resources available in the Arctic.

Unsurprisingly, the Arctic has increasingly gained the interest of non-Arctic states. Since 2013, seven states, including China, joined the Arctic Council as observers.<sup>4</sup> In August 2019, during a press conference in Ottawa, United States Secretary of State Mike Pompeo stated to Canada's Prime Minister Justin Trudeau: "Your expansive Arctic territory is the backdoor to the continent, and the Arctic's strategic importance, including its vast resources and shipping lanes, are of increasing interest to the entire world,

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<sup>1</sup> Government of Canada, "Arctic and Northern Policy Framework International Chapter," last modified 22 November 2019, <https://www.rcaanc-cimac.gc.ca/eng/1562867415721/1562867459588>.

<sup>2</sup> Franklyn Griffiths, R. Huebert, and W. Lackenbauer. *Canada and the Changing Arctic: Sovereignty, Security, and Stewardship*. Waterloo, ON: Wilfrid Laurier University Press, 2011, 25; Government of Canada, "Arctic and Northern Policy Framework".

<sup>3</sup> Government of Canada, *Arctic and Northern Policy Framework International Chapter*. . .

<sup>4</sup> Arctic Council, "Non-Arctic States," accessed 23 March 2020, <https://arctic-council.org/en/about/observers/non-arctic-states/>.

especially to China and to Russia.”<sup>5</sup> China has assertively demonstrated its increasing interest in the Arctic area, not only by joining the Arctic Council as an observer, but also through significant investments in Arctic research and Arctic capabilities, as well as with the publishing of a White Paper focusing on its Arctic policy.<sup>6</sup> There is an ongoing debate on whether China poses a credible security threat to Canada in the Arctic.

With the globalization, the nature and origins of security threats have evolved, and are no longer limited to traditional state on state conflicts or asymmetric attacks. Today’s security threats to a State also include events such as pandemics, international competition for resources, global warming and pollution. Therefore, the elements of national and global security have grown more complex and increasingly interdependent.<sup>7</sup>

This essay will demonstrate that China poses a security threat to Canada’s Arctic, but the threat is not of a conventional military nature. Rather, the threat posed by China is due to its growing influence as it rapidly rises to become a superpower, and its intention to increase its activity in the Arctic. China endeavors to gain influence in the Arctic governance, where it will promote its own interests, including facilitating the exploration and exploitation of the Arctic resources and use of the Northern sea routes. China may also use its gaining influence to coerce other states to support its own Arctic interests, at the cost of Canadian interests. Finally, this essay will briefly cover some of the complexities of the Sino-Canadian relationship and demonstrate why Canada should develop a China policy.

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<sup>5</sup> Levon Sevunts, “Justin Trudeau, Mike Pompeo discussed Arctic cooperation during Thursday meeting,” *Radio Canada international*, 23 August 2019.

<sup>6</sup> The State Council, The People’s Republic of China. “White Paper: China’s Arctic Policy.” Last modified 23 January 2018.  
[http://english.www.gov.cn/archive/white\\_paper/2018/01/26/content\\_281476026660336.htm](http://english.www.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm).

<sup>7</sup> Canadian Security Intelligence Service, *Rethinking Security: China and the Age of Strategic Rivalry* (Ottawa: 2018), 155.

This paper is divided into four sections. The first section will demonstrate why Arctic and non-Arctic states' interest for the Arctic region is rapidly growing. The second section will briefly discuss Canada's sovereignty claims and disputes, focusing on the disputes with the United States. Then an overview of Canada's Arctic policy and interests will be provided. The third section will present an overview of China's Arctic policy and interests, and finally, the last section will provide a broad overview of the Sino-Canadian diplomatic challenges, then present arguments from both sides of the debate, on whether China poses a threat to Canada's Arctic region.

### **STRATEGIC IMPORTANCE OF THE ARCTIC**

Climate change and the development of new technologies are rendering the Arctic area more accessible.<sup>8</sup> The Arctic is becoming more and more a promising source of economic development in the natural resource exploitation field, fisheries and tourism industry. The Arctic routes also offer the promise of shorter transits for the shipping of goods, rather than relying on the traditional sea lines of communication.

The High North is vast and rich with untapped sources including natural gas, oil and mineral deposits. In fact, according to a United States Geological Survey, the bulk of remaining global unexploited gas and oil reserves is likely in the Arctic.<sup>9</sup> The list of minerals available in the Arctic includes copper, niobium – used in jewelry and steel manufacturing – and platinum-group elements.<sup>10</sup> Additionally, the Arctic waters, and especially the Bering sea, are important for fisheries due to large quantities of shrimps,

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<sup>8</sup> Government of Canada, "Arctic and Northern Policy Framework; Safety, Security and Defence Chapter," last modified 10 September 2019, <https://www.rcaanc-cirnac.gc.ca/eng/1562939617400/1562939658000>.

<sup>9</sup> National Ocean Economic Program, "Arctic Offshore Oil, Gas, and Minerals Resources," accessed 27 March 2019, [https://www.oceaneconomics.org/arctic/offshore\\_petro/](https://www.oceaneconomics.org/arctic/offshore_petro/).

<sup>10</sup> Sergey Krivovichev, "Editorial for Special Issue "Arctic Mineral Resources: Science and Technology," *Minerals* 9, no. 3 (2019): 192.

halibut, squids, scallops, salmon, cods, etc.<sup>11</sup> With its unique landscape and wildlife, the Arctic is becoming an increasingly attractive destination to international eco-tourists for activities such of skiing, diving, dog-sledding and kayaking.<sup>12</sup> A large proportion of Arctic tourism is done via guided tours and cruises led by different nations, including China, and is contributing to increasing maritime activity in the region. The maritime traffic in the Canadian Arctic is growing yearly; 2017 saw a 22% increase compared to the previous year.<sup>13</sup> Finally, the Arctic offers two main shipping routes. The Northwest Passage that runs along the Alaskan coast and through the Canadian Archipelago, and the Northern Sea Route which runs along Russia's northern coast. While the Northern Sea Route is regularly used, the Northwest Passage has not yet become a regular sea line of communication.<sup>14</sup>

## **CANADA AND THE ARCTIC**

According to the Canadian Government, Canadian's sovereignty in the Arctic is "longstanding and well established"<sup>15</sup> and there is no immediate threats to the Canadian Arctic but, Ottawa recognizes the increasing strategic importance of the area, due to the growing interest of other States.<sup>16</sup> The goal of this paper is not to assess whether Canada's Arctic sovereignty claims are substantiated. This essay intends to discuss how Canada's security, as it pertains to the Arctic, may be threatened, therefore, this section will define sovereignty and provide a broad-brush overview of Canada's contested

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<sup>11</sup> National Ocean Economic Program, "Arctic Fisheries," accessed 27 March 2019, <https://www.oceaneconomics.org/arctic/fisheries/>.

<sup>12</sup> National Ocean Economic Program, "Arctic Tourism," accessed 27 March 2019, <https://www.oceaneconomics.org/arctic/tourism/>.

<sup>13</sup> *Ibid.*

<sup>14</sup> Centre for International Governance Innovation, *Special Report. Canada's Arctic Agenda: Into the Vortex* (Waterloo: ON, 2019), 104.

<sup>15</sup> Government of Canada, *Arctic and Northern Policy Framework International Chapter*. . .

<sup>16</sup> Government of Canada, . . . *Safety, Security and Defence Chapter*. . .

territory claims, without entering into technicalities and legalities involved in resolving these disputes.

### **Sovereignty and Canada's Disputed Boundaries**

Through the years, the definition of sovereignty has evolved. For the purpose of this paper, Max Huber's definition of sovereignty will be employed: "sovereignty in the relations between States signifies independence. Independence in regard to a portion of the globe is the right to exercise therein, to the exclusion of any other State, the functions of a State."<sup>17</sup> This definition can be further simplified by stating that to exercise sovereignty, a state must have a functioning governing body and a population within a defined territory, and that the state is able to control what is occurring within its territory.<sup>18</sup> Sovereignty also includes "perform[ing] the tasks expected of an effective government"<sup>19</sup> including but not limited to governing, performing search and rescues, and responding to environmental disasters.

Canada's greatest challenge regarding its Arctic sovereignty claim is related to its claimed boundaries. "For a boundary to have validity, the international community needs to agree on it."<sup>20</sup> Canada's only land related dispute is with Denmark, regarding the ownership of Hans Island, a small island that contains no known natural resources and both States are moving forward in the process of resolving the disagreement. It is on the maritime side that Canada faces the most significant challenges and disputes. First, Canada and the United States have yet to agree on their boundary in the Beaufort Sea.<sup>21</sup>

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<sup>17</sup> Centre for International Governance Innovation, *Special Report . . .*, 75.

<sup>18</sup> Griffiths, *Canada and the Changing Arctic . . .*, 14 & 18.

<sup>19</sup> Centre for International Governance Innovation, *Special Report, . . .*, 75.

<sup>20</sup> Griffiths, *Canada and the Changing Arctic*, 19.

<sup>21</sup> Centre for International Governance Innovation, *Special Report, . . .*, 76.

Second, a portion of the sea bed claimed by Canada overlaps with claims made by both Russia and Denmark.<sup>22</sup> Third, and most importantly, Canada claims the Northwest Passage, but the United States and European Union's position is that the passage is an international strait, and therefore, it is not within Canada's purview to regulate or control shipping in the Passage. If the Northwest Passage was to officially be recognized as an international strait, it would not only allow foreign national vessels to transit via the Passage, but it would also open the airspace to foreign national aircrafts.<sup>23</sup>

### **Canada-United States Relationship Pertaining to the Arctic**

The United States' position regarding the status of the Northwest Passage is important due to its global influence, and because of the Canadian-United States special relationship developed through the North American Aerospace Defense (NORAD) joint command, established to provide an early warning of air threats to North America.<sup>24</sup>

The United States has been disputing Canada's claim to sovereignty over the Northwest Passage since the Cold War, but through the years, the dispute remained civilized and respectful.<sup>25</sup> While Canada makes a case of historical claim over the full width of the Northwest Passage, the United States only recognizes 12 nautical miles surrounding land.<sup>26</sup> Despite their diverging opinions on the legitimacy of Canada's claim, the two states kept most Arctic related disputes out of the public's eye. Canada and the

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<sup>22</sup> *Ibid.*, 77.

<sup>23</sup> Griffiths, *Canada and the Changing Arctic* . . . ,49.

<sup>24</sup> North American Aerospace Defense Command, "Vision," accessed 9 April 2020, <https://www.norad.mil/Francais/A-propos-du-NORAD/Vision/>.

<sup>25</sup> Adam Lajeunesse and R. Huebert, "Preparing for the next Arctic sovereignty crisis: The Northwest Passage in the age of Donald Trump," *International Journal* 74, no. 2 (June 2019): 227.

<sup>26</sup> Lajeunesse, *Preparing for the next Arctic sovereignty crisis* . . . , 228.

United States have managed to resolve their conflicts through agile diplomacy and by maintaining “a mutually beneficial status quo.”<sup>27</sup>

Since the election of President Trump however, the tone of the United State-Canada diplomatic relations has changed. In December 2018, Richard Spencer, then American Secretary of the Navy, publicly voiced an appetite to task the United States Navy to conduct a freedom of navigation operation in the Northwest Passage.<sup>28</sup> Again, in January 2019, Spencer repeated similar remarks and added that the planning of the operation was well underway.<sup>29</sup> Furthermore, few months later, in his speech during the Arctic Council Ministerial meeting in May 2019, Secretary of State Pompeo qualified Canada’s claim as “illegitimate.”<sup>30</sup> Freedom of navigation operations are aggressive, highly political and publicized because they are meant to challenge excessive territorial water claims.<sup>31</sup> Over the years, the United States Navy challenged various States’ claims, though freedom of navigation operations, but they have mostly focused on China’s claims in the South China sea.<sup>32</sup>

Notwithstanding these recent threats to conduct a freedom of navigation operation in the Northwest Passage, it is not in the United States’ interest, for Canada’s sovereignty claim over the Passage to be officially dismissed. This outcome would officially open up the continent to foreign nationals, by allowing them to navigate in the Northwest Passage or fly freely above it. In turn, this would result in the NORAD mission becoming more challenging. Additionally, it has been suggested that the main reason for the United

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<sup>27</sup> *Ibid.*, 227.

<sup>28</sup> *Ibid.*, 226.

<sup>29</sup> *Ibid.*

<sup>30</sup> Centre for International Governance Innovation, *Special Report*, 78.

<sup>31</sup> United States Department of Defense, “DoD Freedom of Navigation Program – Fact Sheet,” last updated 28 February 2017, <https://policy.defense.gov/OUSSDP-Offices/FON/>.

<sup>32</sup> *Ibid.*

States' refusal to endorse Canada's claim is not related to the Northwest Passage *per se*, but rather, it is due to the arguments used by Canada to claim these waters. Indeed, other states are using the same type of arguments as Canada in their sovereignty claims over disputed waters. An example is China and its claims in the South China Sea, which have been repeatedly subjected to the United States Navy's freedom of navigation operations. If the United States was to change its position on Canada's claim, they also would weaken their position vis-à-vis those other disputes, by setting a precedent.<sup>33</sup>

### **Canada's Arctic Policy and Interests**

Although the vast majority of Canadians live in the southern part of the country, the Arctic is at the core of Canada's national identity, interests, values and security.<sup>34</sup> To defend its interests, Canada played an essential role in the standing up of the Arctic Council which aims at "leading intergovernmental forums promoting cooperation, coordination and interaction among the Arctic States, Arctic indigenous communities and other Arctic inhabitants on common Arctic issues." In September 2019, the government of Canada released its newest Arctic Policy which states the following three priorities: "to strengthen the rules-based international order; to increase engagement with Arctic and non-Arctic states; and to more clearly define Canada's Arctic boundaries."<sup>35</sup> To protect its interests and the local communities, the safety and security umbrella of the Arctic policy, includes the strengthening of cooperation with national and international

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<sup>33</sup> Lajeunesse, *Preparing for the next Arctic sovereignty crisis* . . . , 228.

<sup>34</sup> Government of Canada, "Canada and the Circumpolar Arctic," last modified 10 September 2019, [https://www.international.gc.ca/world-monde/international\\_relations-relations\\_internationales/arctic-arctique/index.aspx?lang=eng](https://www.international.gc.ca/world-monde/international_relations-relations_internationales/arctic-arctique/index.aspx?lang=eng).

<sup>35</sup> *Ibid.*

stakeholders, increased military presence, enhancement of the domain awareness, increase emergency management capabilities and crime prevention.

The exploration and exploitation of the Arctic resources, tourism and fisheries are attractive industries for Arctic stakeholders, including Canadians. These industries could create employments and boost Canada's economy, but the second and third order effects of such pursuits may negatively impact local communities and fragile ecosystems, which would be contrary to Canada's interests. Security threats to the Arctic are not limited to threats posed by foreign militaries. They also include threats to the physical integrity of the land and sea, such as pollution and other environmental degradations which would threaten the safety and security of Northern populations. At this time, it is difficult to predict the environmental impact that the development of Arctic activities, including the extraction of oil and other resources will cause.<sup>36</sup> Increasing activity and traffic in the Arctic could disturb the ecosystem and is likely to generate additional pollution. Additionally, greater activity in the high Arctic will probably require to be supported by additional infrastructure and workers, which would pose additional strains on the environment.<sup>37</sup>

Should a major spill occur in the Arctic waters as a result of extraction of fossil fuels or any other activity, there would be long lasting disastrous environmental repercussions on livelihood of the local communities, flora and fauna. The impact of the Exxon Valdez's oil spill in the Alaskan waters continued to be observed 20 years after the grounding of the vessel.<sup>38</sup> There currently are no suitable cleanup technology adapted to

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<sup>36</sup> Griffiths, *Canada and the Changing Arctic* . . . , 25.

<sup>37</sup> National Ocean Economic Program, *Arctic Fisheries* . . .

<sup>38</sup> Doug Struck, "Twenty Years Later, Impacts of the Exxon Valdez Linger," *Yale Environment* 360, 24 March 2009, [https://e360.yale.edu/features/twenty\\_years\\_later\\_impacts\\_of\\_the\\_exxon\\_valdez\\_linger](https://e360.yale.edu/features/twenty_years_later_impacts_of_the_exxon_valdez_linger).

the Arctic's extreme conditions and rapidly changing weather.<sup>39</sup> In May 2019, the cruise ship Akademik Ioffe ran aground off the coast of Nunavut.<sup>40</sup> Fortunately, the grounded vessel only lost a very small quantity of fuel, and none of its 167 passenger were injured. Had the outcome been different, Canada would have faced tremendous challenges attempting to contain the spill and evacuate a large number of casualties. While Canada is interested in the development of the Arctic region, its priority remains the safety and security of its inhabitant, therefore it wishes to proceed ahead in a well-planned, deliberate and coordinated manner.

As previously discussed, sovereignty means the ability to regulate and establish policies related to the activities taking place on one's grounds and territorial waters. Should Canada gain legitimacy of its sovereignty claim of over the Northwest Passage, the government of Canada will be in a better position to restrict and control traffic and activities taking place in those waters. In the event that Canada's claim is not recognized, Canada will only be able to attempt influencing international Arctic policies via governing bodies such as the Arctic Council, where the participating states may have competing priorities and interests. There is therefore a strong connection between Canadian's Arctic sovereignty and security, and they should not be considered or assessed in isolation. It is vital that the development and exploitation of the North be regulated and planned in a spirit of cooperation to ensure the security of the northern populations, the Arctic Archipelago and the Canadian mainland.

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<sup>39</sup> National Ocean Economic Program, "Arctic Offshore Oil, Gas, and Minerals Resources," accessed 27 March 2019, [https://www.oceaneconomics.org/arctic/offshore\\_petro/](https://www.oceaneconomics.org/arctic/offshore_petro/).

<sup>40</sup> Jane George, "Cruise ship that grounded in Nunavut "sustained major hull damage": TSB update," *Nunatsiaq News*, 2 May 2019, <https://nunatsiaq.com/stories/article/tsb-continues-its-look-august-2018-cruise-ship-grounding-in-nunavut/>.

## CHINA AND THE ARCTIC INTERESTS

China's interest towards the Arctic is not new. Initially, China's interests were focused on scientific research, but they have since expanded. In 1995, a Chinese icebreaker made an Arctic voyage, then a year later, China joined the International Arctic Science Committee,<sup>41</sup> and in 1996, commenced scientific research in the Arctic.<sup>42</sup> In 2004, China established a research station in Norway, and applied in 2007, to join the Arctic Council, as an observer.<sup>43</sup> In 2018, China published its White Paper on its Arctic policy,<sup>44</sup> making it the non-Arctic state with the "most diversified and clearly articulated interests in the Arctic."<sup>45</sup>

### China's Arctic Policy

China's stated goals in its Arctic policy are: "to understand, protect, develop and participate in the governance of the Arctic, so as to safeguard the common interests of all countries and international community in the Arctic, and promote sustainable development of the Arctic."<sup>46</sup> China goes on to describing itself as a 'Near-Arctic State,' meaning that due to its close proximity to the Arctic Circle, China is impacted by activities and changes taking place in the Arctic. China's Arctic policy also highlights the global strategic and economic importance of the Arctic due the sea routes, and resources, as well as the scientific research opportunities and importance of environmental protection.

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<sup>41</sup> Centre for International Governance Innovation, *Special Report* . . . , 103.

<sup>42</sup> The State Council, *White Paper* . . .

<sup>43</sup> Centre for International Governance Innovation, *Special Report*, 103.

<sup>44</sup> The State Council, *White Paper* . . .

<sup>45</sup> Maria Lagutina and Yana Leksyutina, "BRICS Countries' Strategies in the Arctic and the Prospects for Consolidated BRICS Agenda in the Arctic." *The Polar Journal: Special Issue: The Asian View on Polar Research* 9, no. 1 (2019): 50.

<sup>46</sup> The State Council, *White Paper* . . .

China's policy acknowledges that Arctic-States have territorial sovereignty which must be respected, but emphasizes the inherent right of non-Arctic States to access and perform activities including but not limited to scientific research, laying submarine cables, navigate and exploit resources, in the Arctic high seas. China also reinforces the requirement to promptly resolve disputes related to the Arctic sea routes. While the policy insists on the international community's rights, it also acknowledges the importance of safeguarding the environment and promotes respect and strong cooperation among nations and, emphasizes the importance of peace and security. In the spirit of cooperation, China suggests the building of a 'Polar Silk Road' through "joint contribution" that will generate "shared benefits" for "the common good of all parties and further common interests through the Arctic."<sup>47</sup>

### **China's Arctic Interests**

The Arctic is promising for China's economy, including the Belt and Road Initiative. China has made significant investments towards Arctic research and building civilian and military vessels adapted for the Arctic environment. These naval capabilities include ice-strengthened cargo ships, nuclear icebreakers and nuclear submarines.<sup>48</sup> In addition to developing its own capabilities, China is also investing in the development of infrastructure of various Arctic nations.<sup>49</sup> A preliminary estimate assesses that the Arctic has the potential of becoming the source of up to 60% of China's fuel and become one of China's main fishing ground. Additionally, the successful development of the Polar Silk Route could increase China's trade with Europe nations by close to 9%.<sup>50</sup> Considering

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<sup>47</sup> *Ibid.*

<sup>48</sup> Centre for International Governance Innovation, *Special Report . . .*, 103.

<sup>49</sup> Mariia, Kobzeva, "China's Arctic Policy: Present and Future." *The Polar Journal* 9, no. 1 (2019): 99.

<sup>50</sup> *Ibid.*

that the European union is China's largest trading partner, such increase in trade would be significantly lucrative.

In recent years, China has made tremendous progress in the global expansion of the Belt and Road Initiative. Despite its efforts to develop the 'Belt' portion by increasing its reach over land by building rails and roads, China's commerce continues to greatly rely on the 'Road' component, through commercial shipping, hence the attractiveness of establishing the Polar Silk Route. The development of the Polar Silk Route is also an opportunity to further develop China's Northeast region by building, or further developing existing sea ports.<sup>51</sup> China has gained tremendous importance on the international scene, and is on the path to becoming a superpower equal or superior to the United States.<sup>52</sup> As part of its continued growth, China will benefit from a rapid development of the Arctic, access to its resources and using the Northwest Passage as a trading sea route to Europe.<sup>53</sup> Expanding its reach in the Arctic is also a means for China, to demonstrate its importance on the international scene and that it has truly become a global power.<sup>54</sup>

## THE SINO-CANADIAN RELATIONS

The Sino-Canadian relationship is complicated. The two nations currently have economic ties, but they also have ongoing disputes. As it is becoming a powerhouse,

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<sup>51</sup> Zhang and Huan, in *Zhongguo beiji uanyi de wei hu lujing u celue xanze* [The Maintenance Route and Strategy Choice of China's Arctic Rights and Interests], *Huadong Ligong Daxue Xuebao* [*Journal of East China University of Science and Technology*], 30, no. 6 (2015) as cited by Kobzeva, "China's Arctic Policy, 100.

<sup>52</sup> Canadian Security Intelligence Service, *Who Said What? The security Challenge of Modern Disinformation* (Ottawa: 2018) 72.

<sup>53</sup> Tsuyoshi Kawasaki, "Canada as a Peninsula State: Conceptualizing the Emerging Geopolitical Landscape in the 21st Century," *International Journal* 74 (2019): 349.

<sup>54</sup> Maria Lagutina and Yana Leksyutina, "BRICS Countries' Strategies in the Arctic and the Prospects for Consolidated BRICS Agenda in the Arctic." *The Polar Journal: Special Issue: The Asian View on Polar Research* 9, no. 1 (2019): 50.

China is challenging the existing rule-based order. As it establishes economic ties and increases its trades around the globe, China has been exerting “aggressive diplomacy and insistence on asymmetrical trade [which] are particularly challenging for countries like Canada which seek mutually positive trade relationships.”<sup>55</sup> In 2017, Canada was subjected to this approach when China rejected Canada’s “progressive trade agenda for bilateral free trade nation.”<sup>56</sup> The most recent and perhaps mediatized Sino-Canadian dispute is the ongoing standoff due to Canada’s arrest and possible extradition of Meng Wanzhou, one of China’s elite, and China’s response consisting of the imprisonment of two Canadian nationals and blocking 17% of its imports from Canada.<sup>57</sup> Equally important but less mediatized, is the interference that China has been conducting in Canada.

Highlighted in the 2019 Canadian Security Intelligence Service’s report, is that espionage and foreign interference are the most important threat to Canadian national interests and prosperity. The report named China as one of the two culprits of foreign interference in Canada.<sup>58</sup> According to the 2016 census, out of the 35.1 million Canadians, 1.8 million have Chinese origins.<sup>59</sup> The Chinese diaspora represents 5% of the Canadian population and mostly lives in major cities, namely Toronto and Vancouver.<sup>60</sup> These statistics are pertinent, considering that one of the four pillars of Xi Jinping’s influence plan is based on the “strengthening of efforts to manage and guide overseas

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<sup>55</sup> Canadian Security Intelligence Service, *Rethinking Security* . . . , 10.

<sup>56</sup> Wendy Dobson, *Living with China: A Middle Power Finds Its Way*, Rotman-UTP Publishing, 2019, 109.

<sup>57</sup> *Ibid.*

<sup>58</sup> National Security and Intelligence Committee of Parliamentarians. *Annual report, 2019*. Ottawa: 2020, 55-59.

<sup>59</sup> The Canadian Encyclopedia, “Chinese Canadians,” accessed 26 March 2020, <https://www.thecanadianencyclopedia.ca/en/article/chinese-canadians>.

<sup>60</sup> *Ibid.*

Chinese communities and utilize them as agents of Chinese foreign policy.”<sup>61</sup> While on one hand, Canada benefits from immigration and diversity, on the other hand, the important Chinese diaspora increases the possibilities of foreign interference.

In light of the Sino-Canadian tensions and, observed behavior of China in other areas of the globe, there are varying opinions as to what are China’s true intentions behind its Arctic Policy. There is one point on which they all seem to agree however, which is that the likelihood that China will pursue the militarization of the Arctic is very low.<sup>62</sup> The following section provides a summary of the arguments of both sides of the debate on whether China poses a security threat to Canada’s Arctic.

### **Arguments Supporting China’s Threat**

The following are a mix of assumptions and arguments found throughout the literature, supporting that China poses a growing threat to Canada’s Arctic:

- With its Belt and Road Initiative, China is gaining importance as a second super power, and has demonstrated its willingness to use the promise of significant investments, in exchange for diplomatic support and to coerce indebted states to take a position supporting China’s interests. For example, China gained recognition of its sovereignty over Taiwan using such soft power with a number of African countries.<sup>63</sup> China has already built economic ties with most of the Arctic nations and could attempt coercing these nations, to gain recognition that the Northwest Passage is an international strait. A report on disinformation generated by Canadian Security Intelligence Services scholars, where it was

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<sup>61</sup> Canadian Security Intelligence Service, *Rethinking Security* . . . , 77.

<sup>62</sup> Kobzeva, *China’s Arctic Policy* . . . , 98-99.

<sup>63</sup> C. Alden *et al*, *China and Africa: Building Peace and Security Cooperation on the Continent* (Cham, Switzerland: Palgrave Macmillan, 2018), 5.

concluded that “a mixture of domestic coercion and financial pressure on overseas audiences remains China’s most effective tools for influence”<sup>64</sup> supports that argument.

- China is known to be playing the long game. Some scholars, such as Kobzeva, suggest that China may enact one of its old stratagem known as ‘Exchange the role of the guest for that of the host’.<sup>65</sup> Now that China was admitted in the Arctic Council as an observer and is more and more involved with the Arctic, it may be looking at progressively influencing Arctic rules and policies, in order to favour China’s interest.<sup>66</sup> This theory is supported by China’s fourth goal of its Arctic policy, which is to become involved in Arctic governance.<sup>67</sup>
- China may use Canada in its conflict against the United States. Both, China and Canada are making sovereignty claims that are publicly disputed by the United States. China may leverage that commonality by recognizing and supporting Canada’s claim over the Northwest Passage, to gain ground in the Sino-United State competition.<sup>68</sup> Such approach would create a wedge in the Canada-United States relationship which in turn, could result in decrease cooperation on Canada-United States security issues.

### **Arguments Countering that China Poses a Threat**

There are also a number of arguments disputing that China poses a threat to Canada’s Arctic:

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<sup>64</sup> Canadian Security Intelligence Service, *Who Said What? The security Challenge of Modern Disinformation* (Ottawa: 2018) 78.

<sup>65</sup> Zhang and Huan as cited by Mariia, Kobzeva, "China’s Arctic Policy, 100.

<sup>66</sup> Kobzeva, China’s Arctic Policy . . . ,100.

<sup>67</sup> The State Council, *White Paper* . . .

<sup>68</sup> Tsuyoshi Kawasaki, “Canada as a Peninsula State: Conceptualizing the Emerging Geopolitical Landscape in the 21st Century,” *International Journal* 74 (2019): 357.

- China's track record around the globe demonstrates that its *modus operandi* is to acquire natural resources by means of foreign investments and trades, not by disregarding states' sovereignty.<sup>69</sup> There is no reason why China would act differently when it comes to Arctic state's sovereignty.
- To this date, China has demonstrated its willingness to work in partnership with Arctic nations and respect their sovereignty. For example, China has been leveraging the Northern Sea Route since 2013, which includes Russian internal waters, without interfering or threatening Russia's sovereignty.<sup>70</sup>
- While the navigability of the Northwest Passage has been demonstrated, it remains a challenging and costly endeavor. Although global warming is causing significant melting and allows longer access to the sea routes, the Northwest Passage remains hazardous to shipping. The melting of the North is generating a large number of glaciers floating through the Northwest Passage.<sup>71</sup> Additionally, the rapidly changing weather in the Arctic can cause sudden icing of ships' superstructure, impacting their stability and maneuverability. The more hazardous a voyage is, the higher the insurance premiums are for vessels and their cargos. The added cost of ice-strengthening vessels and the higher insurance cost deter from using the Northwest Passage to save fuel and time. It is therefore unlikely that China or any other state, is planning to use the Northwest Passage as a shortcut any time soon.

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<sup>69</sup> Centre for International Governance Innovation, *Special Report* . . . , 104.

<sup>70</sup> *Ibid.*

<sup>71</sup> Centre for International Governance Innovation, *Special Report*, 105.

- China also has its fair share of disputes related to its claims of territorial waters in and around the South China Sea. Notably, China uses the same arguments in its claim for the Qiongzhou Strait, as Canada uses in its claim for the Northwest Passage.<sup>72</sup> Consequently, if China was to take a strong position against Canada's claim to the Northwest Passage, it would weaken its own arguments towards its sovereignty over the Qiongzhou Strait.
- China already owns and co-owns mining companies in northern Quebec, and in 2014, a first shipment of minerals was transported to China, on a Canadian vessel via the Northwest Passage.<sup>73</sup> Through this relationship, China has demonstrated its ability and willingness to work jointly with Canada and respect Canadian rules and regulations, including the transport of goods through the Canadian Arctic waters.

It appears improbable that China will breach Canada's established sovereignty and rules when operating in Canada's territory and waters. It is also unlikely that China will take a strong stance against Canada's claim to the Northwest Passage, as it would weaken its own sovereignty claims. While Canada and the United States have diverging positions on Arctic boundaries and the status of the Northwest Passage, it is doubtful that China would be successful at creating a wedge between Canada and the United States regarding the Arctic disputes. Indeed, it is improbable that the United States would willfully allow a reduction of northern security, considering its position, as stated by Pompeo, that that the Arctic is a 'back door to the continent'. On the other hand, China is

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<sup>72</sup> Hungdah Chiu, *China and the Question of Territorial Sea*, *Maryland Journal of International Law*, as cited in Special Report, 106.

<sup>73</sup> Centre for International Governance Innovation, *Special Report*, 104.

successfully positioning itself to gain greater influence on the international scene, and could leverage that influence to promote its own Arctic interests, against Canada's.

### **Conclusion**

Climate change resulted in a faster than expected melting of the Arctic, making the area more accessible, and therefore increasingly attractive to Arctic and non-Arctic States. Considering the extreme environmental conditions of the High North, operating in the Arctic poses significant risk, and therefore augmented activities in the area also means increased risk of incidents. Furthermore, the environmental conditions and geography make the responses to incidents very challenging. Likewise, the rapidly evolving geopolitical situation involving and surrounding Canada, especially the Sino-United States relation and China's rise as a superpower have a strong potential to impact Canada in various ways.

The Sino-Canadian relationship has become more challenging. While both nations have strong interests regarding the future of the Arctic, their respective interests appear to be diverging. For Canada, the main priority is to defend and protect well-being of the northern communities, which inherently includes protecting the ecosystems. On the other hand, while China also recognizes the importance of the environment, the requirement to protect Indigenous populations and limit pollution, its main priority appears to be the related to the exploitation of the Arctic resources and use of the northern routes.

China was admitted as an observer to the Arctic Council on the condition that it would recognize "Arctic States' sovereignty, sovereign rights and jurisdiction in the

Arctic”<sup>74</sup> however, its Arctic policy makes it clear that Beijing's position is that the northern routes are international waters where states enjoy the freedom of navigation.<sup>75</sup> While Canada aims to further develop and maintain its leadership role for Arctic related questions, China also intends on becoming more involved in the governance of the Arctic. Both states are likely to find themselves competing in their endeavor to promote and defend their respective national interests through the development of Arctic governance.

In light of the arguments provided in the literature, it appears that greatest risks posed by China to Canada’s Arctic will be China’s growing influence on the governing of the Arctic and through the potential second and third order effects of China’s increased activity in the High North. Although these do not target Canada directly, Canada’s security could be indirectly impacted. China’s position on developing and leveraging the Arctic routes to increase trade, as well as the exploration and exploitation of Arctic Natural resources, was made clear in its Arctic Policy. Greater activity in the vicinity of the Canadian Arctic inevitably increases the probabilities of incidents requiring search and rescue or causing environmental disasters. Increased Arctic activity also increases the potential of disturbing the existing fauna and flora which will in turn affect the northern communities that greatly depend on a healthy ecosystem to survive and maintain their marginal economy. Although China is not expected to militarize the Arctic or breach Canada’s sovereignty, China poses a future security threat to Canada’s Arctic communities, fauna and flora.

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<sup>74</sup> Centre for International Governance Innovation, *Special Report*, 86.

<sup>75</sup> The State Council, “White Paper.”

Notwithstanding the dispute regarding the Northwest Passage, it is within Canada's right to control the sea traffic within its territorial waters. Does Canada have the means to detect and track all shipping, and intervene should a vessel or aircraft disregard reporting requirements or pose security or environmental risk?<sup>76</sup> In other words, regardless of the nationality of Arctic 'visitors', does Canada have sufficient resources to enforce its sovereignty in the Arctic? As Rob Hubert stated, "having the right to do so and having the ability are two separate things."<sup>77</sup> The monitoring and ability to promptly respond to events such as search and rescue, containment and cleaning of spills, in the vastness of the Arctic requires a large number of assets and potentially that infrastructure be pre-positioned.

Canada should continue investing efforts and money in asserting its control and sovereignty of the Arctic region. While this paper focused on assessing whether China poses a threat to Canada's Arctic, this is only one aspect of the Sino-Canadian relationship. Considering the increasingly more challenging Canada-China rapport, the fact that due to its geography, Canada finds itself in the middle of the Sino-United States conflict, and the rise of China as a global power, the government of Canada should develop, sooner rather than later, an overall China policy.<sup>78</sup>

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<sup>76</sup> Griffiths, *Canada and the Changing Arctic*, 33.

<sup>77</sup> *Ibid.*, 34.

<sup>78</sup> Wendy Dobson, *Living with China: A Middle Power Finds Its Way*, Rotman-UTP Publishing, 2019, 109.

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