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HOW CHINA'S BELT AND ROAD INITIATIVE THREATENS CANADIAN ARCTIC SOVEREIGNTY

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ARCTIC SOVEREIGNTY**

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AIM

1. In September of 2013, China's President Xi Jinping released China's Belt and Road¹ initiative (OBOR)². The initiative is grand in scale and has promised "to enhance regional connectivity and embrace a brighter future together."³ The Chinese Arctic Policy White Paper released in January of 2018 expands on the OBOR initiative with the concept of the "Arctic Silk Road."⁴ The realization of these concepts brings into question the topic of regional security for Arctic nations such as Canada. The aim of this service paper is to provide Commander Canadian Joint Operations Command (Comd CJOC) with recommendations on the best courses of action to lead the future defence of Canadian Arctic sovereignty.

INTRODUCTION

2. China's Arctic White Paper released last January⁵ proposes a peaceful interaction of Arctic and non-Arctic nations in Arctic affairs, but does clearly state China's perceived rights "... in respect of scientific research, navigation, overflight, fishing, laying of submarine cables and pipelines... and rights to resource exploration and exploitation in the Area..."⁶ The White Paper articulates these rights to be in accordance with the United Nations Convention on the Law of the Sea (UNCLOS) and other international treaties.

3. This paper will compare China's Arctic strategy to that of Canada, examining areas of congruence and divergence of interest, propose the likelihood of China honouring UNCLOS based on China's historic record in the South China Sea, review China's Arctic activities to date and scrutinize Canada's ability to defend its Maritime Arctic Sovereignty. Throughout, the paper will question how the OBOR initiative could be exploited by the Chinese in the maritime domain and highlight the likely negative effects to Canada's National Interest the OBOR strategy represents.

¹ China's Belt and Road initiative is also known as the "Silk Road" or "One Belt One Road (OBOR)

² Xinhua. "Chronology of China's belt and Road Initiative" 28 March 2015, http://english.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm, last accessed 10 October 2018

³ *Ibid*

⁴ Xinhua. "China's Arctic Policy." 26 January 2018, http://english.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm, last accessed 9 October 2018

⁵ *Ibid*

⁶ *Ibid*

DISCUSSION

China's Arctic Strategy and the OBOR Initiative

4. Time Magazine reports that the “OBOR covers 65% of the world’s population, three-quarters of global energy resources and 40% of GDP.”⁷ This initiative is a massive investment by China and will create economic efficiencies to be exploited by all of mankind. It involves a system of secure land and maritime transit routes through which China and participating nations can easily, securely and speedily transport their trading commodities. However, the creation of the OBOR does have negative consequences that the nations of the world need to consider. The OBOR will mean more Chinese government presence (warships, and boots on the ground) outside of traditional Chinese operating environments to ensure the security of the system. The unanimous proposal of the OBOR brings up the question of a hidden agenda with Time’s Charlie Campbell reporting that “Beijing’s overlapping disputes in the South China and East China Seas have fed suspicions that OBOR is a Trojan horse for extending its geopolitical clout.”⁸

5. The first paragraph of China’s Arctic Strategy states “...the Arctic is gaining global significance for its rising strategic, economic values...”⁹ The document continues to connect Arctic issues (including the resources therein) as “having a vital bearing on the interests of states outside the region and the interests of the international community as a whole, as well as on the survival, the development, and the shared future for mankind.”¹⁰ To those Canadians with little knowledge of the wealth to Canada that Canadian Arctic sovereignty represents, these statements may not seem concerning and could even be praised as having a ring of a positive world view. The Canadian public should be better informed on the potential risk of a foreign nation finding legal precedence to support exploitation rights over sovereign Canadian resources. If this risk were to materialize, the people of Canada stand to lose a fortune of oil and mineral resources, and untapped fisheries.

6. China’s Arctic Policy states that its policy goals for the Arctic are: “to understand, develop and participate in the governance of the Arctic, so as to safeguard the common interests of all countries and the international community in the Arctic, and promote sustainable development of the Arctic.”¹¹ China’s Arctic Policy is tied directly to its OBOR initiative and it is stated as such in the policy that the “...Maritime Silk Road (Belt and Road Initiative), an important cooperation initiative of China, will bring opportunities for parties concerned to jointly build a “Polar Silk Road”...”¹² These statements could be construed as having a more sinister context if one were to give merit to Campbell’s proposition of a Chinese Geopolitical Trojan horse. In such a frame of

⁷ Campbell, Charlie. “China Says It’s Building the New Silk Road. Here Are Five Things to Know Ahead of a Key Summit.” Time, 12 May 2017, <http://time.com/4776845/china-jinping-belt-road-initiative-obor>”, last accessed 9 October 2018

⁸ *Ibid*

⁹ Xinhua. “China’s Arctic Policy.” ...

¹⁰ *Ibid*

¹¹ *Ibid*

¹² *Ibid*

mind, the Chinese Arctic policy taken along with the OBOR initiative would allow China to peacefully geo-position in order to take advantage of the Chinese-stated emerging Arctic strategic value.¹³

Canada's Arctic Strategy

7. The Government of Canada's (GoC) Statement on Canada's Arctic Foreign Policy¹⁴ from 2011, identifies four areas of concern: "exercising sovereignty; promoting economic and social development; protecting our environmental heritage; and improving and devolving Northern governance."¹⁵ Sovereignty shows up as the first priority in the document as ensuring Canada's Arctic sovereignty is the fundamental concept upon which the rest of the strategy hinges. The importance of Canada stating its Arctic foreign policy is great and the Canadian Armed Forces (CAF) should ensure that this GoC policy in particular is amplified in official documents and repeated as much as possible in international forums.

8. Strong Secure Engaged (SSE) Canada's Defence Policy covers sovereignty throughout and in describing the challenges in the maritime environment states "principle among the challenges at home is the need to operate in the Arctic..."¹⁶ It proposes the Arctic Offshore Patrol Vessel (AOPV) as the tool to deliver this effect.

9. Governance of Canada's Arctic is an important Canadian issue. Both the Arctic strategies of China and Canada discuss the issue of responsible governance of the Arctic. Canada sees governance as an issue that is being solved through collaboration and engagement between itself, Arctic Indigenous organizations (at the Arctic Council) and Northern governments. The GoC policy specifically states, "As interest by non-Arctic players in the work of the Council grows, Canada will work to ensure that the central role of the Permanent Participants is not diminished or diluted."¹⁷ This policy on governance is in direct conflict with China's aspirations to Arctic governance.

10. Another area where the two nations will face a difference of opinion is that of exploitation rights to resources outside the 200 nautical mile (nm) economic exclusion zone (EEZ) limits. GoC Arctic policy makes its position clear in its statement that "Canada is investing significantly to ensure that Canada secures international recognition for the full extent of its continental shelf in both the Arctic and Atlantic oceans."¹⁸ China

¹³ Once military units and potentially installations were in place along the OBOR, including in Canada's Arctic, then China would be postured to act with military force to obtain the 'strategic value' of the Arctic it mentions in its policy.

¹⁴ Government of Canada, "Statement on Canada's Arctic Foreign Policy." 12 May 2018, http://international.gc.ca/world-monde/international_relations-relations_internationales/arctic-arctique/arctic_policy-canada-politique_arctique.aspx?lang=engrelations_internationales/arctic-arctique/arctic_policy-canada-politique_arctique.aspx?lang=eng, last accessed 11 Oct 2018

¹⁵ *Ibid*

¹⁶ Department of National Defence. "Strong, Secure, Engaged (SSE)." 2017. <http://dgpapp.forces.gc.ca/en/canada-defence-policy/docs/canada-defence-policy-report.pdf>, last accessed 12 October 2018. pg 35

¹⁷ Department of National Defence, "Statement on Canada's Arctic Foreign Policy."...

¹⁸ *Ibid*

will likely challenge this position as it's Arctic policy sees the Arctic's resources as a common wealth for mankind.

Lessons From the South China Sea

11. The actions of China in the disputed waters of the South China Seas should serve as a warning for Arctic nations to heed as China continues with the OBOR initiative. The history behind the legitimacy of China's territorial claims in the South China Sea is complex. China has had claims to the area dating back to 1947, before many of the counter claimant nations¹⁹ existed as independent states. The South China Sea is a critical waterway for international trade with 80% of China's oil imports transiting²⁰ via this route. It also contains a wealth of resources. It is estimated that 10% of the world's fisheries are harvested there and there is speculation as to the presence of vast oil reserves²¹.

12. China's strategy of building artificial islands out of reefs to support its claim to 80% of the South China Sea has been challenged by the Philippines in international arbitration.²² The Hague decision that "... under UNCLOS, man-made islands, such as those built by China – don't generate maritime entitlements or zones of sovereignty"²³, has been denounced by Chinese officials. The fact that China can so readily reject international arbitration regarding the South China Sea is an indicator into China's likely actions in the Arctic, should international law not be in line with the Chinese perspective.

China's Arctic Presence

13. To date, China has adhered to Canadian regulatory requirements with its annual Arctic maritime research expedition by Research Vessel (RV) Xue Long²⁴. Chinese Sailing Intentions and Maritime Scientific Research (MSR) plans are annually filed with Canadian authorities prior to the voyages of the Xue Long. This concession to Canadian authorities could be interpreted to strengthen Canadian claims against future challenges to Canadian sovereignty in the Arctic maritime regions; however, the history of international use of the Northwest Passage must be considered.

14. The practice of informing Canada of Northwest Passage transits follows an unofficial neighbourly agreement followed by Canada and the United States (US) regarding the passage. The designation of the Northwest Passage as Canada's internal

¹⁹ China, Vietnam, the Philippines, Brunei, Malaysia and Taiwan all claim portions of "the so-called nine-dash line – looping down to a point about 1,119 miles (1,800 kilometers) south of Hainan Island" Tweed, David. "Why the South China Sea Fuels U.S.-China Tensions: Quick Take." Bloomberg, 7 October 2018, <https://www.bloomberg.com/news/articles/2018-10-07/why-the-south-china-sea-fuels-u-s-china-tensions-quicktake?srnd=premium-asia>, last accessed 9 October 2018

²⁰ Campbell, Charlie. "China Says It's Building the New Silk Road. ..."

²¹ Tweed, David. "Why the South China Sea Fuels U.S.-China Tensions: Quick Take."...

²² *Ibid*

²³ *Ibid*

²⁴ Fife, Robert and Chase, Steven. "Chinese ship making first voyage through Canada's Northwest Passage." Globe and Mail, 31 August 2017, <http://www.theglobeandmail.com/news/politics/chinese-ship-making-first-voyage-through-canadas-northwest-passage/article36142513/>, last accessed 10 October 2018

waters is contested by the US.²⁵ Canada and the US have a “gentleman’s agreement” with regard to its use. The US refuses to concede that the Northwest Passage is internal waters to Canada, but will always ask permission to transit through it. Similarly, Canada will not concede that it is an international strait, but will always give permission for the US to use it when requested.²⁶

15. Professor Robert Huebert (University of Calgary Centre for Military and Strategic Studies) points out that “...the danger of China’s keen interest in shipping goods through the Northwest Passage is the erosion of Canadian sovereignty, particularly since the United States (US) disputes Canada’s claims.”²⁷ As the Northwest Passage becomes an increasingly viable route for the transportation of goods between the Pacific and Atlantic Oceans, China will likely support the US claims to the Northwest Passage as being an international strait. The likely consequence of this is that, although China is currently abiding by the same rules the US does with respect to voyages through the Northwest Passage, nothing binding will hold China or any other user of the strait to such practices in the future. China’s actions in the South China Sea should leave no Canadian with the illusion that China will find itself bound to the “stare decisis”²⁸ regarding the practice of Northwest Passage usage by the US and Canada. As seen with China’s actions in the South China Sea, if China decides to treat the Northwest Passage as an international strait it will not be bound to follow Canadian regulations for transits simply on the principle of being a good international neighbour.

16. Michael Buyers, Professor of international law at the University of British Columbia describes the consequences of a future loss of sovereignty in the region if international users of the Northwest Passage overwhelmingly determine it to be an international strait. He points out that foreign vessel traffic will not “... need to comply with Canada’s strict standards on ship safety, on the kind of ice strengthening that might be required for a vessel.”²⁹ This loss of control over a strait that runs through a third of the Canadian land mass certainly would be a degradation in Canadian sovereignty, leaving Canadians with the burden of risk to Canada from potential maritime disasters, damage of the Canadian environment, and harm to Canadian resources.

Canada’s Ability to Defend its Maritime Arctic Sovereignty

17. Neither the Canadian Coast Guard (CCG) nor the Royal Canadian Navy (RCN) have the resources necessary to respond to a large scale maritime disaster in Canadian

²⁵ Beeler, Carolyn. “Who controls the Northwest Passage? It’s up for debate.” Public Radio International (PRI), 4 September 2017, <http://www.pri.org/stories/2017-09-04/who-controls-northwest-passage-its-debate>, last accessed 10 October 2018

²⁶ *Ibid*

²⁷ Fife, Robert and Steven Chase. “Chinese ship making first voyage through Canada’s ...

²⁸ “Stare decisis” is a legal term derived from Latin meaning, “to stand by decisions and not to disturb settled matters.” Perell, Paul M. “Stare decisis and techniques of legal reasoning and legal argument.” 1987, <http://legalresearch.org/writing-analysis/stare-decisis-techniques/>, last accessed 10 October 2018

²⁹ Beeler, Carolyn. “Who controls the Northwest Passage? It’s ...

Arctic waters. Currently the CCG has two heavy and four medium ice breakers³⁰ with a plan for a polar icebreaker currently under review and the RCN has only just produced the first of the five Harry De Wolf class AOPVs the GoC has committed to building³¹. However, securing Arctic Sovereignty will require more than just a few ice capable ships. If usage of the Northwest Passage becomes as frequent as other international trade routes, Canada will need to ensure proper maritime units are available and present on patrol so as to provide a timely response to emergencies.

18. Further challenges to Canada's Arctic sovereignty will likely result from Canada's inability to provide for safe navigation, Search and Rescue (SAR), and replenishment/operational hubs along the route. It is fair that a foreign entity would expect a country with the resources available to it such as Canada has to provide these measures for their claimed inland waters. Charting resources for the Northwest Passage are not at the appropriate level to provide for the safety of maritime traffic. Many Arctic experts note that "much of the area also lacks proper charts and there is little infrastructure, such as ports or search and rescue facilities."³² Additionally, replenishment capability and SAR operational resources are not available in the region. These facts could all be used by a foreign country such as China to support a claim that the Northwest Passage is an international strait since Canada has ignored the most basic of requirements to promote sovereignty. It could also be reasonable to surmise that a foreign country using an international strait that does not have the required safety resources geographically available from the host nation, would need to deploy its own assets to provide for the safety of its shipping fleets. This means that if Canada can't provide the safety resources needed in the Northwest Passage, China could argue for international support to deploy its fleets to the Arctic to provide those safety measures. When a situation such as this occurs, it will spell the end of the debate on Canadian Arctic sovereignty.

CONCLUSION

19. Canadian Arctic sovereignty is placed at risk by China's OBOR initiative. The international perspective on Arctic ownership will clash with Canadian claims if Canada does not position itself with the appropriate maritime and Arctic resources to exert its jurisdiction. China's OBOR initiative is the first of many future events that will place a spotlight on the inadequacies of Canada's preparedness to defend, steward and govern its Arctic geography. The differences between the Canadian perspective and Chinese Arctic Policy, China's actions regarding the South China Sea, and Canada's current inability to exert the proper requirements for sovereignty in its maritime Arctic domain all highlight

³⁰ Canadian Coast Guard. "Icebreaking Operations Services." 13 September 2018 <http://www.ccg-gcc.gc.ca/icebreaking/home>, last accessed 11 October 2018

³¹ Public Services and Procurement Canada. "Shipbuilding projects to equip the Royal Canadian Navy and the Canadian Coast Guard." 27 September 2018, <http://www.tpsgc-pwgsc.gc.ca/app-acq/amd-dp/mer-sea/sncn-nss/projets-projects-eng.html>, last accessed 11 October 2018

³² Waldie, Paul. "A reality check on the Northwest Passage 'boom'." The Globe and Mail, 11 May 2018, <https://www.theglobeandmail.com/report-on-business/breakthrough/will-cold-dark-northwest-passage-see-more-ships/article16231502/>, last accessed 11 October 2018

the need to commence preparations to ensure Canada's future maritime Arctic sovereignty.

RECOMMENDATION

20. In order to support Canadian Defence and Arctic policy, and to ensure that Canada is postured to defend its Arctic Sovereignty in response to China's OBOR initiative, it is recommended that:

- a. CJOC lead a combined RCN and CCG feasibility study to determine the actual ship requirements for a seamless full time sovereignty patrol regime, to correspond to the expanding Northwest Passage usage periods; and
- b. CJOC, in conjunction with the RCN, CCG and Assistant Deputy Minister (Infrastructure) (ADM(IE)), conduct a study to determine the best locations to develop SAR and replenishment operational hubs along the Northwest Passage, geographically located to support maritime sovereignty patrols and SAR requirements.

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