

Yet these demands place new pressures on traditional values. Through both its domestic economic strategies and its northern foreign policy, Canada will continue to support the sustainable utilization of renewable resources in the north.

Sustainable Utilization of Non-Renewable Resources

In many parts of the Arctic, mining and oil and gas development represent the primary source of revenue and employment. Non-renewable resource development is consistent with the principles of sustainable development when it satisfies certain conditions: if it contributes to the long-term development of the northern economy; if its benefits are equitably shared; if it meets accepted environmental standards; if it includes local decision making; and if it is accompanied by environmental mitigating measures.

Sustainable utilization of non-renewable resources thus presents many complexities. How can mining or oil and gas projects generate "economic rent" for developing other economic activity that will support the people of the area beyond the life of the mine or the oil and gas project? How should economic rent be distributed locally? What about local benefits agreements? What impact would various types of rent have in the overall financial burden to an operator? Clearly, the concept of economic rent would need to be defined and assessed within the context of the whole life cycle of exploration, development and production in order to determine net impact. Recognizing that all Arctic countries face these difficult questions, Canada will support the building of a circumpolar consensus on principles and practical approaches to sustainable utilization of non-renewable resources.

Diversification of the Northern Economy and Opportunities Available to Northerners

The Royal Commission on Aboriginal Peoples has called for a northern economy in Canada combining traditional activities with new ventures that expand the number and kind of employment opportunities available to Aboriginal young people. Running through this theme is an emphasis on sustaining viable communities and promoting a diversified economy. The issue of economic diversification to complement the renewable and non-renewable resource sectors casts a light on two major areas: the tourism industry and the development of small business.

In the coming century, tourism could be the north's largest industry. It has become part of many local economies in northern Canada, valued for its labour-intensiveness, its generation of revenue and its strong linkages to other industries. In particular, Arctic communities, tour operators and governments have embraced environmentally friendly "eco-tourism." The north now features prominently in Canada's Aboriginal Tourism Strategy and in efforts to expand export markets for Aboriginal products. Eco-tourism entails risks, however, relating to the capacity of an area to absorb tourist activity without adverse environmental and social impacts. Canada and its Arctic neighbours share an interest in expanding northern tourism that is sustainable, in particular by sharing experiences and establishing agreed standards for Arctic tourism.

Canada and its Arctic neighbours recognize that the small business sector, including traditional and non-traditional enterprises and service industries, is a critical element of a diversified northern economy, especially for northern peoples. Requiring a minimum of infrastructure, it is