this issue neither side convinced the other. Canada will continue to press its case with the USA on this matter.

Canada has never sought to close its Arctic waters to other countries; but it insists that such navigation be made with its consent and subject to the controls and other measures required for its security, for the preservation of its environment, for safe navigation, and for the well-being of the inhabitants of the Canadian Arctic.

The Agreement does not deal with submarines or US flag commercial vessels; the movement of the former being in accordance with Canada's security commitments with the USA and NATO, and the movement of the latter being subject to the pollution control standards and other provisions of the **Arctic Waters Pollution Prevention Act** (1970).

Boundaries

A boundary dispute between Canada and the USA in the Arctic involves the maritime boundary in the Beaufort Sea, between the Yukon and Alaska. Canada asserts that the maritime boundary follows the 141st meridian; the USA advocates an equidistant approach, which would move the boundary east of the meridian. The area in dispute has potential oil and gas reserves, and has been the subject of lease sales by the USA, as well as Canada.

Canada has protested such sales, because they include areas of the Continental Shelf within Canadian territory, i.e. east of the 141st meridian. The United States, while refusing to recognize Canada's claim, has made it necessary to subject any bids for leases in the disputed zone to "special procedures," under which the highest bids for tracts in the disputed area would be placed in an escrow account.

Multilateral Arctic Cooperation

For many years Canada has played an important role, both bilaterally and multilaterally, in circumpolar cooperation. Canada was encouraged by the sections of the October 1987 Soviet proposals which deal with scientific cooperation. It is hoped that further progress may be possible in the future.

Canada's Polar Continental Shelf Project, originally designed to explore and chart the Shelf and ice movement patterns, has expanded its activities to support a wide variety