

new technology and capacity in the development of tankers to carry oil and gas through northern waters. The Soviets have a submarine capacity that we would be naive to believe they are not exercising under our Icecap, in our waters. Iceland has an ice-breaker capacity greater than our own. The Americans are showing interest, the Germans are showing interest, the Japanese, the Russians and the Icelanders are showing interest - more interest than we have often shown in waters which are ours.

For a variety of reasons, the former regime did not put us in a position to fully express and defend our sovereignty in the North. We've done that. But I don't want to confine my remarks to the urgent and important question of the North. What has been happening in Northern Canada has also been happening in our international trade.

One of the reasons we have fallen behind as a trading nation has been that the rest of the world has been adapting more quickly than we have to the new factors of international trade that affect our ability to buy and sell, and consequently our jobs, prosperity and security.

We simply have not taken sufficient account of the advent of newly industrialized countries moving in to compete with us. Nor have we squarely addressed the phenomenon of rampant protectionism in the United States. One day it is hogs, the next day it is soft wood timber,