

have are not strong enough to deal with winter ice, and not fast enough to keep up with the Polar Sea. That is a situation which we didn't create and which we won't continue. As other countries develop a capacity to use our waters, to use our North, we have to acquire practical means to occupy what we claim, to exercise what we claim.

The United States and the Federal Republic of Germany are preparing actively now for commercial navigation in northern waters, which is to say in our waters. The Japanese, with a keen eye to the development of oil and gas flows from northern regions, are developing 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 ice-cap, 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 softwood timber, the day after, it is salt cod or steel.

Last year, about \$6-billion worth of Canadian exports to the United States were affected by protectionist measures. The Canadian industries concerned account for some 146 000 Canadian jobs, many of which were at risk. Good relations between Ottawa and Washington can help relieve that problem, just as bad relations could complicate it. But the point to recognize is that we are not dealing with isolated problems with hogs, and with lumber and with other specific commodities. We are dealing with a growing pattern of protectionism in the United States, and a growing competitiveness everywhere in the world.

Once again, the essential question is confidence in ourselves. Do we believe that Canadians can be as productive as the Germans, as aggressive as the Americans, as ingenious as the Japanese? And the answer is: of course we can be, because we have to be. Canadians are world leaders in telecommunications, transportation and other fields of the future. Our resource industries are respected worldwide. Canadian companies are selling micro-chips to Hong Kong, and services and commodities almost everywhere else in the world. We have the talent, the tradition, the resources to take advantage of the undeniable changes that are transforming international trade.