

No previous government, however, has extended the application of Canadian civil and criminal law to offshore areas, in the Arctic and elsewhere. This government will do so. To this end, we shall give priority to the early adoption of a *Canadian Laws Offshore Application Act*.

The exercise of functional jurisdiction in Arctic waters is essential to Canadian interests. But it can never serve as a substitute for the exercise of Canada's full sovereignty over the waters of the Arctic archipelago. Only full sovereignty protects the full range of Canada's interests. This full sovereignty is vital to Canada's security. It is vital to Canada's Inuit people. And it is vital even to Canada's nationhood.

The policy of this government is to exercise Canada's full sovereignty in and over the waters of the Arctic archipelago. We will accept no substitutes.

The policy of this government is also to encourage the development of navigation in Canada's Arctic waters. Our goal is to make the Northwest Passage a reality for Canadian and foreign shipping, as a Canadian waterway. Navigation, however, will be subject to the controls and other measures required for Canada's security, for the preservation of the environment, and for the welfare of the Inuit and other inhabitants of the Canadian Arctic.

In due course, the government will announce the further steps it is taking to implement these policies, and especially to provide more extensive marine support services, to strengthen regulatory structures, and to reinforce the necessary means of control. I am announcing today that the government has decided to construct a Polar Class 8 icebreaker. The Ministers of National Defence and Transport will shortly bring to Cabinet recommendations with regard to design and construction plans. The costs are very high, in the order of half a billion dollars. But this government is not about to conclude that Canada cannot afford the Arctic. Meanwhile, we are taking immediate steps to increase surveillance overflights of our Arctic waters by Canadian Forces aircraft. In addition, we are now making plans for naval activity in eastern Arctic waters in 1986.

Canada is a strong and responsible member of the international community. Our strength and our responsibility make us all the more aware of the need for co-operation with other countries, and especially with our friends and allies. Co-operation is necessary not only in defence of our own interests but in defence of the common interests of the international community. Co-operation adds to our strength and in no way diminishes our sovereignty.

The policy of this government is to offer its co-operation to its friends and allies, and to seek their co-operation in return.

We are prepared to explore with the United States all means of co-operation that might promote the respective interests of both countries, as Arctic friends, neighbours and allies, in the Arctic waters of Canada and Alaska. The United States has been made aware that Canada wishes to open talks on this matter in the near future. Any co-operation with the United States, or with other Arctic nations, shall only be on the basis of full respect for Canada's sovereignty. That too has been made clear.