

We are now embarked on the first thorough review of Canadian defence policy in sixteen years, to identify the best way we can defend ourselves and our allies and our values, in an age when the success of arms control negotiations might actually increase the cost of defence. The question is not whether we meet our commitments in NATO and North America, but how we do that most effectively.

That review, and our cooperation, become even more important as we draw nearer to progress in the Geneva negotiations. Mr. Gorbachev has removed the linkage between Intermediate Nuclear Force and Strategic Defence Initiative, and Mr. Reagan submitted a detailed draft treaty on Intermediate Range Missiles. Complex questions remain - of verification; the accounting of other weapons; the location of weapons that might remain. But there is real progress - and, if that leads to changes in the configuration of nuclear missile deployment in Europe, it has two inescapable consequences for our two countries. First, in conventional arms, we will face either the cost of building up our conventional forces in Europe, or the urgency of negotiating Warsaw Pact reductions that result in better balance. Second, with reductions in intermediate range missiles, the strategic importance of bombers and cruise missiles increases. That, in turn, increases the importance of Canada's north and focusses attention on the need, and expense of preventing attack there. So factors that lead toward a more secure world increase the obligations of NATO's partners on this continent.

Realizing some of these consequences, Canada has both increased our military attention in our north, through the modernization of the North Warning System, and asserted our sovereignty over our land and ice and territory. We are building the world's largest ice breaker, so we can exercise the dominion we claim in our northern waters. We've extended our base lines, and indicated our willingness to defend our claims, if challenged, before the International Court of Justice. We've initiated discussions with your authorities to seek an agreement that respects our sovereignty, and your security interests. I hope that work succeeds, because this question is important enough to us that, if discussions fail, we will take the question to the International Court.