Third, it is clear that international negotiation and cooperation across a great range of issues has become an absolute imperative. Whether in international economic relations, environmental questions, terrorism, or defence, there is no alternative to cooperation. And cooperation necessarily involves compromises. Those who cannot accept current international realities are not really defending sovereignty, although they may be fixated on that word. They are instead pursuing a fantasy of total national autonomy, something which is now impossible even for the Superpowers. For example, one traditional symbol of sovereignty is that we each treat our embassies abroad as our own national territory, impervious to foreign intrusion. Tell that to the Americans in Moscow - and then view the problem, not as an isolated incident, but as a symbol of the way the world intrudes on nations.

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Fourth, cooperation is not surrender. To freely become party to the GATT, or to NATO, or to any international covenant, is itself an <u>exercise</u> of sovereignty. Constraints on unilateral national action may necessarily follow when a nation becomes party to an international agreement. But any country worth its salt will sign on only when it gets at least as much out of such an arrangement as it is required to give up.

This Government has faced an enormous challenge in the area of Canada/U.S. trade. We must face international economic realities, face the fact that Canada is one of the few industrialized Western nations without secure access to a market of at least 100 million people; face the fact that protectionist forces are exerting enormous pressure on the U.S. Congress. We are working to build a better and more secure trading relationship with the U.S., which buys three-quarters of our exports. Our economic prosperity is at issue. It is economic prosperity, in turn, that gives us the capacity to maintain the armed forces that defend our sovereignty. It is economic prosperity that underlies the cultural industries that help define our national identity.

Liberalization of trade between Canada and the United States has conjured up all kinds of Cassandras contending that Canadian cultural institutions and regional development support might be negotiated out of existence or seriously crippled. This Government is absolutely committed to preserving these and other vital national interests. I could keep repeating that, as I have repeated it, until I grow hoarse. But I think it is best to say simply that no one is more aware than I am that we will be judged by what the package ultimately includes. If it should include elements that jeopardize our national interests, our cherished national institutions, or our capacity for cultural self-

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