

last frontier. Recent oil discoveries in the North — some announced only in the last few days — have highlighted the enormous economic potential of this part of Canada. These discoveries have raised problems about our sovereignty in the North — not over Northern territories and islands, for this is undisputed and not negotiable, but over sectors of the waters of the Arctic Archipelago. I have nothing new to report upon this except to tell you that the matter is of urgent concern to the Government and its principal law officers. Northward, across the Pole, lies our great Arctic neighbor, the Soviet Union, the one nation on earth that has an Arctic tract comparable to ours. The North is more than a source of petroleum and mineral wealth, it is an area where people will live in increasing numbers. For historical and economic reasons, the Soviet Union has made more progress than Canada in the science of northern living. One of these reasons is that the Soviet Union can direct the movement of its people. I am glad that we cannot, but we have much to learn from them. We are now engaged in technological and scientific exchanges with them and some high-level fact-finding missions to the Soviet Arctic are planned.

Mention of oil naturally brings up the subject of oil exports to the United States and questions about a continental energy policy. One of the frustrations of being Foreign Minister is that subjects of current concern upon which one would like to speak openly and fully always seem to be in a delicate state of negotiation. I suppose if they weren't they wouldn't be current. In the present discussions with the United States we have one object only: to get the best possible deal for Canadian oil in the United States market. The wider issues that have been raised are for long-term consideration and discussion. The Government believes in the orderly development of North American resources, but in a manner that fully protects present and future Canadian interests.

Another aspect of our economic relations with the U.S.A. of particular concern to you is the complex of transportation connections that links our two countries — in particular, the expansion of air-routes between points in Canada and points in the U.S.A. Proposals have been made by a number of Canadian cities, including Edmonton, for an expansion of air services to include direct links between them and a number of centers in the U.S.A. The Government supports these proposals. The Canadian delegation to the current bilateral talks which began in December and resume in February has instructions to seek maximum benefits for Canada. As usual, it is too early to say what the outcome of these negotiations will be, but we expect that it will be favorable to Western aspirations.

Foreign policy and domestic policy are the two dimensions of our national policy. Talking to you today about foreign policy, I have tried to show how it serves the general national interest on the one hand and the specific interests of different parts of the country and different sectors of the economy on the other. This calls at times for a skillful balancing act; it isn't always possible to advance