While our eastern and western sea boundaries in the Arctic are to be settled eventually with our neighbours, let me repeat then that Canada has only one major sovereignty challenge and that concerns Arctic waters. Step-by-step we are making significant progress in strengthening our claims to those waters. We are doing so by expanding Canada's control, presence, activity and international cooperation in the North.

Even taking this dispute into account, Canada is and will remain as free, independent and sovereign a country as any in the world. As such we enter those international agreements that are on balance advantageous and, as a sovereign nation, we can withdraw from them if we choose.

Living and working in the global village naturally involves obligations. That is true of the UN and NATO, of the GATT and the Free Trade Agreement, and it is true of agreements on pollution and a hundred other issues. That is what international order is all about. But the agreements we have signed and the organizations we have joined help preserve and enhance our security, our independence, our prosperity and our way of life. They may limit the freedom of unilateral action for all countries who sign them but they do not limit sovereignty.

Isolation has never been a Canadian option. Internationalism has long been a Canadian tradition. We will maintain that tradition. And we will protect and enhance Canadian sovereignty on your behalf.