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Speech by the
Right Honourable Joe Clark,
Secretary of State for
External Affairs, to the
Vancouver Board of Trade

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I want to talk to you today about Canadian Sovereignty, and Canadian interests, and how we advance them together in a world that has become more competitive and more complex.

Sovereignty is an evocative term that is suddenly so charged with symbolism as to become a kind of shorthand for control over our national destiny. Some have argued that softwood is sovereignty, so are auto parts, so are shakes and shingles. That is a distinctive Canadian definition, that you would find nowhere else in the world. You do not hear the Japanese talking about a trade dispute as an assault on their sovereignty. Indeed, you do not hear Canadians talking about a trade dispute with any country other than the United States, as an assault on our sovereignty. The abuse of the term is not very helpful to clear thinking; worse, it cheapens an important concept.

Sovereignty is in fact a concept in law. It is the legal condition necessary for the inclusion of particular lands and waters within the boundaries of a particular country. It gives that country, within those boundaries, the right to exercise the functions of a state, to the exclusion of any other state.

At the moment, Canada is faced with only one pure sovereignty issue of truly major proportions; the status in international law of the waters of the Arctic Archipelago. Given the singular features of the Archipelago - islands joined by ice much of the year; ice and territory occupied by Inuit and other Canadians for literally centuries - this is a uniquely Canadian issue. The other unresolved sovereignty questions facing Canada are disputes with the United States, with Denmark, with France, regarding certain maritime boundaries or special bodies of water. They are important, but not unique. A great many countries - perhaps even most countries - have these kinds of differences with their neighbours.

The Arctic has a very special place in the Canadian sense of nationhood, and any threats against our sovereign control of that region of our country justifiably provoke the most intense concern. That is why this Government has gone to such great lengths to safeguard our jurisdiction within the Archipelago. In our response to the Special Joint Parliamentary Committee on Canada's International Relations, we have stated four clear goals for our North: affirming Canadian Sovereignty in the Arctic; preparing for commercial use of the Northwest Passage; promoting more cooperation with other Northern countries; and modernizing Canada's northern defences.

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The 1985 voyage of the U.S. Coast Guard icebreaker Polar Sea was a shock to all Canadians - not because the transit occurred, but because we had so few means to assert our claim of control. Sovereign claims you can't defend gradually disappear. There was a need to act as well as talk. So we drew straight base lines around the Arctic Archipelago which define the outer limits of Canada's historic internal waters. That was an action which had been contemplated for decades, but never taken. That action was a signal to the world at large that those waters are Canadian, period.

Former governments had barred the International Court of Justice from hearing and judging disputes about our jurisdiction in the Archipelago. Refusing to let your case be heard suggests you are not very confident in your claim. We are confident about our claims to our Arctic, and so removed the reservations of a more timid time.

The Minister of National Defence, Perrin Beatty, has announced the Canadian forces are proceeding with plans for forward basing of CF-18s. Surveillance flights in the Arctic have been increased. Recent military exercises in the North featured one of the largest deployments ever of land forces in the high Arctic islands. The Government is now considering major options to strengthen northern defences in the context of the Defence White Paper. These include increased surveillance capacity and the possible acquisition of Arctic-capable submarines.

We are proceeding with plans to construct, here on the west coast, the world's largest icebreaker - a state-of-the-art Arctic class 8 vessel. Naturally that is important for jobs, and for the advancement of our shipbuilding capacity. But its greater significance is as a major contribution to our effective control of Archipelago waters.

We are methodically putting into place the kind of Arctic infrastructure required for effective occupation and control. That means moving ahead in areas such as hydrography, tide and current surveys, weather forecasting and ice reconnaissance, aids to navigation, regulations, Arctic Marine conservation, and studies leading to the establishment of national parks in the Arctic.

That is what sovereignty is about - developing the means to control what is ours - developing the reality that others who use our territory do so on our terms.

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Let us be clear. There will be use of the North. It is not a museum, or some unreachable part of outer space. Many countries - some friendly, some not - already possess the means to live and move on ice, through it, above it and below. There will be increasing commerce there, increasing interest, increasing strategic importance. The question is not whether the North will be used. The question for Canadians is whether the use of our North will be on our terms. This Government believes our interest in that area has been too sporadic, more vision than vigilance. The vision is essential, but so is the vigilance, and that is the process we have begun.

One element is to establish rules for use. We intend this Parliament to pass the Canadian Laws Offshore Application Act, to extend the application of Canadian Law in the Arctic and other offshore areas. We are engaged in talks with the Americans to establish rules to govern the voyage of vessels like the Polar Sea, rules that reflect, to quote the words President Reagan added to his recent speech in our Parliament, "Mutual respect for sovereignty".

These actions are all designed to advance the major issue of sovereignty before us now. Obviously, in the process of asserting sovereignty, we also affirm Canadian identity. But identity is different from sovereignty; it relates to who we are as a people, rather than what we are in law. The judgements are inevitably personal, and I have my own view that we are steadily becoming a nation more sure of itself, more distinct from others. Certainly, if some Canadians aren't sure who we are, there is no doubt about our identity in the wider world - no doubt in the Commonwealth; no doubt in the GATT, nor in refugee camps, nor United Nations agencies, nor among the populations who remember, directly or in folklore, Dieppe or Vimy Ridge.

Ironically, we are asserting that distinct identity in a world that is becoming more and more interdependent.

Consider what is happening to national economies.

A decision about a microchip in Japan triggers a major trade action in the United States, which literally ripples through the world economy. Ask B.C. farmers about the effect of Europe's Common Agriculture Programme. Ask roughnecks in my constituency about the effect in Alberta of a decision in OPEC.

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Old notions of national autonomy are changing even for the largest economies. Financial markets are becoming truly globalized for the first time, with major new centres participating in computer-based, twenty-four hour international trading. Exchange rates remain fluid and volatile. No country can ignore dramatic changes in technology or rapid shifts in competitive advantage.

Over the next decade, the question of how to handle trade in services, and trade-related investment measures, is going to emerge worldwide as a major and contentious issue. Agriculture is becoming a key battle zone between the imperatives of free international trade and the domestic interests of less competitive producers.

We once assumed the total sovereignty of strong nations. That assumption is under attack in a hundred other ways. Transboundary pollution is having an increasingly pernicious impact on the heavily industrialized regions of the world. The spectre of foreign-generated toxins arouses nationalist indignation, and drives home the point that without international cooperation the environmental crisis will just get worse. Something approaching a siege mentality can be generated by other forms of incursions - communicable diseases such as AIDS, illegal refugees, communal violence and acts of terrorism linked to foreign strife.

Even in an area as fundamental and seemingly straightforward as national defence, changes in technology and strategic thinking have made it impossible for nations to seal themselves off behind their own defensive lines. Geography shrinks to insignificance as the machinery of destruction expands its reach, inter-continentally and potentially into space.

All these hard realities are conspiring to make nations feel vulnerable to threats, real and perceived, from beyond their borders. There are certain key realities here which I believe deserve speical emphasis.

First, these trends affect <u>all nations</u> - not just Canada. Shared vulnerability and the spilling over of big issues is a global phenomenon.

Second, the reality of interdependence is raising concerns in a great many countries - not just in Canada - about what is called "sovereignty".

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.

Fourth, cooperation is not surrender. To freely become party to the GATT, or to NATO, or to any international covenant, is itself an exercise 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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expression, Canadians would reject it and us. It will not include such elements, and I would not associate myself with an arrangement that did.

Any change excites fear, and certainly some of the criticisms of our trade initiative are almost frantic in their fear. Let me deal briefly with two of those arguments of fear.

One is the fear that we will lose our independence, particularly in foreign policy. The other is the fear that Canadians can't compete. Both fears sell Canada short.

Naturally, Canada and the United States agree on a number of foreign policy questions. We are both North American nations, with democratic traditions, and free societies and economies. We also agree, on most foreign policy questions, with other open societies - Britain, France, Germany, Italy, Australia, Japan, the Nordics, and a long list of other countries. But because we agree with Holland on NATO doesn't make us Dutch. Because we agree with Australia on freer trade in agriculture doesn't make us Aussies. The standard for judging a Canadian policy should not be whether it agrees or differs with some other country. The standard should be whether it serves Canada's interests. It is absurd to suggest that we compromise our independence when we agree with the Americans on some international issue. It would be equally absurd to assume that taking issue with the Americans, over anything at all, makes us somehow more sovereign.

Let me take the case of the NDP. They want Canada out of NATO. They are, incidentally, more extreme in their position than are the socialist parties of Britain, Germany, Italy, or any other NATO country. Even among socialists, the NDP stands alone in wanting to take its nation out of NATO. In my view that reflects a fundamental anti-Americanism that colors NDP policy in trade, in defence, and other international questions. But I refer to it today because it is also a position that is contrary to Canada's interests, not simply in traditional defence, but in arms control. Six days ago, I was in Brussels, with other NATO Foreign Ministers, taking part directly in discussions that may lead the world, finally, to net reductions in nuclear arms. That is in Canada's interests. Yet the NDP thinks Canada shouldn't be there. We believe it is better to be changing from the inside rather than preaching from the outside.

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It is possible to agree with the Americans on some issues, and disagree on others. That is what we do. For example, they embargo Nicaragua; we don't. They invite Government-to-Government research in SDI; we decline. They pursued a policy of so-called constructive engagement in South Africa, which didn't work; we have led the application of a policy which holds better prospects of bringing peaceful change to a subcontinent threatened by chaos. The Americans and the British quit UNESCO; we stayed, to reform it from within, and we are succeeding. From issues through acid rain, to Arctic sovereignty, to the nature of our aid programmes, Canada and the United States have different views. Sometimes by sitting down and discussing our differences, we make progress, as we are, gradually, on acid rain - and on trade. These are important questions, important disagreements. We lose neither independence or influence by pursuing Canadian interests for Canada reasons. The alternative approach - to get out of NATO, to get out of NORAD, to get out of trade talks - would be to refuse to pursue Canadian interests because the Americans happen to share some of them. That would be absurd and, among other things, would limit our ability to contribute to progress in acid rain, in arms control, in the fight against protectionism, on other vital Canadian interests. That would be to abandon Canadian interests - in real terms, to abandon Canada's influence and independence, by becoming a preacher instead of a player. The Prime Minister and I are here to advance Canada's interests internationally, not to walk away from challenge.