

partners, but as significant political actors with major security concerns of their own. We are determined to play a more active diplomatic role in Asia, through increased consultation on regional political and security issues.

This increased Asian emphasis is not a sidelight of Canadian foreign policy. We perceive Asian diplomacy as our avocation and, indeed, our obligation, as a Pacific Rim nation.

India has a central place in our Asia policy. You are a highly valued economic partner across an increasingly broad range of sectors. Canada is the eighth largest industrial economy in the world, and India is the tenth largest, intent upon a highly imaginative and far-reaching development program. You are one of the largest recipients of Canadian development assistance, and use that assistance with impressive efficiency. But more than this, India is the largest country in South Asia and a diplomatic actor of increasingly global significance. What India says, and what India does, counts enormously in the security and economic prospects of this part of the world.

Canada has a particular stake in the stability of South Asia. All the countries of South Asia trade with Canada and receive Canadian development assistance. More pointedly, Canada has received many thousands of immigrants not only from India but from Pakistan and Sri Lanka and Bangladesh. Given the multicultural underpinnings of Canadian foreign relations, it is natural that this Government should view developments in South Asia with genuine interest.

I know that India will continue to exercise restraint and apply its formidable diplomatic skills to managing tensions with Pakistan. The consequences of direct, large-scale hostilities would be extremely serious. Should nuclear weapons be developed and employed, the consequences would be calamitous. I must tell you frankly that the international community views with the deepest concern the potential in this region for nuclear proliferation.

The continuation of the conflict in Sri Lanka is a matter of grave concern and Canada looks forward to an early resumption of the negotiating process which India has done so much to foster.

From a Canadian perspective, the major threat to the security of the Asia-Pacific region as a whole is the Soviet military build-up. This Soviet threat, particularly the naval threat, extends through and beyond the region and is indeed an element of a global pattern. If tensions are to be reduced in Asia, the Soviet Union must acknowledge that its military