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Notes for Remarks by
the Secretary of State
for External Affairs,
the Right Honourable
Joe Clark, on the occasion of a
lunch with Indian business
executives

NEW DELHI, India

December 18, 1985.

I appreciate your welcome and the time you have taken today to meet me and my delegation which includes an all-party group of Members of the Parliament of Canada. It has been a great pleasure for us to have the opportunity to meet so many eminent members of the business community.

India and Canada have had the closest of relations since the earliest days of your republic. We worked together in the post war years in giving shape to the Commonwealth ... and now our two Prime Ministers, with remarkable teamwork, are helping to give it new purpose. We have co-operated with some success in the United Nations, and in other international organizations which bring the world together. Our soldiers have served together under the bright blue flag of U.N. peacekeeping forces, and now our economists will try together to achieve a GATT round which serves the interests of both industrialized and developing countries.

In business, in education, in the co-operative movement, in shared traditions of democracy and the common law, our citizens have pursued common purposes. We have even changed the look and texture of one another's country. In Canada today, some 250,000 of our people are of Indian origin and enrich our culture with the foods and faiths and traditions of your own. On Monday afternoon, in Gujarat, I drove by yellow fields of mustard, and of an oilseed we call canola, which is now growing here, because our farmers work together. It is hard to add to the rich array of colours of India, but Canada has done that, and now some of your fields look like some of ours. Over the last three decades, Canadians have contributed more than \$2 billion to India in development assistance. That development priority will continue. But in the last few years, the pace and range of commercial and industrial co-operation has expanded. Your new government has indicated a welcoming attitude towards foreign investors and the private sector, and Canadians are already responding.

All that is prelude to a new era of economic co-operation which beckons Canada and India.

I want to speak today to the significant trade and economic opportunities which await us. But first let me speak to a challenge we face in common -- international terrorism. I have, during this visit, signalled to the Indian authorities our readiness to intensify co-operation in order to preserve the values we cherish.

I was most heartened a few days ago at the vote in the UN General Assembly on international terrorism. Unanimity is rare in that organization on any issue. But

in its recognition that global terrorism is a threat to all, the world community spoke with a single and compelling voice.

Democratic countries, by our nature, encourage differences and dissent. Sometimes that dissent can challenge the very integrity of the country. Canada has faced such challenges in the past, as have you. The issue for democratic governments is not the existence of such problems, but our response to them. For Canadians, the due process of national law and sovereignty must be respected. The democratic rights of citizens must be respected. But so too must a line be firmly drawn when peaceful dissent becomes violent confrontation. I have no quarrel with those in Canada who hold different views than the government of India, or the government of Punjab, or, for that matter, the government of Canada. I am, however, saying to those who advocate or practise violence that Canada and Canadians will not tolerate that kind of attack upon the basic rules of our democracy.

In my meetings with the senior members of your government, I have discussed such co-operation and have made clear that the Canadian government will meet its responsibilities to the maximum permitted by our laws and customs. We want to ensure that the violent activities of a few do not threaten the co-operation and the friendship that the vast majorities of both our countries seek.

I cannot help remarking on the sense of purpose and confidence which are so much a part of your national life today. Your Prime Minister and government have impressed the world with your sense of purpose as well as your courageous efforts to contribute to positive solutions to problems beyond your borders. These are the hallmarks of a great country. They explain part of our interest in working closely with you.

We are a North American country with good friends on that continent. But Canada is also a country of the world, aware of our tradition as a mediator, proud of our capacity to heal differences, strong in our moderation. India has its own traditions. As dusk fell Monday, my colleagues and I visited the Ashram in Ahmadabad where so much of that tradition took form. Our countries have common purposes and my government wants to maintain the best possible relationship with yours. We want to strengthen the already strong ties between us. From what I have seen and heard, I am confident that commitment is shared in India.

To build that relationship we must broaden it. Canada is a trading nation. There are few countries in the world as dependent on trade as we are. We are, for example, three times more dependent on trade than is our giant neighbour in North America, the United States.

The Asia/Pacific region is a prime focus for our trading efforts. If you look at our trade figures you will see that Canada today exports more across the Pacific than to all of Europe. That is not only a sign of the times, it is the sign of the future.

Your country has been very much a part of this change. Trade has increased dramatically since the slow growth of the seventies. Last year two-way trade grew to an impressive \$615 million Canadian from \$362 million the year before. In 1985 we expect two-way trade to top the \$750 million mark and, we believe, we have just scratched the surface.

Traditionally, Canadian exports have been in the form of commodities although more recently manufacturers have assumed a growing share of the total. Our objective is to diversify, we want to expand our economic and trade exchanges on a two-way basis.

Canadian firms are actively pursuing opportunities for industrial co-operation including joint ventures and technology transfer. The fact that twenty senior Canadian business executives have joined me on this visit underlines the seriousness of our interest.

There is a wide range of Canadian expertise in such areas as power generation and transmission, telecommunications, computer software, remote sensing equipment, as well as equipment such as pipelines for oil and gas development.

We have already undertaken major capital projects in India. We want to work with you more closely in areas such as power generation, mining machinery, aircraft, engineering services, defence products and avionics. All are areas of Canadian strength and expertise.

One reflection of our expanding contacts is the dramatic upsurge in the number of Canadian business people who now travel to India, and of your businessmen and women who travel to Canada. We were most pleased in October to welcome a senior group of executives from the Association

of Indian Engineering Industries. The Canada-India Business Council and your Federation of Indian Chamber of Commerce have established very productive relations. The Canadian Manufacturers Association and the AIEI have in place a co-operative arrangement which includes a new AIEI office in Toronto which we warmly welcome

Our co-operation in development has been a particularly important aspect of our economic relationship for over 35 years. The history of that collaboration is a model. We can both be proud of the large hydro projects that collaboration has brought about: Idukki in the south, Chamera in the north and Kundah in Tamil Nadu, which was the first.

But we have not confined ourselves to the Mega projects. We are proud to be associated with the work that Dr. Kurien and the National Dairy Development Board are doing in Gujarat and so many other parts of India. We contribute to the School for Mass Communications at Jamia Millia University, dry land farming, ground water development, and support for some 300 projects involving non-governmental organizations in India.

India has a remarkable record in the use of development funds. You have marshalled your own resources and you have wisely used that which is available from other countries. Canada's development assistance has been increasing in real terms in recent years. That trend will continue.

But so will the trend of increasing trade. We will shortly be opening a trade office in Bombay to ensure an effective Canadian presence in that dynamic and bustling metropolis. I understand, a second Canadian bank, the Royal Bank of Canada, will soon be opening in Delhi, thus adding to the services provided by the Bank of Nova Scotia in Bombay.

Earlier this year, our countries signed an agreement on double taxation. We will be exchanging the instruments of ratification with your authorities soon. This tax treaty will contribute significantly to facilitating two-way trade and investment.

Yesterday I was pleased to agree with my colleague, the Minister of Foreign Affairs of India, that he and I should meet at least annually, and there should be annual bilateral consultations at the senior official

level alternately in India and Canada. These consultations will bring together representatives from the public and private sectors, and will be a dynamic force in forging closer economic and industrial collaboration between our countries.

Today we signed a protocol for a Canadian line-of-credit drawing funds from both the Export Development Corporation and the Canadian International Development Agency for the purchase of oil and gas equipment. The line-of-credit will be in the amount of \$198 million Canadian.

In early 1987, Canada will participate as the designated partner country in the AIEI's Seventh Engineering Trade Show. At that show you will see the range of industrial goods and services for which Canada and Canadians have become known and respected. We will take advantage of that event to show and tell you more about Canada, through films and lectures and seminars. For a short time you will have Canada on the Jumna.

At the outset, I spoke of the warm relationship between Canada and India, which started so many years ago. It is a relationship that goes beyond statistics and dollars and cents. We wish to develop our trade, to expand our development co-operation. We also want to strengthen the other ties -- political, cultural, educational and tourism.

We see the economic and social promise of India. We are confident in our own capacity to contribute to your achievements and to the new spirit of growth which your government has sparked.

We can stand together to combat common problems. We can work together to provide tangible benefits for the people we represent. My visit is a symbol of our determination to do more together.

Thank you for joining me this afternoon, and for sharing my confidence in the strength and future of Canada-India relations.