

Statement

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NOTES FOR A SPEECH

BY THE RIGHT HONOURABLE JOE CLARK,
SECRETARY OF STATE FOR EXTERNAL AFFAIRS,
AT A DINNER IN HONOUR OF THE VISIT OF
MR. K. NATWAR SINGH,
MINISTER OF STATE FOR EXTERNAL AFFAIRS,
GOVERNMENT OF INDIA

AND

THE INAUGURAL OF THE
CANADA-INDIA OPPORTUNITIES CONFERENCE '88

CALGARY, ALBERTA

May 15, 1988.

Secretary of State
for
External Affairs

Secrétaire d'État
aux
Affaires extérieures

Canada

Mr. Minister, distinguished guests, ladies and gentlemen:

It is a great pleasure to welcome to Calgary and to Canada the distinguished Minister of State for External Affairs of India, Mr. K. Natwar Singh.

Mr. Singh has come to Calgary for our annual Canada-India ministerial consultations, and to speak tomorrow at the Canada-India Opportunities Conference '88. Both events are testimony to the close and growing cooperation that has developed between Canada and India.

This is the fortieth year of India's independence. But the short four decades of independence bely the rich and historic heritage of India. A perspective of more like one hundred times forty years is necessary to begin to understand the traditions, culture and society that is today modern India.

The history of Canada's relations with India, however, must be viewed largely in the period since Indian independence -- since 1947. Canada and India come from the same British Commonwealth tradition, and have each built dynamic distinct nations from those roots. India is the tenth largest industrial economy in the world; Canada the eighth largest. India is the architect of the Non-Aligned Movement; Canada an architect of the North Atlantic Treaty Organization, and the Economic Summit. India is Asia and people and potential. Canada is North America and geography and potential. Together, we can be powerful partners -- and these meetings, and the contacts of our business people, build that partnership.

I have visited India three times since our 1984 election, and Mr. Singh and I have now met four times in the past year -- in New Delhi, in Vancouver, in Lusaka, and now in Calgary. The locations of our meetings confirm why the airlines do not allow foreign ministers to accumulate travel points.

I will again welcome Mr. Singh to Canada in August as we, and other Commonwealth Foreign Ministers, meet to consider ways to bring peace to Southern Africa.

Events in India affect Canada directly, and vice versa. Much of that mutual influence can be highly positive, particularly if we develop stronger commercial ties, in projects like Yamunanagar, and Chamera Two, and Raj Mahal.

But one issue raises the deepest worry in both India and Canada, and that is the situation in Punjab. Mr. Singh and I had the opportunity today to discuss the tension and the killings there. I know the importance of maintaining the integrity of the world's largest democracy, the world's most complex democracy; just as Natwar Singh knows the profound concern of Canada about escalating violence, and the effect on human rights.

The trouble in India creates tension in Canada -- tension that can explode into violence even here. Canada as a nation reaches out to all cultures, all colours, all corners of this globe to draw people together in a free and diverse society. Canadians from India came here early -- particularly Sikh Canadians, who have been in Western Canada since the beginning of the century. They have brought their culture to Canada, and practiced it as Canadians.

But now the peace of the Sikh community in Canada is threatened by the violence in Punjab. The security of relatives is threatened. And, tragically, a tiny group of Canadians of Sikh origin abuses their rights, in Canada, by counselling or pursuing terrorism in India, or supporting separatism there. The majority of Canadians of Sikh origin work tirelessly and fearlessly to ensure that moderate views prevail in the Canadian community. This Government, encourages those moderates, and opposes extremists who abuse Canadian law and traditions.

But the connections between the Punjab and Canada are personal and profound. It is much more difficult to encourage moderation in Canada while violence continues in Amritsar and elsewhere. Among the urgent issues we share in common is the need to bring peace and justice to the Punjab, and we pray that occurs.

I need hardly remind an audience like this of India's importance in Asia, or Asia's importance in today's world. The words "Asia" and "future" are synonymous. Sixty percent of the world's population now lives in Asia. By the end of the century, it will be close to seventy percent - which means that four out of every six persons on earth will live in that region.

Their economic dynamism is shaping the whole world economy. The Asian nations, more than most, have embraced new technologies that transform our world. By the next century, the economies of the Asian countries will be more diversified than the economies of Europe, or those of North America.

The GATT now ranks trans-Pacific trade ahead of trade across the Atlantic. Five of the world's leading exporters were in Asia in 1985. In 1973, only one Asian country made the list -- that was Japan.

India is assuming an increasingly important role in the overall Asian economy. It ranks among the top industrialized nations of the world. It has the third largest reservoir of trained people in the fields of science and management and technology; it has abundant raw materials, a work force which includes a high percentage of skilled workers, and a large and growing domestic market, which can absorb the full range of consumer goods. In short, India is a country on the move, a country where Canada and Canadians can and should do a lot more business.

This is one of the purposes behind the Canada-India Opportunities Conference, although its wide-ranging agenda is, of course, intended to explore various aspects of the relationship between our countries.

The Canada-India relationship is not new. We worked together closely in the early days of the Colombo Plan, to develop the framework and the policies for a world-wide system of international development. We have helped the Commonwealth develop into one of the more effective international organizations, cutting across regions, race, religion, and economic circumstances. Elsewhere, in the United Nations, in the various arms control and disarmament fora, and in the new round of multilateral trade negotiations, Canada and India are working together on the major issues of the day.

We do not always agree, but when we do agree, we can bring others along.

One important aspect of Canada-India cooperation, for the rest of the decade, will be related to the work of the multilateral trade negotiations in Geneva. These are vitally important negotiations, and in large measure, their success will determine the growth and prosperity of the global economy well into the next century. Despite some signs to the contrary, protectionism continues to feed on the world's huge trade and current account imbalances. Those imbalances, along with the volatility and misalignment on exchange rates, as witnessed by last October's crash, provide ample warning that the world's trading system urgently requires attention.

Serious negotiations are now underway in Geneva. For our part, we want to see rapid progress for greater international discipline in agricultural trade; the implementation of the pledge made in Uruguay two years ago to halt and roll back protectionist measures; and the strengthening of GATT as an institution.

The negotiations in Geneva must address the key interests of all participants - north and south, east and west. The improvement of the multilateral trading system is a fundamental objective of Canada's international trade policy. We are pursuing trade reform everywhere, starting with our closest, largest market.

The agreement with the United States will reinforce the efforts underway in Geneva, and help reverse the build up of protectionism. Not least, the agreement reflects pioneering work in such areas as services and agriculture.

Over forty years ago, Canada and India began our economic cooperation. Founded on the hopes and aspirations of leaders such as Prime Ministers Nehru and Pearson, and organized through the Colombo Plan, Canadian experts and Canadian companies have worked cooperatively with Indian experts and Indian companies from the hills of Kerala, through the plains of Andhra Pradesh, across the Rajasthan Desert, and into the high Himalayas. Close to two billion dollars have been dedicated to development cooperation between Canada and India, and there are plans for even more imaginative and innovative development cooperation in the years ahead.

Over the past three years I have directed that special efforts be made to conclude concrete commercial agreements between India and Canada, and to extend our economic cooperation.

During that period, much has been done. We have now instituted regular ministerial and senior officials consultations. Last week in Ottawa, officials met for a full review of the economic relationship, to develop plans and to initiate activities for the coming year. Earlier today, Mr. Singh and I continued those discussions.

This conference itself underlines the commitment in both the private and public sectors to the relationship with India. And the conference is just one of a series of initiatives undertaken by Canada. A few weeks ago, in cooperation with the Conference Board of Canada, a highly successful conference on Indian financial markets was held in Montreal. It brought together leading Canadian and Indian bankers to exchange views on this important aspect of the relationship.

Canada has been exporting a wide range of commodities to India for the past twenty years. Recently, there has been a decline in such exports, so we organized a commodity forum in New Delhi in early March. Canada is committed to the Indian market, and will do what we can to maintain our traditional role as leading supplier of industrialized commodities in the Indian market.

John Crosbie must have known before the rest of us that he was going to be Canada's new Trade Minister. In January, three months before the Prime Minister made it public, Mr. Crosbie led a group of Canadian businessmen to India to promote Canadian expertise and capabilities in the transportation sector. Canadian companies are world leaders in this area. In aircraft, in locomotives, in control and navigation systems for airports, in computer systems for railway freight management, and in port handling facilities. We like to think that this is a sector in which Canada and India can work closely together given the similar challenges of geography that we both face in our development.

Thirty years ago Canada and India began cooperation in the energy sector. In hydro, names such as Kundah in Tamil Nadu, Idukki in Kerala and now Chamera in Himachal Pradesh are synonymous with modern Indian and Canadian technology.

We look forward to continuing that cooperation. I would hope that arrangements for the second phase of the Chamera project will be completed quickly. Certainly, I am ready to do what is necessary to see this project go forward as soon as possible.

I would also hope that in the coming weeks it will be possible to broaden our involvement in the energy sector. Canadian companies have developed excellent proposals for specific projects in the thermal sector and, following on our discussions today and last year in New Delhi, I would expect that the approval process for the Yamunanagar project in Haryana will be completed before too long. The Canadian proposal meets all the technical requirements, and it is supported by very attractive financing. Moreover, I was told explicitly, in New Delhi, that this would be a priority bilateral arrangement. Naturally I look forward to having that commitment honoured.

The involvement of the Metchem company of Montreal in the Raj Mahal coal mine project is another example of our efforts to broaden our involvement in the Indian energy scene. It is expected that the agreement for this project will be completed in the coming weeks, and that once completed it will bring badly needed power to west Bengal and Bihar.

Mr. Minister, Calgary is a city that grew with oil. Canadian technology and expertise in this sector are world known and respected. Following negotiations with both the Government of India, and the oil and natural gas corporation, we have now put in place an attractive and highly competitive two hundred million dollar line of credit. I am told that Cardwell Manufacturing of Edmonton is already negotiating to sell three oil rigs under the line of credit, and I would hope that other Alberta companies will be close behind. I also understand that arrangements are now going forward for India to participate in next month's national petroleum show.

There is ample evidence of a growing interest by Canadian companies in India. They are, of course, building on the good foundations established by companies such as Bata Shoe, Howe International, Alcan, Cominco and SNC. These companies have not been content to just sell to India -- they have invested in India and in the future of India.

The personal relations between Canada and India are wide and deep. Go to any large city in Canada, and you will find as much diversity as is found in New Delhi, although in smaller dimensions. Rajastanis and Gujaratis and Keralans and Bengalis

and Punjabis and Orissians and Biharis and Tamils and Maharastrians have all come and have all added immeasurably to the richness of Canadian society. They are valued members of the Canadian society, and are the bridge that ties our distant countries closer than geographical proximity could.

The Shastri Indo-Canadian Institute has done pioneering work in this regard, and as it now celebrates its twentieth anniversary, we look to many more years of its valuable contribution to fostering understanding and closer ties between Canada and India. The University of Calgary has for many years been an active member of the institute, and has provided its Canadian home. Yesterday the University hosted the institute's annual board of governors meeting, and I was pleased to learn recently that the Government of India has given permission for the construction of the institute's new headquarters in New Delhi.

At our meeting today, I suggested to Minister Singh that the expanding cultural and educational relations between Canada and India warranted closer attention and support. We are hopeful that, in the coming months, we will be able to agree to put in place a government to government framework. I want to encourage and facilitate cultural and educational ties, because they will do much to reinforce the understanding from which closer relations in all areas must derive.