

3 CHAPTER

India and Canada Relations

After reading the chapter, the reader will be able to develop an analytical understanding on the following:

- Historical background of diplomatic relations
- Commercial diplomacy
- Nuclear diplomacy
- Energy diplomacy
- Analysis of bilateral visits

HISTORICAL BACKGROUND

The ties between India and Canada go back to the British era. A lot of Indians had migrated from India to British Columbia during the later parts of the 19th century. Around three per cent of the Canadian population today comprises of Indians and this diaspora acts as a strong bridge between the two nations.



During the Cold War, Canada became an ally of the US while India advocated for NAM. Nehru did visit Canada in 1949 to establish a good rapport with Louis St. Laurent. Initially Canada provided aid to India and during the Cold War, Canadian support for peaceful nuclear purposes acted as an important connector to India. Canada gave a reactor to India called CIRUS (Canadian–Indian Reactor Uranium System). From 1947 to 1955, India and Canada cooperated at the UN level for decolonisation. Canada has viewed India very progressively due to India’s democratic credentials. This closeness between Canada and India was due to feeling of Canada being able to act as a bridge between the West and Asia. As historian David Webster says, Canada actually had ambitions of acting as a linchpin in the relations between West and newly decolonised Asia. But as NAM became prominent and as Indonesia and India initiated the NAM rhetoric, the Canadian vision of being a bridge gradually began to collapse. After the 1971 Indo–Pak war and subsequent Indo–Russia Treaty of Friendship (1971) and Indian nuclear test in 1974, Indo–Canada relations took a dip. Canada suspended all nuclear ties with India after the 1974 Indian nuclear test and political ties also suffered during the rest of the Cold War period. The redefining moment finally came in 1996 when Canadian PM Jean Chrétien decided to push the relations to new heights and undertook aggressive re-engagement.

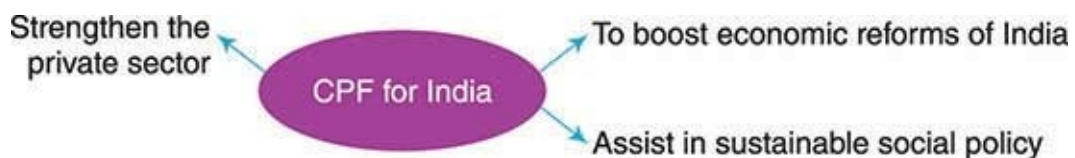
Canada, India and the Colombo Plan

In 1949, after Nehru's visit, India opened up diplomatic relations with Canada. In 1950, Canadian Prime Minister Lester Pearson visited Colombo and his visit marked the birth of Colombo Plan. This plan was in reality Canadian development assistance. The Colombo Plan was officially called the Colombo Plan for Cooperation for Economic Development in South and South East Asia. The aim of the plan was to fight poverty in the region and this effort was gradually joined by the US and Britain.



Canadian ODA to India

Canada, during the Cold War channelised assistance and economic aid to India via the Canadian International Development Agency. The assistance began from 1951 and was given for fertilizer, food commodities and industrial goods. Since 1985, Canada has adopted a Country Policy Framework (CPF) for India.



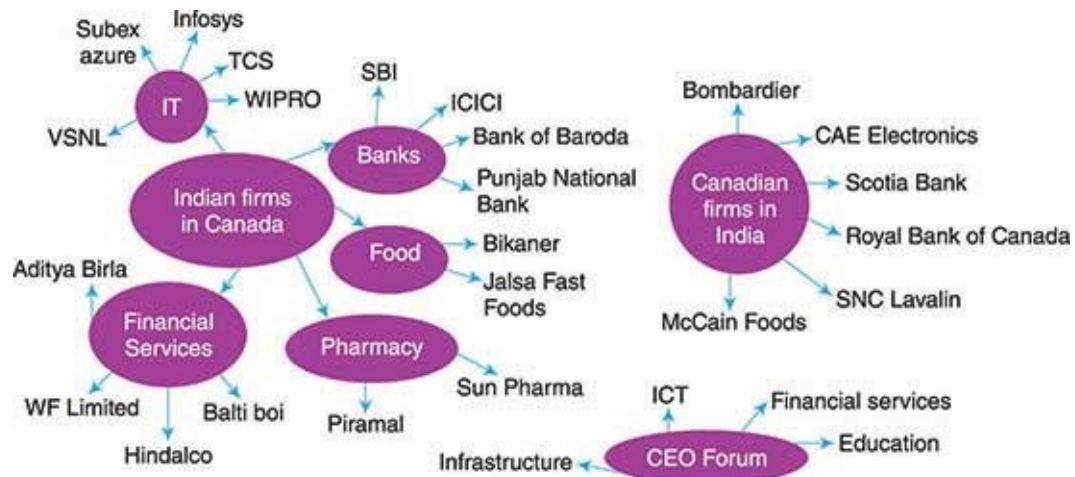
Canada has also provided financial assistance to Bihar and Odisha and assisted the MP state electricity board to go for provisional electricity for pro-poor households.

COMMERCIAL DIPLOMACY

Trade has transpired between India and Canada since the end of the Cold War. India majorly exports gems, jewelry, garments, textiles to Canada and imports pulse, wood pulp, potash, copper, aircrafts and aviation equipments. The two are negotiating a CEPA which is in the final stages and the 9th round of CEPA negotiations has happened as recently as March, 2015. At the international level, collaboration in the post-Cold War period can be seen in their jointly chairing G-20 where India and Canada are cooperating in financial sector reforms. Two areas where Indian investment is rising in Canada are IT and resources. The diagram below represents the institutional architecture.



A lot of Indian firms are working in Canada in multiple sectors. There is also a CEO's forum that helps in boosting cooperation in selected dimensions.



In recent times, SpiceJet has tied up with Bombardier for supply of next generation turbo airlines while Canada's Mextech ventures will establish a geological under earth station near Girar in UP. At the level of science and technology, both are collaborating in aerospaces, photonics, nanotechnology and biotechnology. There is also a growing cooperation in alternative energy.



Foreign investment Promotion and Protection Agreement (FIPPA) and CEPA

In 2010, Canadian trade minister Peter Van Loan launched negotiations for an FTA with India. The recommendation to establish a negotiation forum for the FTA was given by Joint study group (JSG) on CEPA. The JSG was established after the visit of Stephen Harper to India in 2009. The JSG advanced cooperation in goods and services sector. The ninth round of negotiations took place in March, 2015, in New Delhi. The FTA will open access for Canadian firms to position in Indian markets and Indian firms would use the FTA to establish a base in Canada for accessing the markets of NAFTA. Canada is also negotiating a FIPPA with India to protect investments through legal obligations. For example, an obligation could be a mutual legal declaration on how to resolve disputes and settle them. Despite the fact that an India–Canada FIPPA was concluded in 2007, the negotiations, as mentioned above, are going on for its ratification. The issues over investor–dispute settlement mechanisms are holding back the FIPPA. While India wants that a due process of exhausting domestic judicial routes should be done before one approaches tribunals at international levels, Canada is concerned about slow judicial decision-making in India and wants to go to international tribunals without a lengthy judicial approach.

The FTA simultaneously is held back on two issues.

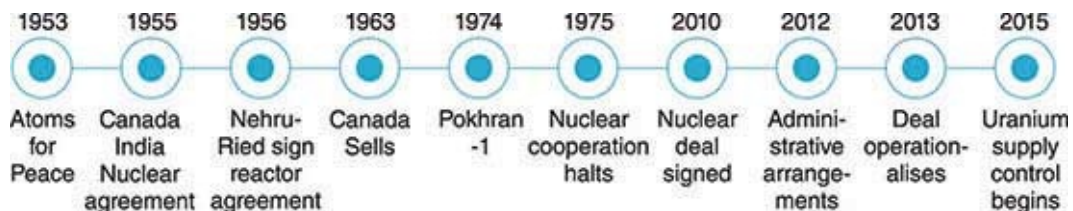


NUCLEAR DIPLOMACY

Leaving behind the past, both countries, in 2010, concluded a nuclear deal envisaging civilian nuclear cooperation. The nuclear deal benefits the nuclear industry of Canada to explore a new market and will also have contribution to the bilateral trade. As relations existed at the nuclear level before 1970s, and as Canada pioneered CANDU (Canada Deuterium Uranium) reactors and India specialised in Pressurised Heavy Water Reactors (PHWR), with infrastructure almost similar today, scope of cooperation does exist under the 2010 nuclear deal. Under the deal, Canada has decided to provide Uranium for facilities inspected by IAEA.

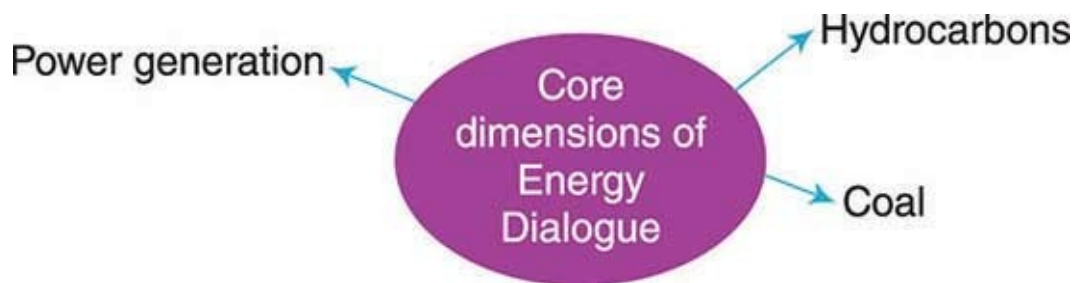


Despite the fact that the nuclear deal was signed in 2010, it could not materialise. The Canadians wanted inspection of the material they would give to India. This owes its origin to the lack of trust due to the 1974 issue. But India clearly affirmed that since all civilian reactors are open to IAEA and Canadian support is at the civilian level, adding Canada in the list of inspectors over and above the IAEA was not warranted. Thus, after two years of intense negotiations and diplomacy, an administrative arrangement was agreed upon and all obstacles stand to be removed in nuclear commerce. But India's nuclear liability law continues to act as an irritant. Now, under the administrative arrangement, a joint commission has been established for information sharing. The joint commission on civilian nuclear cooperation held its first meeting in 2013. In 2015, India took a decision to purchase (350 million dollars' worth) supply of Uranium from Saskatoon in Canada.



ENERGY DIPLOMACY

Canada is an energy rich nation and, with India, it has a ministerial level energy dialogue since 2013.



There is also a Canada–India energy forum since 2010. This forum has been established under the MoU on energy cooperation signed in 2010.



The second India–Canada Energy dialogue happened in Alberto in Canada in 2015. Since 2009, the two nations have cooperation in crude oil and India has been importing oil from Canada. Canada is likely to supply LNG to India in future as India is among the top five importers of LNG while Canada is the fifth largest producer. Thus, Canada will provide India oil, natural gas and uranium.



Outer Space Cooperation–Astrosat

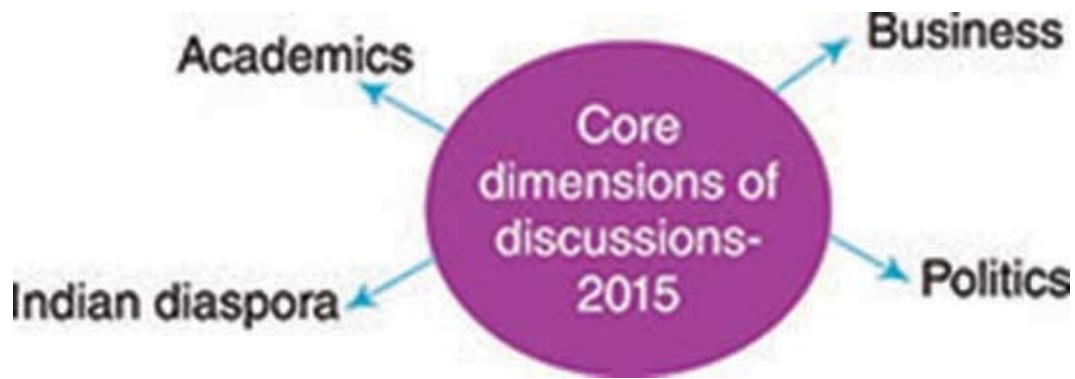
The Indo–Canadian outer space cooperation goes back to the 1990s. The Canadian space agency and the ISRO signed an MoU in 2003 for cooperation in satellite communication and remote sensing. Both began to cooperate on ultraviolet imaging telescope. The UVIT is jointly developed and has been used by Astrosat. The Astrosat was launched on 28th September, 2015. The UVIT was gifted by the Canadian space agency to the Indian Institute of Astrophysics. Canada provided three detectors for UVIT and one twin ultraviolet and visible imaging telescope.

EDUCATION DIPLOMACY

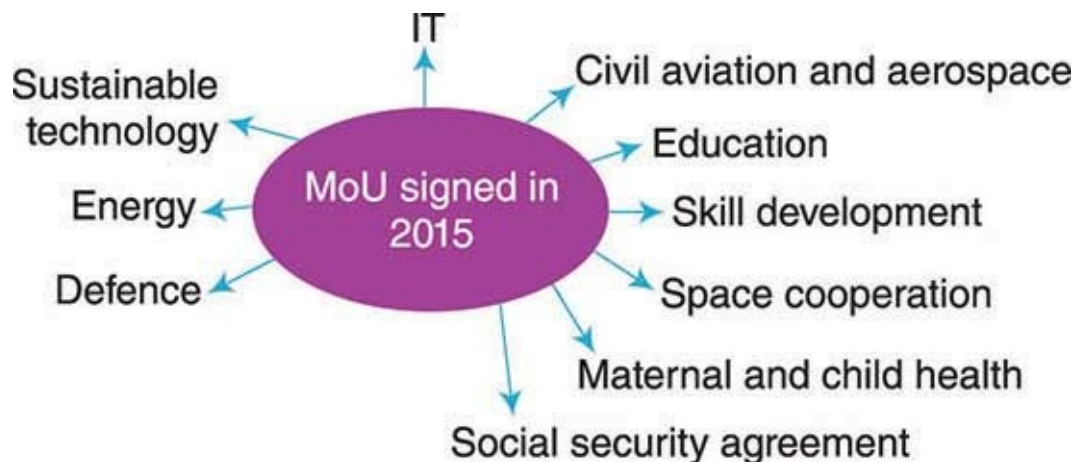
Canada is a permanent education destination for Indians. India and Canada signed an MoU to cooperate on student exchange and higher education. The MoU recommended setting up of a Joint Working Group (JWG). The JWG had its first meet in 2013. Canada is an important destination for education because of the demand of skilled people in India by 2022. Canada has a high representation in post-secondary education. Canada has become a member of India’s Global initiative of Academic Networks (GIAN). The GIAN focuses on bringing international faculties of global repute to visit India and bringing global academic perspectives for Indian students.

ANALYSIS OF THE 2015 VISIT OF THE INDIAN PM TO CANADA

The Indian PM visited Canada in 2015 and met Stephen Harper and gave him a painting of Guru Nanak with his disciple Bhai Bala and Bhai Mardana. He visited Gurudwara Khalsa Diwan and the Lakshmi Narayan Temple. He also paid a visit to Air India Memorial in Toronto and in total concluded 16 commercial agreements.



There were 13 MoUs between National Skill Development Council and 13 Canadian colleges for skill development in aviation, textiles, sports, green economy, and so forth. There was also an MoU on higher education and a new alumni network established for those people who studied in Canada and are working in India.



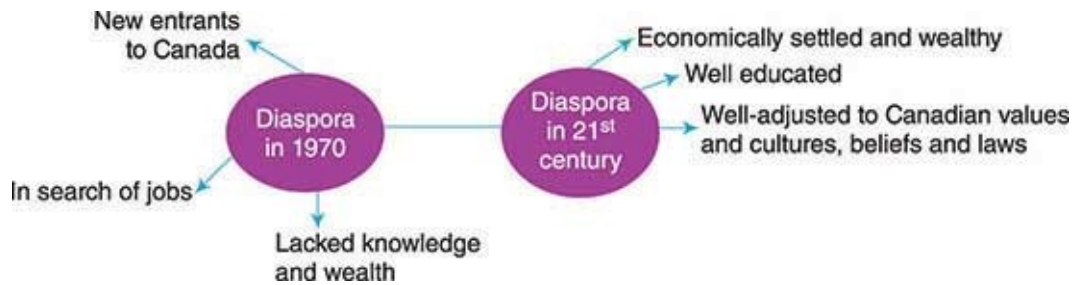
In 2013, it was agreed that Cameco will provide 3.175 million kg Uranium to India till 2020. India on the other hand has extended visa on arrival facilities for Canada citizens visiting India. The two nations have agreed to continue discussions for an early conclusion of the CEPA. The PM has emphasised on sharing of nuclear technology for use and application in society. The Canadian nuclear industry has pledged support for Make in India. Canada has also extended support for the smart city project. Under economic diplomacy, Canada has a global Action Plan and has decided that states holding great promise for Canadian businesses will be given a priority under the plan.



Indian Diaspora in Canada and the Issue of Komagata Maru

The Indian diaspora in Canada has been settled there from the British era. The Canadian territory was a part of the British colonial empire and travel to Canada at the time from India required no visa. There were controls on voting and settlement rights, however. Things did change post-1947. The policy of immigration became liberal since 1962 and Canada invited education professionals for growth and economic development of Canada. A point system was used for entry as per the needs of the Canadian economy, thus leaving many aspirant immigrants out. The point system was replaced in 1967 and since then there has been a rise in immigration to the country. The Indian diaspora in Canada is not a monolithic idea but is diversely spread all over. The Indian diasporic presence in Canada has considerably changed

from 1970s till now.



Komagata Maru was a floating prison and a scar on Indo–Canadian relations. Komagata Maru was a ship hired by Sardar Gurdit Singh to travel from Hongkong to Vancouver with economic migrants. As the ship reached the Burrard inlet on West coast of Canada, the Canadian authorities denied it further port access due to exclusion laws for Asian immigrants by Canada. As per the Asian Exclusion Act, a ship entering Canada had to make a continuous journey from where it had started. Canada had passed Asian Exclusion Act in 1908 to ensure that it became tougher for Asians to enter Canada. The Asians had to make a direct voyage from their point of origin and this was difficult to do so during those times. After the ships reached the Burrard inlet, it was denied entry for two months and was finally sent back. As the ship reached Calcutta, there was detention of some persons on board of Komagata Maru while some even got killed in gunfire leading to violation of basic human rights, which led ultimately to the Budge Budge riots. In May, 2016, on the 101st anniversary of Komagata Maru incident (23rd May, 1914), the Canadian PM Justin Trudeau offered his apologies for the incident on behalf of Canada. This sent a strong positive message of relief to the diaspora and finally helped the descendants of the victims to achieve closure.