



# CANADA - UNITED KINGDOM Chamber of Commerce 85th Year 1921-2006

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## Reception with the Right Honourable Stephen Harper, 22nd Prime Minister of Canada, 14 July 2006

Good evening, ladies and gentlemen. Thank you very much for your warm welcome. And special thanks to Mr. Dahdaleh for your generous introduction.

I'd like to begin by acknowledging a few people here tonight:

- The acting Canadian High Commissioner in London, Guy Saint-Jacques. I understand he threw a great Canada Day party in Trafalgar Square this year.
- Her Majesty's High Commissioner to Canada, David Reddaway.
- And your Minister of State for Energy, Malcolm Wicks.

Ladies and Gentlemen, this is actually my first speech to a business audience outside Canada since becoming Prime Minister. And it is only fitting that it's to your distinguished organization. Because the Canada-UK Chamber has been promoting commerce between our nations for almost 90 years. And because the business relationship between our countries dates back to the very founding of Canada.

In fact, for two centuries prior to our confederation in 1867, much of Canada was effectively owned, operated and governed under the red ensign of a London-based corporation, the mighty Hudson's Bay Company.

Our co-sponsor tonight, the Canada Club, owes its founding in 1810 to the fur traders of the North-West Company, the main rival and eventual partner of the HBC. Still, business is but one aspect of our combined history. That history is built by layer upon layer of common experiences, shared values and ancient family ties.

In my own case, the Harper family traces its known forefathers back to the northern England and southern Scotland of the 1600s.

### **Bonded by history**

But a far greater orator than I - or any Harper of the past 400 years - once described Canada-U.K. relations this way:

The ties which join [Canada] to the mother country are more flexible than elastic, stronger than steel and tenser than any material known to science.

Canada bridges the gap between the old world and the new, and reunites the world with a new bond of comradeship.

The speaker, as you might have guessed, was the incomparable Winston Churchill. The occasion was a speech in Ottawa in 1929, part of a cross-country tour of what he called "the Great Dominion." He gave 16 speeches in 9 cities. Every one of them was delivered to sold-out rooms and repeated standing ovations.

On that same tour, Mr. Churchill reminded Canadians of what they owed to Britain. At the heart of our relationship, he said: "is the golden circle of the Crown which links us all together with the majestic past that takes us back to the Tudors, the Plantagenets, the Magna Carta, habeas corpus, petition of rights, and English common law... ...all those massive stepping stones which the people of the British race shaped and forged to the joy, and peace, and glory of mankind."

How right he was. Britain gave Canada all that - and much more. Including:

- Parliamentary democracy;
- A commitment to basic freedoms;
- The industrial revolution; and
- The entrepreneurial spirit and free market economy.

Not to mention Shakespeare, Dickens, Kipling, Lewis, and Chesterton.

Of course, we haven't accepted all of our inheritance from Britain. The take-up rates on rugby and association football are certainly not as high as ice hockey. And Canadians remain utterly baffled by cricket.

But seriously and truthfully, much of what Canada is today we can trace to our origins as a colony of the British Empire. Now I know it's unfashionable to refer to colonialism in anything other than negative terms. And certainly, no part of the world is unscarred by the excesses of empires. But in the Canadian context, the actions of the British Empire were largely benign and occasionally brilliant. The magnanimous provisions of the Quebec Act of 1774 ensured the survival of the French language and culture in Canada - to the everlasting benefit of our country. And

the treaties negotiated with the Aboriginal inhabitants of our country, while far from perfect, were some of the fairest and most generous of the period.

This genius for governance shown by the mother country at the time no doubt explains in part why Canada's path to independence was so long, patient and peaceful. And it explains why your Queen is still our Queen, and why our "bond of comradeship" remains as sturdy today as it was in Mr. Churchill's time.

### **Eternal allies**

That bond, ladies and gentlemen, was forged in bad times as well as good. Sometimes in the flames of war. When Britain has bled, Canada has bled. A generation of our young men share eternity with British Tommies in the fields of France. Another generation of Britons and Canadians fought side by side against Nazi fascism. Yet another helped our American cousins prevail over the menace of Soviet communism. And ever since that brief, illusory moment when we thought we were witness to "the end of history," we have been allied in a new global conflict.

This is a conflict without borders. A conflict fought abroad and at home. A conflict in which the aggressor stands for nothing yet seeks to impose its will. Through the destruction of terrorism. Through the slaughter of the innocent. And through the perversion of a faith. So once more we face, as Churchill put it, "gangs of bandits who seek to darken the light of the world." And once more we must appeal to our values, marshal our resources and steadfastly apply our will to defeat them. This war on terror will not be easy. Nor will it be short. But it must be won. And Canada's new national government is absolutely determined, once again, to stand shoulder to shoulder with our British allies, to stay the course and to win the fight.

### **Canada's new defence and foreign policy**

Ladies and gentlemen, during last winter's election campaign, I made it crystal-clear where my party stood on national defence, foreign policy and the fight against terror. We promised to rebuild Canada's long-neglected armed forces.

To reassert Canadian sovereignty over our arctic territories. And to reclaim the modest leadership role we once held on the world stage. And this is exactly what we have been doing since Canadians gave us their trust on January 23rd.

One of my first actions as Prime Minister was to visit our soldiers in southern Afghanistan - who are standing shoulder to shoulder with British forces in the Kandahar and Helmand provinces. Together, they're taking the fight to the Taliban and helping the Afghan government assert control over these areas. And they

are helping the Afghan people rebuild their war-ravaged country.

Canada, like Britain, has committed to this mission for at least two more years. And committed to doing our duty for global peace and security over the long term. It is why my government increased defence spending by two and a half billion pounds (over \$5 billion) in our first budget. We are expanding the Canadian armed forces by recruiting and training 23,000 new regular and reserve troops. And we are providing them with the tools they need to carry out their missions.

Last month, we launched a major new military procurement program. We will be purchasing new transport ships, a new fleet of military trucks, medium- to heavy-lift helicopters, and large tactical and strategic-lift aircraft. These acquisitions will make the Canadian forces bigger, stronger and better able to respond quickly to threats at home and abroad.

### **Domestic security**

As you know all too well, the terrorism threat is not just external. Canadians were shocked and saddened by the London subway attacks that coincided with last year's G8 meetings. We also take this threat very seriously. And we're acting on it. First, by increasing the financial and human resources needed to enhance domestic security. Our inaugural budget dedicated an additional three quarters of a billion pounds (close to \$1.5 billion) to improving emergency preparedness and the security of our borders and transportation systems. We're plugging the holes, filling the gaps and working hard to stay one step ahead of the agents of hate and terror.

Second, we're working closely with our international allies to penetrate global terror's networks. We're sharing information and co-ordinating investigations. Last month's arrests of 17 persons in the Toronto area, for example, marked the culmination of a two-year investigation involving intelligence-sharing with authorities in the United Kingdom and the United States. Several subsequent arrests in Britain were triggered by the investigation and arrests in Canada.

We're also taking a leadership role in the international effort to choke off terrorist financing. Last week Toronto was named the permanent headquarters of the secretariat of the Egmont Group, representing financial intelligence agencies from 101 countries. But our best weapon in the fight against terrorism is another gift of our British heritage - our open and democratic society, and, more specifically, our embrace of cultural diversity.

It is true, of course, that the apostles of terror use the symbols of culture or faith to justify crimes of violence. They hate open, diverse, democratic societies like ours because they want the exact opposite, societies that are closed, homogeneous and dogmatic. But they and their vision will be rejected, rejected by men and women of generosity and goodwill in all communities. And most importantly rejected by men and women in the very communities they claim to represent.

We have already seen this in Canada since the recent arrests. Because Canadians - no matter what their religious, ethnic or cultural heritage - recognize that ours is a land of opportunity. Where everyone with the will to succeed can build a good future for themselves and their families.

Where what matters most is where you're going, not where you came from.

Ladies and gentlemen, our government will do all we can to make our society secure and ensure that terrorism finds no comfort in Canada. And we'll do it by preserving and strengthening the values we inherited from you,

- Freedom, democracy, human rights, the rule of law
- The values that built Canada, the values that unite all Canadians, and the values that will keep both our countries strong and secure.

### **Canada-UK trade**

At the very foundation of a strong, secure country is, of course, a strong, stable economy. And thanks to our balanced budget,

- Our tax cuts,
- Debt reduction,
- The high demand for our natural resources,
- Our competitive economy,
- Our clean, safe cities
- And our highly skilled workforce,

Canada is an extraordinary country in which to do business.

Canada's new national government, as demonstrated in our first budget, is committed to balanced budgets,

- Low interest rates,
- Debt reduction,
- Lower taxes,
- A stronger economic union
- And an open, competitive economy.

We're building on a solid foundation. The fundamentals of our economy are strong. The cost of doing business in Canada is now among the lowest in the industrialized world. Our natural resources are in high demand. Our cities are clean and safe - and our environmental and criminal justice policies aim to make them safer and cleaner. People are hard-working, highly skilled and global in their outlook.

In short, Canada is a great place to do business. But I hardly need to tell you that. British investment in

Canada has doubled since 1999, from 7 billion pounds to 14 billion pounds (\$15 billion to \$30 billion).

### **A new energy superpower**

One of the primary targets for British investors has been our booming energy sector. They have recognized Canada's emergence as a global energy powerhouse - the emerging "energy superpower" our government intends to build. It's no exaggeration. We are currently the fifth largest energy producer in the world. We rank 3rd and 7th in global gas and oil production respectively. We generate more hydro-electric power than any other country on earth. And we are the world's largest supplier of uranium. But that's just the beginning.

Our government is making new investments in renewable energy sources such as biofuels. And an ocean of oil-soaked sand lies under the muskeg of northern Alberta - my home province. The oil sands are the second largest oil deposit in the world, bigger than Iraq, Iran or Russia; exceeded only by Saudi Arabia. Digging the bitumen out of the ground, squeezing out the oil and converting it into synthetic crude is a monumental challenge. It requires vast amounts of capital, Brobdingnagian technology, and an army of skilled workers. In short, it is an enterprise of epic proportions, akin to the building of the pyramids or China's Great Wall. Only bigger.

By 2015, Canadian oil production is forecast to reach almost 4 million barrels a day. Two thirds of it will come from the oil sands. Even now, Canada is the only non-Opec country with growing oil deliverability. And let's be clear. We are a stable, reliable producer in a volatile, unpredictable world. We believe in the free exchange of energy products based on competitive market principles, not self-serving monopolistic political strategies. That's why policymakers in Washington - not to mention investors in Houston and New York - now talk about Canada and continental energy security in the same breath. That's why Canada surpassed the Saudis four years ago as the largest supplier of petroleum products to the United States. And that's why industry analysts are recommending Canada as "possessing the most attractive combination of circumstances for energy investment of any place in the world."

British companies are already significant players in the Canadian energy sector. BP has been there for 50 years. It's already one of our leading producers of natural gas and it has a major stake in Canada's next huge gas development - The Mackenzie River Delta in the Northwest Territories.

BG Group has also accumulated a large exploration stake in the Mackenzie River Valley. There are trillions of cubic feet of gas in the region, and we are hopeful that the huge pipeline needed to deliver it to southern markets will finally go ahead. British firms invested nearly three billion pounds (over \$6 billion) in our energy and metals sectors last year. And I think we'll see even more British investment as word of Canada's stature as the West's most important energy storehouse gets out.

### **Canada-UK trade today**

Of course, the energy sector is not the only source of British investment. There are already about 650 UK-based companies and subsidiaries operating in Canada. You employ more than 70,000 people in 20 different industries. British exports to Canada was close to five billion pounds (\$10 billion) last year. And even if you're not doing business in Canada, chances are you're vacationing there. We welcomed over nearly a million visitors from the U.K. last year. And we look forward to seeing you all at the 2010 Winter Olympics in Vancouver and Whistler, British Columbia.

Canada is not as big a player in Britain as we'd like to be, but we're getting there. I'm glad to see many of you sporting Blackberrys. They're made in Canada, you know. Ontario manufacturer, Research in Motion, recently got security approvals from Whitehall and has started selling its marvellous devices to several ministries. Chances are the video card in your computer monitor was made by ATI Technologies of Toronto. One of our home-grown heroes is Quebec-based Bombardier, the aircraft and rail car manufacturer. Believe it or not, Bombardier is the largest full-time employer in Northern Ireland.

All this means we're not just hewers of wood and drawers of water anymore. Although we're still pretty good at those things too. The great granite plate known as the Canadian Shield is a vast storehouse of precious metals. We have long been a major producer of nickel, gold, copper, potash, coal and cement. But it may be news to you that Canada is now the world's third largest producer of diamonds. A decade ago Canadian diamonds were only a gleam in a prospector's eye. Today there are three producing mines and two more in development. And the Royal Bank predicts diamonds will bring over 30 billion pounds (almost \$70 billion) to the Canadian economy over the next 25 years.

The Shield also yields a third of the world's uranium supply. There aren't many hotter commodities – so to speak – in the resources market these days. The price is higher than it's been in three decades. Around the world, nearly 200 new reactors are proposed, planned or under construction. And, as you know, Britain is one of the countries considering expansion of its

nuclear generating capacity. We'll hope you'll remember that Canada is not just a source of uranium. We also manufacture state-of-the-art Candu reactor technology, and we're world leaders in the safe management of fuel waste.

Which is one more reason to think of Canada as an energy superpower - and a strong candidate for British investment. I know Britain's trade orientation has successfully focussed on the European Union in recent years. But the success of British enterprise, for centuries, has been its ability to spot opportunities and nimbly move to exploit them. That is something else we learned from you.

So you'll forgive me if I remind you of it now, because the world is beating a path to our door.

And we want Britain to be as much a part of our future as she has been of our past.

### **Conclusion**

Ladies and gentlemen, let me conclude by saying that I have no doubt that the "bonds of comradeship" Mr. Churchill talked about in the early 20th century will remain just as strong throughout the 21st. The "little island" and the "Great Dominion" are eternally bonded by language, culture, economics and values. That's why our business relationships are so strong and successful and why they will only be growing stronger in the future.

It's why our troops are again serving side by side – this time in Afghanistan - defending freedom and building democracy. Why our intelligence services are working hand in glove to keep our homelands safe and secure. And why I am honoured to have had this opportunity to speak to your organizations today.

Thank you. God bless Canada and God save the Queen.