

# STATEMENT DISCOURS

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Notes for Remarks by  
the Honourable James Kelleher,  
Minister for International  
Trade, to a Thailand-Canada  
Business Seminar

BANGKOK, THAILAND  
February 19, 1986.

I am thoroughly delighted to be here in Bangkok in the distinguished company of so many Thai friends of Canada -- and, of course, Canadian friends of Thailand. I have been given the kind of welcome that only this noble land of smiles can extend, and I thank you for your warm hospitality.

I know it is a Thai teaching that respect should be given to those who deserve respect, and I would like to follow that precept today. In the short time I have been in Bangkok, I have seen a city of wonders, a city electric with energy, a city graced with the openness of spontaneous human warmth. These are qualities that command the respect and admiration of every visitor, and they have certainly captured mine.

An indication of the importance Canada attaches to its relations with Thailand is the fact that although our Government has been in office for only 18 months, I am the fourth member of the Cabinet to visit you. Industry Minister Sinclair Stevens was here last March, Revenue Minister Perrin Beatty in May, and Secretary of State for External Affairs Joe Clark in July. If this keeps up, you can expect one of us to show up every four months or so.

But I think that's appropriate. It was, after all, the Conservative Government of John Diefenbaker that accredited our first ambassador to Thailand, 25 years ago.

In the intervening years, Canada's political and humanitarian interest in Southeast Asia rapidly led to our awareness of Thailand's great economic potential, and we have sought ways by which we could help your country achieve your social and economic

objectives through development assistance. Today I want to share with you my thoughts on what is potentially the most critical economic, indeed political, problem of our time. It is a problem faced by Thailand and the ASEAN countries, and by the rest of the world, as well.

As many of you are aware, the world's trading environment has been growing increasingly protectionist. The late John Kennedy once said that "a rising tide lifts all ships." Indeed, over the past 40 years, under seven rounds of multilateral tariff reductions under the auspices of the General Agreement on Tariffs and Trade, the tide of freer trade has lifted the economic growth of all nations. But protectionism now threatens to turn the tide from flow to ebb, and an ebbing tide will lower all our ships.

To make a slight change in the metaphor, 1986 will be a watershed year for the world's trading nations. The next round of Multilateral Trade Negotiations is scheduled to begin this year, and its objectives will be to turn back the protectionist tide, lower more trade barriers and tighten some of the loopholes in the GATT system. In my meetings here in Bangkok, I have had the opportunity to discuss our mutual interest in some of the issues that will be up for negotiation. I also confirmed Canada's willingness -- indeed, desire -- to act as host for the Ministerial Conference which will begin the negotiating process. We have suggested the ceremonies be held in Montreal in September.

Canada is deeply committed to the rejuvenation and expansion of the multilateral trading system. We see the next round of trade negotiations

as vital to this objective. It is our view that the new round must address the concerns of developing countries -- and, therefore, that Thailand and other ASEAN countries must be very much involved in developing the agenda for the talks.

To prepare for the next round, Canada has already begun a process of consultations with our trading partners around the world. We are glad to see the positive response that Thailand has given to this initiative. During the recent round of discussions among our senior officials, we were pleased also to discover that our positions were so close on virtually all the major issues involved.

Both Thailand and Canada can benefit immensely from more open world markets. This is certainly true in the areas of natural resources and agriculture, where we have common interests in securing access to the markets of Japan and Western Europe. And it is true in fish products, where we both face protectionist pressures in the United States.

We also share interests in achieving greater discipline in the use of contingency protection measures -- such as countervail and safeguard actions -- and in improving GATT's dispute settlement system. My hope is that Canada and Thailand can join forces in these areas of common interest during the negotiating process. By working together, we will strengthen our bargaining leverage at the talks.

I believe many of you are aware of the initiative that Canada and the United States have taken to negotiate a new bilateral trade agreement. Some of you may even be concerned about it, perhaps fearing that it will divert our attention from our other trading partners.

I assure you that it will not.

The United States is by far our biggest market, but it is by no means our only market. Our trade interests are global, and we have no intention of putting all our eggs in one market basket. Any agreement we conclude with the U.S. must also meet our obligations to our other trading partners and to the GATT. It would just not make sense for us to sign an agreement that would in any way discourage our trade with the rest of the world.

Indeed, you may be aware that the negotiations with the U.S. are not the only major initiative Canada is undertaking. We have another one, as well, and that is the development and expansion of our two-way trade with the countries of the Asia-Pacific region. In the past few years, the growth and momentum of our relations with this region have become a major component of our foreign policy.

Our Pacific trade now exceeds our trade across the Atlantic. It is also growing more rapidly.

Thus it is not surprising that the Pacific Rim has become a major focus of our National Trade Strategy. In a time of financial restraint, the Government is committing increased funding in support of our trade in this region. We are, for example, adding to the Commercial staff of our Embassy here in Bangkok. We are also undertaking a number of specific projects which we hope will result in a greater awareness on the part of Canadian industry of the potential of this dynamic region -- and of the opportunities for commercial cooperation and joint ventures.

We hope, also, that our new initiatives in this area will help your business community get to know the market opportunities in Canada.

Canada has been a dialogue partner of the ASEAN countries since 1975. Our relationship has been an active one, ranging from political consultations to cooperation in development projects.

During this period, our ties with Thailand have become very strong. We have common interests in security and regional stability -- both of which are essential to trade and growth. We have often worked together in international organizations, bringing a pragmatic and moderating influence to conflicts and controversies that threaten stability.

I should point out that we have also joined with the countries of ASEAN in their principled stand on the situation in Cambodia. We are very much aware of the threat to Thailand's security which the situation poses, and I can assure you, as have other Canadian Ministers before me, of Canada's unwavering support.

Canada also has a strong interest in the steady economic development of ASEAN and, of course, of Thailand. In 1982, Thailand was designated what we call a "core country" for aid, with a budget of more than 15 million dollars a year. Since then, Canada has participated in rural development and poverty eradication programs here. And we have been active in mineral and energy development. We are, for example, financing a half-million dollar feasibility study to employ hydro power at Nan Chern to meet peak hour demand.

We have provided consultants to work with your government's economic planning agencies to help develop policies and priorities. After this luncheon I will have the pleasure of presenting to the Asian Institute of Technology a cheque worth more than 500,000 Canadian dollars for an ASEAN

scholarship program.

We have also discovered in Thailand a new and exciting trading partner. We estimate that the two-way trade between us reached a quarter of a billion dollars in 1985. And that, so far, is a record high.

Our commercial interests, in fact, are remarkably complementary. Canada is a reliable supplier of resource-based commodities such as asbestos, man-made fibres, zinc, aluminum, steel and polyethylene resins. Also successful in the Thai marketplace have been some of our industrial and high technology items: aircraft engines, telecommunications equipment and power boilers.

Up until two years ago, Canada had enjoyed a significant surplus in our trade with you, but the Thai exporting community has now virtually closed the gap. Thai commodities such as fish products, canned pineapple, rice, gems, furniture, clothing and textile goods have found a ready acceptance in Canadian markets.

Through the mechanism of regular trade consultations, moreover, both countries are able to signal their aspirations. Canada sees areas such as telecommunications, energy, oil and gas, mining and manufacturing to be of high potential for us here.

With me in Bangkok is a group of Canadian businessmen who are active in the Thai market. They represent a variety of Canadian expertise. I urge you to get to know them and find out more about the goods and services they can provide. I believe you will find them very competitive. During my visit, for example a number of contract awards to Canadian companies will be announced, with a combined value of more than ten million dollars.

Looking in the other direction, our officials, both at the Embassy here in Bangkok and through various organizations in Canada, stand ready to counsel Thai exporters on strategies to enhance your success in our market. Your expanded presence in Canada, including the new Thai Trade Centre in Vancouver, will also be of great value in this regard.

Vancouver, of course, is the site of this year's world fair, Expo '86, which will be held from May to October.

We have given tremendous emphasis to the Pacific dimension of Expo '86. We are delighted that Thailand will be there and I look forward to visiting your pavilion in the ASEAN Plaza. Expo '86 will be a first rate opportunity for you to show Canada who and what you are. The fair will attract an estimated 15 million visitors. It should serve very well as a showcase for the Thai business community.

Canada has demonstrated a sensitivity to Thai industrial development initiatives by both direct and indirect investment in this country. Established here are such Canadian firms as Bata Shoes, Seagrams and Alcan (the Aluminum Company of Canada). Late in 1985, another Canadian company, Gopher Oil, signed an agreement with your Minister of Industry to invest 17 million American dollars in oil exploration over the next two years.

We are also proud of new joint venture developments, including ChampThai, which produces parts for road graders, and Oboe Engineering, which provides solar drying technology for Thai agriculture.

Our Government actively supports industrial cooperation, especially

joint ventures. This September, for example, we are organizing a Canada-ASEAN Forum in Vancouver, the aim of which is to encourage and facilitate cooperation between our country and yours through joint ventures. I am also pleased to announce that the Asia Pacific Foundation of Canada will be collaborating with your Industrial Finance Corporation and your Board of Investment in organizing a seminar later this year on joint ventures in Thailand.

Canada is keen to respond to Thai requirements in high technology, including technology transfer. Some projects for which we see potential are primary radar systems for civilian airports, elevated railway expertise for Bangkok's Mass Transit Project, and the possible provision of technology that would allow Bangkok city buses to run on compressed natural gas. Our advanced telecommunications expertise may be applicable to Thai interests in Ramasat and for the provision of telephone services in isolated rural communities.

In energy, Canadian companies have supplied all the power boilers for the current seven units at the Mae Moh thermal power plant and have signed a contract to provide the boiler for Unit 8.

Speaking more generally, let me say how delighted we are that Canada has been selected as Thailand's dialogue partner within ASEAN. What this means is that for the next three years Thailand will be our window on ASEAN. This is a very special relationship. I am sure it will provide further opportunities for friendly bilateral cooperation between Canada and Thailand.

May there always be friendship between Canadians and Thais.

And may there always be fish in  
your waters and rice in your fields.

Thank you.