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Notes for a speech by the  
Right Honourable Joe Clark,  
Secretary of State for  
External Affairs

BANGKOK, Thailand

July 16, 1985.

I am very pleased to be in the kingdom of Thailand and to have this opportunity to speak to you today. First I want to review with you international conditions which are shaping both ASEAN and Canadian foreign and trade policies. In specific terms, I also want to comment on the vibrancy and future of our bilateral relationship.

Canada is a country of three oceans - the Arctic, the Pacific and the Atlantic. Most of our history came across the Atlantic. It is increasingly clear that much of our future lies across the Pacific. Last year, our trade across the Pacific was greater than our trade across the Atlantic. For a decade our immigration has been larger from Asia than from Europe. The new Government is acutely conscious of our Pacific role.

We have, moreover, for several years attempted to help Thailand shoulder some of the enormous burden it bears as a result of Vietnamese aggression in Cambodia. We have provided humanitarian assistance to thousands of displaced persons from Cambodia through the auspices of the International Committee of the Red Cross, the United Nations High Commissioner for Refugees, and the United Nations Border Relief Operation. Further aid has been given to affected Thai villagers forced to flee their homes because of fighting along the border.

Canada has also long been a major resettlement country of those unfortunate victims of the tragedy in Indochina. Since 1975, we have accepted approximately 100,000 refugees from Indochina, with more than 31,000 of these coming from camps in Thailand, and we will continue to do our fair share.

Industrial and developing countries alike must contend with problems of persistent unemployment, volatile exchange rates, uncertainty over future interest rates and the threat of protectionism. Against this background, the prospects for growth in industrial countries will influence development and indebtedness in developing countries.

To illustrate this point, economic growth in industrial countries like Canada, and in developing countries like the ASEAN nations, is directly linked to growth prospects for the US economy, specifically, the slowing of growth in the US to 3.2 percent in 1985.

The large trade deficit in the US and high unemployment in key industrial sectors continue to fuel protectionist pressures. These pressures are also clearly

evident in economies where the trade deficit may not be as spectacular as that in the United States. In several countries, market access has recently been tightened in sectors including agriculture, consumer electronics, automobiles, textiles and clothing, and steel. That poses a problem for all governments interested in open trade. If we are forced to focus on fighting protection, we have less time to build new, more open relations. Our challenge is to reverse the growing trend towards protection everywhere in the world.

The new Conservative Government of Canada recognizes the vital role trade plays in the well-being of the Canadian and ASEAN economies. We accept the challenge and the need to be internationally competitive. Like the ASEAN nations, Canada has to pursue every export opportunity, large or small, traditional or new. This demands that we participate in the search for ways of improving access to export markets in an increasingly competitive and protectionist international market environment.

Canada shares in the search for a more stable world trading environment. Decisions taken over the next year or two with respect to trade negotiations will shape the trading framework for the remainder of the 20th century. Preparatory work for a new round of multilateral trade negotiations is likely to begin in 1986.

These negotiations will be about:

- (A) Trade liberalization of tariff and non-tariff barriers;
- (B) Improving trade rules for a more predictable trading environment; and
- (C) Improvements in the trading system including improvement in the GATT dispute settlement system.

The results of the recent Bonn Economic Summit Meeting may give us a reading on the international economic outlook. Bonn was one of the most difficult Summit Meetings. However, its discussions reflected the inter-dependence between the developed and developing world. There was a recognition of the need to sustain growth in world trade, to lower interest rates, open markets, and to improve the flow of resources to the developing world. Official development assistance was recognized as essential to enable countries to achieve sound economic growth.

The Bonn Summit also endorsed strengthening the World Bank. In Canada's view, the Bank should be given a more differentiated role in financing the longer-term growth and adjustment of development countries like ASEAN. To address the special financial problems faced by countries which are neither among the poorest nor among the major debtors, Canada outlined a possible World Bank intermediate financing facility. This third window facility would assist the Philippines among ASEAN countries, and other nations elsewhere, in strengthening and diversifying their economies. Canada's Minister of Finance is urging that this question be discussed at the IMF/World Bank Development Committee Meeting in Seoul in October.

Canada also supports the case-by-case approach to managing problems of indebtedness in the third world. At the same time, we are sensitive to the social and political costs of adjustment in debtor countries. We recognize that adjustment policies must acquire and maintain credibility with the populations of less developed countries. Adjustment policies above all must lead to a resumption of economic growth.

At the ASEAN Conference last week, I stressed that the issues of global trade and finance are of vital importance to the future prosperity of all countries. I emphasized the high priority that Canada places on building international consensus to rejuvenate the multilateral trading system. Canada believes that a successful MTN must offer advantages to both developed and developing countries. To this end, I am sending a mission here in September to meet with your officials on these issues.

This visit to the ASEAN region has served to heighten my understanding and perspective of your very real political and strategic problems. These matters of national significance to Thailand impose a heavy strain on your energies and resources. Thailand has had to bear a significant burden as a result of the masses of refugees and displaced persons who have sought refuge in your country. As I announced at the ASEAN Post Ministerial Conference in Kuala Lumpur last week, we will provide \$2.7 million in assistance to help alleviate this problem.

To Canadians, Thailand's skillful and sympathetic handling of these complex issues is characterized by pragmatism, flexibility and tolerance. For our part, Canada will remain supportive of Thailand's and the ASEAN

position on Cambodia; we will continue to assist by taking our fair share of refugees. We will continue to resist protectionist pressures to reduce Thai exports. We will continue to assist you where possible in becoming more active in the Canadian market. We will maintain our aid programme and we will be enhancing our assistance to Thailand in its efforts to combat the pernicious drug trade.

Contacts between officials of our two countries represent a growing and closer working relationship built on jointly acknowledged ideals and issues. When His Excellency, Prime Minister Prem, visited Canada in April 1985, it signified that these links were to be supplemented by tangible economic cooperation between our two countries.

Since the Prime Minister's visit, other events have occurred which underline the importance of our bilateral relations. During my visit to Thailand, I am signing a double taxation agreement which will assist and encourage businessmen to increase commerce between our two countries. Thailand's participation in Expo 86 offers exciting prospects of enhanced economic relations. The mission of Minister Samak in March illustrated the part Canada can play in Thailand's development of its communications network. The mission to Canada led by Minister Damrong in May, is expected to produce a number of scientific and technological exchanges and joint ventures which will serve to advance industrial development in Thailand. Other missions have been led by Canada's Minister of Regional Industrial Expansion and by Thailand's Board of Investment, opening doors and expanding possibilities for a vibrant bilateral relationship.

Given the vastness of Canada, and the requirement to move great quantities of materials to domestic and international markets, it is only natural, that we find ourselves amongst the world leaders in energy, transportation and communications technology. By great fortune for our manufacturers and consultants, your country is rapidly expanding and has a requirement for equipment and technology in these three areas.

We have, for example, two Canadian companies, Babcock and Wilcox and Combustion Engineering, which have each won contracts from EGAT and between them supplied all seven boilers at the Mae Moh project. Furthermore, these two companies, although strong competitors, are both

serious contenders for the two additional 300 MW units for which EGAT officials are currently studying proposals.

In the field of telecommunications, we have several firms looking at a variety of projects, including telephone privatization in Bangkok and elsewhere in the country. Furthermore, we consider SR Telecoms of Montreal a world leader in rural telecommunications and a strong contender in the forthcoming Asian Development Bank-financed rural telecom project for Thailand.

The list goes on, with Canadian involvement at the early stages of your mass rapid transit project. My Cabinet colleague, Minister Sinclair Stevens, when he visited Bangkok early last March announced that the Canadian Government was to provide \$1.5 million towards a feasibility study of this project.

Canadian commercial interests in Thailand are far from being oriented only to exports to your country. Just yesterday, within a hour of my arrival in Thailand, I participated in the official opening ceremony of a Thailand/Canadian joint venture to manufacture major road grader components for export worldwide. Such a venture benefits both our countries; it provides for an enhanced position in the Thai market for the Canadian company while at the same time contributing to employment and creating transfer of technology opportunities for Thailand.

As many of you will recall, a little over a year ago we held an exhibition of some 28 Canadian manufacturers; of these, some 21 are still pursuing joint venture negotiations. The first joint venture to manufacture solar powered dryers for food products was signed only a few weeks ago and the initial unit is now under construction. It is through these, and we hope many more such joint ventures in the future, that a long term, mature and mutually beneficial commercial relationship will evolve.

Thailand's trade with Canada has been growing at a spectacular rate and has more than tripled from 1982 to 1984 to a level of over 2,000 million Baht. While Thai products were virtually unknown in Canada a few years ago, it is now not uncommon to see quality Thai clothing in the shops and supermarkets featuring Thai rambutans and mangosteens. Indeed, Thailand's recent decision to open a trade office in Vancouver is eloquent testimony to the importance you place on the Canadian market.

Within these activities, Thailand and Canada are entering into a new era of closer and mutually beneficial economic relations. With Thailand's impending new 5 year plan, and with Canada's search for fresh international initiatives, we have much to look forward to for the future success of our bilateral relations. I have come to know your country better through this visit and through meeting so many people who are interested in expanding connections with Canada, not only in the economic areas but in political, social and cultural spheres as well. Let me say clearly that this interest is totally reciprocated by the Government and people of Canada.