

# Statement

Secretary of  
State for  
External Affairs



# Déclaration

Secrétaire d'État  
aux Affaires  
extérieures

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**NOTES FOR AN ADDRESS BY  
THE HONOURABLE BARBARA McDOUGALL,  
SECRETARY OF STATE FOR EXTERNAL AFFAIRS,  
TO THE  
CANADA-THAILAND CHAMBER OF COMMERCE**

**BANGKOK, Thailand  
April 7, 1993**

One of the great pleasures I feel as a Canadian is experiencing the beauty of changing seasons. For those of you who have ever experienced the harsh beauty of a Canadian winter, you will understand the joy and lightness that many Canadians feel at this time of year as the blanket of ice and snow disappears. Spring is always a time of emotional as well as natural renewal in our country.

I know that this is also the beginning of the Buddhist New Year, and much of that same sense of positive renewal and revitalization takes place in your country at this time.

These very human feelings of joy, relief, exhilaration, excitement and hope can be transformed into a positive force that can have major implications far beyond the individual. In fact, that positive force can affect the overall social, economic and political climate of a country, its governments and its institutions.

As the world has changed dramatically over the past few years, much interest and much emphasis has been placed on the emerging role of global and regional structures and networks, such as the United Nations and the Association of Southeast Asian Nations (ASEAN). Some of this is emotional -- seeking islands of stability in a sea of swirling change. Much of it is merited, because with the collapse of Communism and the former Soviet Union, we see a need for interactive, interdependent organizations, even though their roles and rules are developing only a step ahead of the changes that they wish to harness and direct.

A very good example of this new international co-operation is the expanded concept of peacekeeping. Once simply the placement of neutral forces between two parties that had agreed to disengage, peacekeeping is now a far more complex process that tries to deal with the causes and after-effects of conflict, as well as with the conflict itself.

Once seen as the sole domain of the United Nations, regional organizations also are beginning to take up responsibilities for regional security. In my participation at successive meetings of the Post-Ministerial Conference of ASEAN, I have encouraged the inclusion of regional security issues on the agenda in their political as well as military dimensions. We noted with pleasure the recent decision of ASEAN members to embark in this new direction.

Much of the effort of modern peacekeeping is directed at the very human, very personal level, as current missions in Somalia, Cambodia and the former Yugoslavia so graphically demonstrate.

If the world has learned one lesson from the events of the past half decade, it is that security cannot be addressed in isolation

-- that there are important links between political stability and social and economic stability at all levels: community, national, regional and global.

There is a debate about what comes first -- economic development or the development of democracy and democratic institutions -- and convincing arguments have been developed on both sides, depending on the region or country under discussion.

That debate misses the point, because it is not really an either/or situation. One can lose oneself in the elegance of philosophy, economics and political science and ignore the fact that at the foundation of all the esoteric arguments there is one common denominator: the welfare and prosperity of the individual.

In other words, social and economic development must go hand in hand with political development. Not only do they proceed apace, but they in fact reinforce one another.

Thailand is an outstanding example. Like much of the world, we were dismayed by the tragic events of last May. Yet by September -- only four months later -- you had elected a government strongly committed to democratic values and universally accepted norms of human rights. What was one of its first initiatives? To establish new economic and social programs to address the needs of the poor and disadvantaged.

In a world becoming increasingly more knowledge-based, a country cannot waste the energy and potential of a single citizen. In fact, in an increasingly interdependent world, this proposition extends beyond national borders.

I have just come from Vancouver, British Columbia, where I attended the historic summit meeting between U.S. President Bill Clinton and Russian President Boris Yeltsin. At the root of much of the discussion was the question: How can the world prevent the possible political disintegration of one of its largest countries -- and the social and economic fallout that would, as a result, affect us all?

The problems of Russia are not restricted simply to that country. All countries would feel the repercussions of a return to the law of force, as opposed to the force of law. The Soviet winter lasted seventy-five years. We cannot stand aside and allow that country to return once again to the Ice Age!

Canada is committed to ensuring the continuing evolution of democracy in Russia and the concomitant social and economic benefits that it will provide. But the recent history of Russia places a spotlight on a much larger, global question: Where will the new wealth come from that is so necessary to sustain and encourage the millions, even billions of people who will have

been released from the tentacles of totalitarian regimes? How will the world meet their expectations?

One concrete step -- one that we can all benefit from -- is the enhancement and liberalization of international trade.

Canada continues to support the Uruguay Round of the Multilateral Trade Negotiations and its fundamental objective, the reform of the world trading system. This is the first multilateral round ever to incorporate the views and needs of a wide range of developing countries. What better way to stimulate growth and alleviate poverty? We all have the right to be frustrated by the narrow interests that have postponed the success of these significant reforms.

On a more particular level, Canada is pleased to share membership with four members of ASEAN (Thailand, Indonesia, Malaysia and the Philippines) in the Cairns Group, which is developing constructive proposals aimed at broadening trade in agricultural products -- still very important components of the economies of both Thailand and Canada.

At the same time these global and sectoral arrangements are being developed, more and more countries are seeking to enhance their economic opportunities by entering into regional trading arrangements.

In 1992, ASEAN Heads of Government agreed to create the ASEAN Free Trade Area (AFTA), to be phased in over 15 years commencing this year.

For our part, Canada has entered into a free trade agreement with the United States (the FTA) and we are currently negotiating the final stages of a broader North American Free Trade Agreement (NAFTA) with the United States and Mexico.

Some people see this development of so-called regional trading "blocs" as a new set of barriers to trade. I disagree. First of all, the AFTA, NAFTA and FTA are all consistent with the General Agreement on Tariffs and Trade (GATT).

There is another major benefit from these regional trading zones. An analogy that one could use, perhaps, is that of the broader-based co-operative blocs that have developed, such as the Commonwealth, la Francophonie, the Organization of American States and, of course, ASEAN. These alignments have all gone through a number of stages -- not always positive, or progressive, but in today's environment they are excellent vehicles for co-operation on a variety of fronts.

In the Organization of American States, for example, much of the drive for democratic values and institutions has been reinforced by the support and by the role models provided by other members.

Similarly, economically based organizations such as the Asia Pacific Economic Co-operation (APEC) forum are already directing their attention to issues that inhibit free and open trade, such as customs and other administrative practices.

By tackling these matters at the regional level, new levels of co-operation can be developed at a more global level. For example, the NAFTA negotiations have focused recently on issues related to labour and the environment. By acknowledging that these issues transcend national borders within the region, we can ensure that they do not become non-tariff barriers to trade, but indeed are dealt with co-operatively. Perhaps ultimately they will have a positive impact on global arrangements.

Regional trading co-operation, by its very nature and magnitude, creates tremendous efficiencies and opportunities for the creation of wealth. It is predicted that a successful ASEAN Free Trade Area would create a combined market of 325 million consumers with a combined gross national product of over US\$300 billion annually.

Canada would very much like to participate in the dramatic progress and prosperity that would result from this initiative.

Our bilateral trade relationship with Thailand at present is substantial: \$903 million in 1992. You are our second-largest export market in ASEAN, and twentieth-largest export market in the world, but we can do better.

Our exports to Thailand reached \$326 million in 1992, which is well above trade levels of only a few years ago -- \$130 million in 1985 -- but still down from the record export level in 1990 of \$492 million.

There have been some regrettable setbacks, of course, such as the cancellation of the Skytrain contract with one of our large Canadian engineering firms. Quite frankly, that incident has shaken the confidence of many Canadian firms interested in investing and trading in the region.

However, there have been some successes as well, such as the recent sale of power sector boiler equipment to the Electricity Generating Authority of Thailand by ABB Combustion Canada, worth \$120 million.

And Bell Canada International will provide customer support services for the two million telephone line project here in Bangkok. If there is one thing that Canadians know and love, it

is the telephone. We still lead the world in usage per capita -- it must have something to do with the long distances and the long winters!

Trade, of course, is a two-way street, and Canadian imports from Thailand reached a record level of \$577 million in 1992. Much of that trade was in traditional products such as agricultural or fish products, but there is growing trade in more sophisticated products such as electrical machinery and electronic components. For example, Mitsubishi Thailand's export of cars to Chrysler Canada ranks fifth among Thai shipments to Canada.

Overall, approximately 1.5 per cent of Thailand's world exports in 1990 went to Canada.

We, of course, would like to enhance the level of trade in both directions. One indicator of future levels of trade between our countries is the level of investment by one to the other.

Currently, Canadian investment in Thailand is relatively modest (\$15 million in 1989), lagging far behind your dominant foreign investors: Japan, Taiwan, Hong Kong, the U.S. and the U.K. We have taken some important steps to increase the level of Canadian investment in Thailand.

The Industrial Co-operation Program managed by the Canadian International Development Agency (CIDA) provides support to Canadian firms investigating potential economic and investment opportunities in Thailand. This is supplemented by CIDA's Enterprise Thailand-Canada project, which is being carried out by the Canadian Imperial Bank of Commerce. Already, these programs have supported numerous ventures in manufacturing and service provision in diverse areas such as food processing, metal fabrication and petrochemicals.

Success breeds success. With economic growth in Thailand predicted at 8 to 8.5 per cent for 1993, more Canadian companies can be expected to enter into joint ventures and other long-term commercial arrangements.

Thailand is a country rich in natural resources -- like Canada; with a favourable investment climate -- like Canada; and with prospects to out-perform regional neighbours and competitors -- like Canada. At the base of all this optimism, there is still the need for stability, for social, economic and, most importantly, political stability. That is why I hope you are

proud of all the positive signs that your country has sent in the past few months:

- the democratic elections in September,
- the acceptance of the visit of the Nobel Peace Prize Laureates in February,
- the hosting last week in Bangkok of the Asian Regional Meeting for the World Conference on Human Rights, and
- the initiative last month of the Thai government to host the first of a series of meetings to establish mechanisms to enhance co-operation between ASEAN and the United Nations in the area of preventative security.

All of these are very positive signs, like the first flowers of spring in Canada -- always a hopeful event -- and like the promise and hope of the New Year that you will celebrate.

This is only my second trip to your wonderful city, to your exciting country. I love Thailand. I hope I shall have the opportunity to return many times.