

that payment be in specified trade items, rather than cash. In effect, one Canadian trade official told reporters, "that means they want to pay for steel with palm oil. And our businessmen really don't want any part of that" (*Globe and Mail*, January 12). During his meeting with the eighteen businessmen, Mr. Trudeau was briefed on the problem, and asked to discuss it with President Suharto and his ministers. The Canadian deals should be exempt from the counter-trade requirement introduced in January 1982, they said, because of a condition in the regulation which exempts contracts with low-interest or subsidized loans attached to them. "Our argument is basically that the project is being financed by EDC and some mixed financing from CIDA . . . Therefore it should be considered as concessional financing and not subject to the counter-trade provisions," said one businessman (*Globe and Mail*, January 12).

Reporters asked Mr. Trudeau January 12 to sum up the negotiations with the Indonesian President. He said that he had indicated that Canada accepted and recognized the counter-trade policy, but that in the particular case of the Bukit Asam power project, the packaging had taken place before the policy had been introduced, and had very heavy concessional financing. "I argued further that if it were to be affected, it would mean re-opening the whole package with certainly considerable delays in the implementation of it. The Indonesian representatives argued the counter point of view, but I made a proposal at the end which I hope they will look into, and I think it's fair to say that, from our point of view, the matter is still under study," he said. The Canadian embassy was to follow up with facts and figures which, Mr. Trudeau thought, would support Canada's representations. News reports in Canada interpreted Mr. Trudeau's remarks about re-opening the package as "polite threats of cancellation" (*Globe and Mail*, January 13). One newspaper reported, "Sources said Trudeau basically offered the Indonesians a trade-off. He would endorse the principle of the counter-trade laws if they bought his argument that Canada should be exempt. The Indonesians have indicated they are looking for a way to exempt Canada without provoking demands for similar treatment from more major trading partners, particularly the Japanese and the Americans" (*The Citizen*, January 13).

At the January 12 press conference, as at the others, the Prime Minister answered a variety of questions from both local and Canadian reporters ranging from North-South issues, to Canadian domestic affairs. He was asked about the transfer of technology which has been part of some agreements signed between Canada and other countries. In Indonesia, he said, Canada is making proposals for a transfer of technology in the field of nuclear energy. Mr. Trudeau said that the expansion of Canadian trade is much greater in Asia than it is in Europe.

### Brunei

Next on the Prime Minister's itinerary was Brunei, a little sultanate on the north coast of Borneo. Canada has no trade with that country. Mr. Trudeau was the first western leader to visit it. Brunei will gain official independence from Great Britain on December 31, 1983, and plans to join ASEAN, the Commonwealth and the United Nations, Sul-

tan Hassanal Bolkiah Waddaulah told Mr. Trudeau (*Globe and Mail*, January 14).

### Philippines

The Prime Minister proceeded to the Philippines on January 14. Surrounding the visit again was the question of human rights violations in that country. Journalists accompanying the Prime Minister engaged in a "heated exchange" with his entourage officials in Manila whom they accused of reticence about human rights issues during press briefings. Amnesty International had recently issued a "scathing indictment" of the government of President Ferdinand Marcos. Officials told the journalists that Canada should not "cause unemployment in Sudbury to free a nun in the Philippines" (*Globe and Mail*, January 15). At the Prime Minister's press conference January 15, reporters asked Mr. Trudeau if that was, in fact, the Canadian position. Mr. Trudeau answered that he had not brought up the human rights issue with President Marcos and that, if he had, talking to the press about it would be counter-productive. He repeated arguments in favor of "discretion" already outlined at his press conference in Bangkok. And, he said, he hadn't examined the situation in the Philippines, and had not gone there with the intention of doing so.

On January 14, Mr. Trudeau met with officials of the Asian Development Bank (ADB) and "delivered a blunt warning" that Canada was contributing more to the fund than had been reflected in contracts awarded. Basically, a newspaper stated, Canada has pledged about 6 percent of the bank's capital and received about 2 percent of its business. According to newspaper reports, Mr. Trudeau said that "public support in Canada for a high level of contributions . . . is ultimately linked to the perception that Canadians are able to participate fully" (*Globe and Mail*, January 14).

ADB project chief Wolf Kluber responded "immediately," telling a press briefing that Canada's poor sales record was a result of limited strength and the absence of a Canadian industrial sales strategy. He said that Canadians were inexperienced in Asian business practices, and were only now "slowly waking up that there are opportunities here" (*Globe and Mail*, January 15).

The Prime Minister was naturally asked about this at the January 15 press conference. A reporter wanted to know whether Canada would pursue long-range opportunities in Asia or, after some economic recovery at home, again rely on US markets. Mr. Trudeau responded that it would be unwise to rely on old markets, and that the Canadian businessmen he had met during his tour had been enthusiastic and delighted with the potential for Canadian trade and joint ventures and other forms of development in Asia. He also said that his meetings about trade with President Marcos and Prime Minister Virata had been very encouraging.

During the meetings between leaders, one agreement reached was for the Philippines to ratify an agreement with Canada about safeguards for the peaceful use of nuclear energy, and cooperation in nuclear areas. As a result, Mr. Trudeau said, the Canadian industry would be ready to start shipping uranium within a matter of weeks.

### Japan

The Prime Minister wound up his Asian tour with a three-day visit to Japan. One current area of concern be-