

The theme of Mr. Trudeau's speech was the challenge of global interdependence. In it he called for greater determination on the part of all participating countries to meet current international economic problems by pursuing firm domestic policies and by providing increased resources to international financial institutions so as to restore stability and order to the world's economy.

Need for Common Action

The Prime Minister said that when a community faces a crisis it meets and pulls together. It looks anew at its fundamental objectives and purposes. It examines its strengths, its difficulties, and its opportunities for surmounting current problems through common action—the position members of the IMF and World Bank are in today.

The Prime Minister pointed out that the 1970s presented the world with a different set of problems from those of 1950s and 1960s. Fiscal and monetary policies pursued independently by nations since World War II have interacted to produce unemployment, rampant inflation, and world-wide instability and loss of confidence. The result is that the ability of nations now to achieve superior economic performance alone is more restricted than it was while, at same time, individual ability to generate inferior performance continues to be unrestricted, he said.

However, Mr. Trudeau noted that not all international economic difficulties have arisen as a result of national policies. Energy crises, social stratification, size and complexity of world financial markets, and structural rigidities all played their part. While adjustment to meet changed realities would be a painful process, it could be accomplished if consensus existed to carry it out. This, he said, did not imply the jettisoning of those institutions developed at Bretton Woods to meet the needs of an earlier time of international turmoil but rather re-dedication to the same spirit that animated those who founded the IMF and World Bank.

Free Flow of Capital at Risk

Mr. Trudeau emphasized the critical importance of the IMF and World Bank to the continued flow of private capital, which has become large and increasingly vital to economic development. Fears over credit standing of sovereign authorities and over difficulties of individual financial institutions and international corporations are now frequently expressed and they risk eroding the free flow of capital, he said.

Supervision offered by international financial institutions, with reasonably strict rules and conditions governing

Canada-ASEAN Developments

Canada Reaffirms Support on Cambodia Issue

THE SUBJECT of Cambodia is being considered, for the fourth year in a row, at the 37th session of the United Nations General Assembly in New York. And, as in the past, ASEAN is taking a leading role in promoting efforts to find a peaceful solution to the problem of Cambodia.

Canada is co-operating closely with ASEAN at the United Nations on this important issue and participated in the UN International Conference on Kampuchea (ICK) in July, 1981. The ICK established the basic principles for a peaceful settlement of the Cambodia problem, including the removal of Vietnamese troops from Cambodia and the provision for the Khmer people to choose their own government free from outside interference.

Canada's continued co-operation with ASEAN on the Cambodia issue was pledged by then Secretary of State for External Affairs Mark MacGuigan at his meeting with the ASEAN Foreign Ministers in Singapore last June and will continue under the new SSEA, Allan MacEachen.

Prior to the change of Cabinet portfolios, Dr. MacGuigan wrote to the chairman of the ASEAN Standing Committee, Thailand's Foreign Minister Siddhi Savetsila, informing him that Canada intended, as before, to co-sponsor this year's ASEAN-sponsored General Assembly Resolution on Cambodia which, inter alia, reaffirms the work of the ICK. Canada is collaborating with ASEAN and other like-minded countries

at the General Assembly on the progress of the resolution on Cambodia and the follow-up to the ICK.

The participation of Prince Sihanouk, in his capacity as President of the Coalition Government of Democratic Kampuchea, at this year's General Assembly is a welcome development. ASEAN's positive part in the creation of the coalition government, which is playing an active role in the debate in the General Assembly, has already been welcomed by Canada.

ASEAN Diplomats Study Canadian Capabilities

THE five ASEAN heads of missions accredited to Ottawa, accompanied by their commercial counsellors, are scheduled to spend one week this month in British Columbia and Alberta becoming acquainted with these provinces' industrial and resource development capabilities. Included in the group's itinerary are visits to forestry operations, sawmills, coal handling facilities, fishing vessel construction, oil and gas projects, and livestock operations.

This program is the second in the Canada tour series proposed in late 1981 by the Ministry of External Affairs' Deputy Minister Robert Johnstone and established to introduce ASEAN diplomats to the Canadian business community and to provincial govern-

their own lending practices, the Prime Minister said he believes, could provide safer guidelines and assurance to private lenders. This linking up of private and official funding is crucial for the 1980s, particularly since official funding itself will be limited. Increasingly closer working relationships between the IMF, the World Bank and the private international financial institutions should be encouraged, he stressed.

Measures for Growth and Development

The Prime Minister then went on to urge caution against using rates of economic return alone as a yardstick for growth and development. Social programs, education, sanitation, communication, and transportation produced returns that are not immediately measurable, he maintained.

Mr. Trudeau also expressed the view that industrialized countries have interests in ensuring that the momentum of foreign aid to the developing world not be abandoned. Although concessional funding is often the only source of foreign capital available to the poorest countries, he said the entire world community is enriched substantially by the progress of these countries and must, therefore, recognize its own vital interest in maintaining the momentum of aid.

In conclusion, the Prime Minister affirmed the Canadian determination to work for an enhanced role for the IMF and World Bank. Challenges of accelerated interdependence, he said, have been revealed more clearly by the current international crisis and only the spirit of Bretton Woods could assist the world community in surmounting the problems of these deeply troubled times and create lasting stability for all. ☐