

### Financing for Indonesia — memo signed during President's visit

During a state visit to Canada of President Soeharto of Indonesia and Mrs. Soeharto from July 2 to 5, a memorandum of understanding was signed whereby the two Governments will enter into negotiations to conclude agreements to establish in Canada credit facilities totalling \$200 million to assist Indonesia to purchase Canadian goods and services.

The facilities would be made available to Indonesia to the extent of \$25 million by the Canadian International Development Agency (CIDA), and to the extent of \$175 million by the Export Development Corporation and Canadian financial institutions.

While in Ottawa, President Soeharto held detailed discussions with Prime Minister Pierre Elliott Trudeau on international matters of mutual interest and on matters of bilateral concern.

### Support for ASEAN

President Soeharto explained Indonesia's efforts, in co-operation with its neighbours, to promote regional

co-operation and harmony through the Association of Southeast Asian Nations (ASEAN). Mr. Trudeau expressed Canada's support for the aims of ASEAN, which he considered to be a major factor contributing to the stability, peace and development of the Southeast Asian region as a whole. They agreed that there was great potential for mutually beneficial co-operation between Canada and ASEAN in furthering the efforts of the members of ASEAN to develop their resilience, both individually and collectively.

The two heads of government agreed to strengthen trade and economic co-operation between their two countries. Prime Minister Trudeau explained the emphasis Canada was placing on its relations with the developing countries. President Soeharto welcomed Canada's policy as one fully in line with efforts to improve existing structures and, where necessary, to develop new structures for international economic co-operation and in this context, expressed his appreciation for the Canadian role in the development of Indonesia.

### New strategy recommended for Canadian trade

"Canada cannot afford any longer to maintain its traditional protectionist posture in a world of trading blocs and emerging new economic powers," declared Dr. André Raynauld, the chairman of the Economic Council of Canada, in announcing the publication on July 10 of his organization's comprehensive report on Canadian commercial policy.

"The need for change is very clear," Dr. Raynauld noted. "Our present commercial policy is failing to contribute to this country's capacity for sustained and dynamic growth and is inhibiting independent national decision-making in Canada. We believe it is the Economic Council's job to initiate and foster a wide-ranging public discussion on the options before the country. That is what our report is intended to do."

The report, *Looking Outward: A New Trade Strategy for Canada*, is the result of a massive assessment undertaken by the Council over the past three-and-a-half years. Fourteen members of the Council's professional staff and 19 outside specialists carried out a large number of individual research studies as background to the project, many of which will be published separately later. From this and other work, the Council's 228-page report was developed as a consensus document carrying the backing of the group's 28 members.

### Controversial reaction expected

Dr. Raynauld said that the work had been difficult and he expected the result to be controversial. "Because of its implications, this report will undoubtedly arouse emotional reactions. Our national political life has been strongly affected by commercial policy issues on many occasions in the past, essentially because of the role that has been played by import tariffs in shaping an extensive Canadian industrial complex as part of an independent and self-reliant nation."

He stressed that the document was not an argument for free trade with the United States, as had been reported in one newspaper story some months ago. "We have sought to go back to first principles, assessing Canada's con-



Nine pilots of the Royal Netherlands Air Force show off their Canadian and Dutch wings after graduation from Canadian Forces Flying Training School

at Cold Lake, Alberta. The group spent 18 months in Canada learning to fly Tudor trainer planes and CF-5 jet fighters.