

enormous problems of rehabilitating and rebuilding the economy and social life of the devastated country. It soon became clear that the Government of Bangladesh fulfilled the generally accepted criteria for recognition—external independence and effective control of a definable territory. Accordingly, Canada extended recognition on February 14. Diplomatic relations were established on March 20 and a resident diplomatic mission was opened during the course of the year.

In March, a team led by the President of CIDA visited Bangladesh to assess its needs at first hand and determine how Canada might best help the new nation. Agreements establishing the basis of Canada's development assistance relationship with Bangladesh were concluded, and in the course of the year some \$51.5 million was allocated for relief and rehabilitation.

Once recognition had been extended, Canada endeavoured to assist the emergence of Bangladesh into the international community by supporting its application for membership in the United Nations and its specialized agencies, and in other international institutions such as the World Bank. (Bangladesh was not admitted to the United Nations owing to opposition from the People's Republic of China.) Similarly, Canada encouraged and welcomed Bangladesh decision to enter into the Commonwealth, thus creating another link in a relationship which, while still in its early and formative stages, augurs well for the future.

While Canada was establishing the basis of a helpful relationship with the newly-created state of Bangladesh, a process of adjustment began in its relations with India and Sri Lanka (known as Ceylon until May, 1972) with which Canada has long had friendly ties. Efforts were undertaken to make Canada's aid programmes in both countries more responsive to their needs. At the same time, ways were sought to develop Canada's commercial relations with India. More generally, there was a desire to enlarge the areas in which Canada could engage in mutually beneficial cooperation, not only bilaterally but in connection with subjects of wider international interest such as the Law of the Sea and protection of the environment. These developments reflected the beginnings of a longer-term search to create a new relationship with

India, which would accord with changed realities and perceptions both in Canada and South Asia.

Canada's relations with Pakistan were also subject to pressure for change in 1972, but it was too soon to judge in what direction these might develop. Despite Pakistan's departure from the Commonwealth, which Canada regretted, it proved possible to maintain effective working relations which saw the gradual resumption of a normal development assistance programme disrupted by events of the previous year. More generally, Canada followed with sympathy Pakistan's efforts to recover from the effects of the war and encouraged the search, begun with India, to establish a new set of relations which, it was hoped, could bring about conditions of stability in the sub-continent, allowing sustained and effective pursuit of social and economic development to the benefit of all the peoples of the region.

The Pacific

Australia and New Zealand

In elections held in December 1972, the Governments of Australia and New Zealand changed and labour administrations were brought to power in both Wellington and Canberra. What effect these changes will have on Canadian objectives in Australasia remains to be seen. During the year, these objectives included the expansion and development of trade and economic relations, with emphasis on the marketing of manufactured and processed goods, the promotion of tourism, opportunities for Canadian investment and an enhanced understanding of Canada's policies and priorities in Australia and New Zealand.

A substantial number of exchanges took place between Canada and Australia and New Zealand in 1972, and discussions were held on a variety of subjects, facilitated by the close ties existing among the three countries. Canada shares the particular interests in Southeast Asia of these two South Pacific powers, and faces problems similar to those of Australia, especially in questions of resource development and mineral exploitation.