

**Canada and the Far East.** For many years Canada has had important links, both official and private, with a number of states in Asia. These contacts were once restricted to a small group of Canadians and were limited in scope but during the past decade Canadians have become increasingly aware of their position as a Pacific as well as an Atlantic nation. At present Canada maintains diplomatic relations with 20 countries in Asia and has resident diplomatic missions in 13 countries.

Although some links had developed as a result of historic and traditional ties, as in the case of Australia and New Zealand, many of the new contacts were originally economic in character, resulting from increased trade and the provision of development assistance. The importance of Asia as a trading area is evident from Japan's emergence as Canada's third largest trading partner. Canada's Trade Fair in Peking in August 1972 and its participation in the Third Asian Trade Fair in New Delhi in October-November 1972 lend emphasis to this country's recognition of Asia's potential.

Relations with the countries of the Pacific Rim are increasing in importance as both the Pacific section of the government's 1970 foreign policy review and the growing number of meetings between Canadian Ministers and officials and their counterparts in other countries indicate. The long-term objectives of co-operation and development are fundamental to the future growth and stability of the region. Participation in the Colombo Plan, membership in the Asian Development Bank and Canada's official observer status with the Economic Commission for Asia and the Far East reflect this country's interest in having those aims achieved. A significant proportion of Canada's total assistance has been allotted to the developing countries of Asia and the government has expressed its readiness to contribute to the postwar economic rehabilitation of Viet-Nam and of the other countries of Indo-China. Canada has participated in various United Nations efforts to restore peace in Asia including UN operations in South Asia and in Korea. As a member of the original International Commission for Supervision and Control in Indo-China, Canada still maintains delegations in Viet-Nam and Laos and this aspect of its involvement in Asia has been further reinforced by participation in the newly established control commission.

**Canada and the Asian Development Bank.** Canada is a member of the Asian Development Bank, established in 1966 with Articles of Agreement patterned broadly after those of the World Bank and other international financial institutions. The Bank's subscribed capital stock is US(1966)\$1,005.4 million of which one half was paid in over the five-year period 1966-70. The balance of member-country subscriptions remains as a callable guarantee against which the Bank may sell its bonds on world capital markets. Asian regional countries, including Japan, Australia and New Zealand, have subscribed US\$625.4 million and non-regional countries have subscribed the remaining US\$380 million. Canada has paid US\$12.5 million to cover the paid-in portion of its original subscription of US\$25 million. The Bank approved a 150% increase in authorized capital stock in November 1972 of which Canada's share will be US\$37.5 million with 20% the paid-in portion.

For its ordinary operations which are financed from paid-in equity capital or any resources raised on world capital markets, the Bank expects to follow a pattern similar to that of the World Bank lending at rates of interest sufficient to maintain its own capacity to borrow. As at December 1972, the lending rate was 7½% and the Bank had made available 74 loans totalling US\$767.5 million from these ordinary resources.

The Bank also established Special Funds available to member countries on more flexible terms. Such special operations are financed by voluntary contributions and kept separate and distinct from the Bank's ordinary capital resources; Canada has made US\$25 million available for the Bank's special operations. As at December 1972, the Bank had supplied 44 loans totalling US\$201.5 million from these Special Funds to developing member countries of the region.

#### 4.6.2.10 Canada and the OECD

The Organization for Economic Co-operation and Development (OECD) was established in September 1961, as successor to the Organization for European Economic Co-operation founded in 1948 by the countries of Western Europe to facilitate reconstruction of their war-shattered economies. With the OECD's establishment, Canada and the United States and later Japan (May 1964) and Australia (June 1971) joined with the countries of Western Europe to form what is today a major, intergovernmental forum for consultation and