

CHINA

Official Name:	People's Republic of China
Capital:	Beijing
Head of State:	Jiang Zemin
Head of Government:	Li Peng
Foreign Minister:	Qian Qichen
Trade Minister:	Wu Yi

DOMESTIC SITUATION

Economic reform policies in the People's Republic of China (PRC) have resulted in strong growth and improved living standards, and have rapidly expanded the PRC's commerce with the outside world. Southern China is the fastest growing area in the world, though there are concerns about over-heating and the attendant problems of monetary expansion, inflation and environmental degradation, not to mention a growing gap between the Northern and Southern parts of the country.

Political reform in the PRC has not kept pace with economic changes. Although China's human rights record has improved since Tiananmen, there remain serious concerns over the detention of political dissidents, the general lack of political freedoms, and the plight of Tibetans.

The PRC has ratified the Non-Proliferation Treaty (NPT), but is embarking on nuclear co-operation with Iran and has sold missiles to Pakistan in contravention of the Missile Technology Control Regime guidelines. The PRC conducted a nuclear weapons test in early October which threatens the U.S.-proposed moratorium on testing as a means for moving toward a Comprehensive Test Ban Treaty.

CANADIAN INTERESTS

i) Trade and Economic

Canada/PRC trade has grown substantially to reach a new two-way record of \$4.7 billion in 1992. Although 50 percent of Canada's exports consist of wheat, there has been a strong growth in manufactured exports to the PRC in the last several years. Canadian exports to China amounted to \$2.3 billion in 1992, while imports reached \$2.4 billion.