

## II. CHINA'S FOREIGN POLICY, TRADE AND INVESTMENT

### Foreign Policy

For forty years, China's foreign policy has been broadly based on the following key themes:

- maintenance of a balance between the U.S. and the U.S.S.R.;
- economic and technological cooperation with the West;
- the maintenance of China's status as a regional power;
- an expanded role in international organizations;
- previous active Chinese support for revolution in the Third World has been replaced by a pragmatic approach to cooperation with developing countries.

Resumption of party-to-party links with Russia in 1989, and the initiation of discussions on the PRC-Russia border dispute, have improved the relationship with Moscow. As well, Russia-China trade has increased, although both countries are more interested in acquiring Western technology and capital.

The isolation of China by the West following the suppression of the 1989 pro-democracy movement at Tiananmen, allowed the PRC to move closer to its capital-rich, archrivals Taiwan and South Korea. However, given China's development needs and its important status, both globally and as a regional power, neither China's leaders nor the West wish to see the PRC remain isolated. This has been reflected by the improving relationship between Canada and China.

Diplomatic relations between Canada and the People's Republic of China were initially established in 1970. Relations are characterized by important economic cooperation and regular bilateral high-level contact.