

In Beijing the Minister met with Vice Premier Yao Yilin and his senior Ministers responsible for hydro and thermal power development.

"I was most encouraged," said the Minister, "by their friendship toward Canada and the high regard they demonstrated for the capacity of Canadian companies to contribute to their development projects." Madame Qian confirmed their acceptance of a Canadian company, CIPM, to carry out the feasibility study for the Three Gorges hydro project. This project, estimated to cost up to \$30 billion, will be the largest hydro project ever undertaken. The choice of a Canadian company to carry out the initial study augurs well for Canada's future participation in all phases of this mammoth project.

In following up on the Prime Minister's recent visit to China, Mr. Kelleher said "there was a very keen interest in working with Canada on both hydro and thermal power projects. It is fair to say that power development in China may in fact represent the last major frontier in big power project work in the world today and Canadian business, with its well-established international reputation and capability in this field, will be there to participate in a significant way."

The importance of our trading relationship was highlighted in discussions with the Minister's counterpart, Mr. Zheng Tuobin. Mr. Kelleher's offer to provide a team of experts to work with the Chinese on their resumption of membership in the GATT was warmly received and plans are underway for these discussions over the months ahead.

The Minister also announced that Canada will provide a \$5 million fund through CIDA to help Canadian firms do feasibility studies on technical projects in China over the next three years.

Minister Kelleher returns to Ottawa later today.