

On the development assistance front, we intend to withdraw from three projects which we believe fail the test of the new criteria - preserving links, people-to-people exchanges, and no support for the military and propaganda apparatus. The three projects involve support for state auditor training, a lube oil centre, and urban traffic management. In addition, we will keep on hold four of the five agreements for which the signings were postponed in the immediate aftermath of the Tiananmen incident. We will, however, proceed to sign a project linking community colleges with their Chinese counterparts. We will also be suspending indefinitely activity associated with the Three Gorges project, and be placing new emphasis on people-to-people exchanges, and on an increased flow of students to Canada.

On the economic front, we will be proceeding with a number of adjustments. First, we will henceforth be applying the criteria I outlined when new projects are considered for support under the EDC line-of-credit. We will be cancelling one project - a television transmission facility - which is clearly supportive of China's state propaganda apparatus. Along with other countries, we will be examining the possibility of suspending further streamlining and liberalization of the COCOM export controls as they apply to China, and we will be suspending government funding for participation in PRC-hosted trade shows and exhibitions for the remainder of the year. Finally, we will be downgrading Canada's trade representation in Beijing in response to the changed circumstances and in anticipation of an expected downturn in trade activity.

In the area of communications and cultural exchanges, we will be making very few adjustments. As a government we feel it is particularly important to sustain cultural and people-to-people links at this time. We have had many requests about the various twinning arrangements and institutional linkages that exist between our provinces, municipalities and non-governmental organizations and their Chinese counterparts. What we are saying to them today is not to cut their ties but to reach out to their counterparts, to their contacts with the objective of keeping the doors open, keeping the exchanges operating and information flowing. The more contacts people from all walks of life in China can have with their Canadian and other friends, the less likely the success of the onslaught of the hardline propaganda machine.

At the same time, we are calling on the CBC to suspend their Broadcasting Aide Memoire on joint production for radio and television programming with Chinese state radio, given the latter's current role in China's propaganda efforts.