

the state's security or propaganda branches did not qualify. High-level visits between the two governments were restricted. China was not to be isolated from the rest of the world. Canada generally supported a more restrictive policy on the approval of project financing by international financing institutions, especially within the G-7, so as to send a message to Beijing, but we kept concessionary financing available for projects that qualified.

The economic impact on Canada can be considered modest, as there were few projects or real commercial opportunities in the fields of security or propaganda. The linkage of Canadian assistance to "good government" may have had an influence on the type of assistance offered to China. Aid is increasingly oriented towards human resource development and basic economic reforms, and tends to minimize direct government-to-government contacts.

- In the mid 1970s, India, which had received Canadian technical assistance in the field of nuclear energy for peaceful purposes, exploded a nuclear device. Canada consequently cancelled its nuclear cooperation agreement with India. India's traditional enemy Pakistan, which has well-known nuclear ambitions, did not explode a bomb but refused to guarantee compliance with Canada's non-proliferation requirements. In view of its known attempts to obtain nuclear technology, Canada limited nuclear assistance to Pakistan in 1974 and then banned it entirely in 1976. Westinghouse Canada was one of the firms most directly involved, having built a CANDU nuclear fuel production facility for Pakistan. This does not however seem to have entirely prevented Pakistani progress towards acquiring atomic technology.
- Indonesia's repression of human rights in East Timor (to which many countries do not recognize its claim to sovereignty) is a special case in that, despite extensive criticism, primarily from Western countries, no sanctions package has been officially adopted, although a number of countries have suspended aid programs, not renewed projects, or restricted exports of military or security-related equipment. Canada has been one of the most vigorous critics, condemning Indonesia's policies more severely than most other nations and provoking protests from the Indonesian authorities. Some Canadian firms have already indicated to the Canadian government that they believe they have suffered injury partly on account of the Canadian policy. They have