

Arrangements could undoubtedly be made for the Chinese to have access to this technology. China is developing the manufacturing capability at higher voltage levels but is not expected to have the capacity needed to meet its market demand.

Projects under Consideration by the World Bank in China

The PRC joined the World Bank in 1980, replacing Taiwan as the Chinese representative at the bank. Over the last three years, the World Bank has developed a lending program and its commitment in China is almost U.S. \$2 billion at the moment.

Because of its ambitious modernization plans, China is anxious to maximize its access to the International Development Association (IDA) funds of the World Bank. The following are representative of the types of projects currently financed by the World Bank for China. Information on the progress of these projects is available in the *United Nations Development Forum* magazine.

- Ministry of Agriculture, Animal Husbandry and Fishery. U.S. \$35.3 million (Bank); U.S. \$45.0 million (IDA). Heilongjiang Agriculture — Development of 200,000 ha. of uncultivated land to grow wheat, soybeans and corn.
- Ministry of Water Resources and Electric Power. \$150.0 million (Bank). Lubuge Hydropower — Construction of a rockfill dam, tunnels, and a 600 MW underground powerhouse in Yunnan Province.
- Ministry of Coal. U.S. \$220.0 million (Bank). Luan/Jincheng Coal — Development of two fully mechanized longwall underground mines of up to 4 mtpa each in Shanxi Province.
- Ministry of Education. U.S. \$64.9 million (IDA). Politechnic-TV University Project — Strengthening of post-secondary education by support of politechnic and the Television University.
- Ministry of Railways (Bank). Railways 1 — Track construction and upgrading in Henan, Shandong and Shanxi Provinces, primarily to transport coal for export.
- Ministry of Agriculture, Animal Husbandry and Fishery. Rubber Development — Replanting and new planting of 35-40,000 ha. in Guangdong Province.
- Agricultural Bank of China (ABC). Rural Credit — Provisions of credit through ABC for agricultural and other rural activities in selected provinces and institutional development of ABC.
- Ministry of Health. Medical Education and Rural Health — Strengthening of teaching in medical colleges and of rural health services in selected provinces.
- Ministry of Education. U.S. \$100.0 million (IDA). Specialized Universities Project — Strengthening selected technical universities to expand the quantity and improve the quality of science and technical graduates.

- Ministry of Communications. Second Ports Project — Modernizing and improving cargo handling facilities in selected ports.
- Technical Assistance Credit — To provide technical assistance for the preparation and execution of bank-supported projects and for other related activities.
- Ministry of Petroleum. Karamai Oilfield — Heavy oil development (U.S. \$130 million); Daqing Oilfield.

3. TRADE DEVELOPMENT ASSISTANCE AND INDUSTRIAL CO-OPERATION

The Canada-PRC Environment

The increasing involvement of the People's Republic of China, following the Cultural Revolution, in contemporary international affairs is one of the most significant factors influencing international politics today. The precedence of Canada's establishment of diplomatic relations with the PRC in 1970, China's seat in the United Nations, and the vigorous program of exchanges carried out over the past several years have been contributing factors in the emergence of Canada-China bilateral relations.

During the period since the establishment of diplomatic relations with China and the exchange of ambassadors, a number of ministerial visits have taken place, starting in the summer of 1971 with a delegation of Canadian officials and businessmen led by the Minister of Industry, Trade and Commerce. During that visit, a framework for Sino-Canadian economic co-operation was established providing for the exchange of missions, trade exhibitions and regular consultation on trade matters and securing agreements from the Chinese to "consider Canada first" as a source of wheat to meet their domestic needs.

In October 1973, the Prime Minister visited China. During this visit bilateral agreements and understandings were reached in such areas as trade, consular affairs (family reunification) and scientific and cultural exchanges. Ministerial visits are part of an ongoing program of developing co-operation with China and will continue in a number of fields.

Trade Promotion

The Canadian Embassy in Peking maintains a commercial section which provides front-line information on the China market. Canada's trade relations with China are supervised nationally by the Department of External Affairs (DEA). The governments of Ontario, Quebec and Alberta maintain trade offices in Hong Kong with responsibility for China.

Hong Kong's location as a key deep water port and traditional role as an entrepot for China make it an ideal venue for many companies from which to approach the China market. The existence of experienced agents who are familiar with both North American and Chinese ways of doing business, the presence of dozens of PRC-controlled trading companies and banks, as well as the fact that most