

Incidentally, during that visit, Madame Qian provided some advice for Canadian firms which I would like to pass on to you. She told me that:

- Canadian firms do not appreciate the huge size of the Chinese market for power projects
- Canadians do not understand the cut-throat nature of international competition in China
- Canadian firms will not be able to sell to China without the support of the Canadian Government to put forward a Canadian team approach

She was talking about large power projects - but perhaps her advice applies in other sectors as well.

We have therefore taken a number of steps to encourage this team approach and to ensure competitive tools are available. My Department has opened a Consulate General in Shanghai and has doubled the trade staff in Beijing. Those of you who have been to Beijing will be delighted to hear the Commercial Division now has a new and larger office. We expect completion of a new Embassy in the next two years.

My Government decided to provide concessional financing for projects in China. On Nov. 21, I was able to announce that agreements had been signed with China for that purpose. You have heard the details from the Export Development Corporation this morning. Over \$1 billion on a blended basis is available through this new mechanism.

As the Prime Minister announced in China, the Canadian International Development Agency budget for China has been increased to \$200 million over the next five years. CIDA is now able to expand its program into the transportation and communication fields. A new and innovative technology cooperation program has been negotiated which will give Canadian firms a head start on priority projects with China.

We have concluded a double taxation agreement with China. Thanks to quick legislative action, that agreement will take effect on January 1, 1987.

As part of the National Trade Strategy, my department has funded studies, by Canadian firms, on projects in China where downstream benefits can create jobs in Canada. Some of these are already paying off with contracts in the hydroelectric and industrial fields.