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Canada and the

People's Republic of China



Although the total land mass of the People's Republic of China (PRC or China) is less than Canada's, it has 40 times Canada's population. With over one billion inhabitants, it is the world's most populous country. China is headed by a President, a National People's Congress and a State Council (Cabinet) under a Premier.

Canadian missionaries and merchants provided Canada's earliest contacts with China in the late nineteenth century. In 1906, Canada opened a commercial office in Shanghai, and by 1941, an ambassadorial exchange had taken place. Eight years later, when the People's Liberation Army entered Nanjing, then China's political centre, Canada closed its embassy. For 20 years, Canada had no official relations with China; in 1969, however, talks on recognition were initiated and formal relations with the People's Republic of China were established in 1970.

Today, Canada maintains an embassy in Beijing and a consulate general in Shanghai. China's embassy is located in Ottawa, and consulates general are situated in Toronto and Vancouver.

POLITICAL RELATIONS

Increased Chinese involvement in world affairs is now a significant factor in international politics. Canada's 1969 decision to seek renewal of diplomatic relations reflected not only changed public perceptions but an interest in strengthening relations with Asia in general.

Talks which began in Stockholm in 1969 resulted in a joint communiqué issued in 1970. As a result, however, diplomatic relations were severed with the "Republic of China" (Taiwan). Though Canada maintains no official contacts with Taiwan, private trade and "people-to-people" contacts are encouraged.

Regular and high-level visits are exchanged with the PRC, and an

exciting framework for economic co-operation has been established.

Important agreements were reached in such areas as trade, family reunification, and scientific and cultural exchanges.

There are ongoing exchanges on foreign affairs, development assistance, communications, energy, agriculture, justice, trade and health.

ECONOMIC RELATIONS

China is Canada's 5th largest export market and Canada's 11th largest supplier of import products. In 1987, its Gross Domestic Product was C\$300 billion and its per capita income C\$300. Industry has taken over from agriculture, contributing the highest percentage of Gross National Product (GNP) with 45 per cent as compared with 37 per cent. As a percentage of expenditure, education exceeds defence with 17.4 per cent to the latter's 11.9 per cent.

Economic reform has provided both opportunities and challenges for companies entering the Chinese market. Canadian companies can now negotiate with a wide range of contacts at the provincial, municipal and even factory level.

Although foreign exchange availability remains a major constraint, some larger centres have more streamlined trade approval processes and trade-enhancing reforms are being implemented. Further, the legal and regulatory environment is becoming more sophisticated, a trend that is reflected by a growing number of China-based legal, financial and accounting specialists, many of them Canadian.

In 1985, Canada targeted China as a priority market in the National Trade Strategy. Consequently, it established (1986) a consulate general in Shanghai; the Canadian International Development Agency's (CIDA) development program was doubled; and a concessional financing facility (1986) for China through

the Export Development Program was established.

Twinning

Visits by provincial premiers to China have significantly enhanced bilateral relations. Alberta is now "twinning" with the province of Heilongjiang. Calgary is linked with Daqing and Edmonton with Harbin. Agriculture, oil, gas, sports, science, technology and education are subjects of brisk interchange.

British Columbia's (B.C.) task force on China supports private enterprise. The Port of Vancouver is twinned with the Port of Dalian, while Vancouver itself is twinned with Guangzhou and Victoria with Suzhou. B.C. focuses on communications, transportation, agricultural technology and hydro-electric resources.

Saskatchewan is twinned with the province of Jilin, Saskatoon with Shijiazhuang (Hebei) and the University of Regina with the University of Shandong. Exchanges include sports, culture, agriculture, mineral resources, biotechnology and fibre-optics.

Ontario's twin is the province of Jiangsu. Together, the two provinces have constructed a science and technology centre in Nanjing, which Ontario will use to promote cultural exchange. In 1986, a research and development agreement was signed with the Chinese Ministry of Hydro-Electric Resources.

Relations between Quebec and China, long limited to education, are now taking an economic turn. Montreal, twinned with Shanghai, has sent a mission to China to identify areas of potential co-operation.

Manitoba and Newfoundland are pursuing an industry-specific approach,

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