

Focus on China

Visit of President Li paves the way for stepped-up trade with China

The eight-day official visit to Canada by Chinese President Li Xiannian, his wife Lin Jiamei and a delegation including Vice-Premier Li Peng and State Councillor Ji Pengfei, is expected to increase friendship and promote trade ties between the two countries, particularly in the areas of energy, transportation, mineral resources, science and technology.

Arriving in Ottawa on July 14 after a three-day visit to Vancouver, President Li said that he hoped the trip would "further deepen our mutual understanding and friendship, promote economic and technological co-operation and trade and enhance the good relations existing between us".

Discussions on trade and other bilateral relations were held with Prime Minister Brian Mulroney, International Trade Minister James Kelleher and other government and business leaders. Trade was also a main topic for discussion with provincial leaders and businessmen in Quebec City and Toronto.

Mr. Mulroney said after meeting with President Li that Canada views China "as a very important trading partner" and that "we will continue to trade and to upgrade our relationship". He added that he has accepted an invitation to visit China possibly in the spring, either before or after the annual summit of leading non-Communist countries in Tokyo.

Trade balance

Trade between Canada and China has grown steadily since the two countries established diplomatic relations in 1970. In 1984,



(From left): Governor General Jeanne Sauvé, President Li, Lin Jiamei, Mr. Sauvé and Prime Minister Brian Mulroney attended a state dinner in Ottawa.

Canada's exports to China amounted to more than \$1.27 billion, while imports to Canada totalled \$333 million, representing a 40 per cent increase over the 1983 figure. And for the first quarter of 1985, Canadian exports were over \$350 million, up 40 per cent over those in the same period last year. Canada has already sent more manufactured goods to China in 1985 than in all of 1984.

Commercial relations with China are facilitated by the annual Canada/China Joint Trade Committee, which meets alternately in Ottawa and Beijing. Large numbers of commercial delegations are also exchanged.

In order to help expand trade with China, International Trade Minister James Kelleher has announced that up to four additional trade representatives will be assigned to the Canadian embassy in China with two of them specializing in regions outside Beijing. He also indicated that further initiatives would be announced over the next few months. In addition, an offer was made to help China present trade shows in Canada.

Agreement renewed

On July 16, Mr. Kelleher and Mr. Li Peng signed an exchange of notes to renew the Canada-China Trade Agreement that had originally been signed in 1973 and renewed for three years in 1976, 1979 and 1982. Under this agreement, which was made open-ended by the recent exchange, Canada and China grant each other most-favoured-nation trading status and a number of sectors are identified for increased bilateral activity.

Minister of State for the Wheat Board Charles Mayer exchanged letters with the Chinese ambassador to Canada to establish a consultative committee on agriculture.

Mr. Kelleher said the signing of the two agreements "emphasizes the opportunities which exist for increased commercial activity between Canada and China". He added that the Chinese program of modernization was concentrating on such sectors as energy, agriculture, mining, telecommunications and transportation, where Canada had well-developed, internationally competitive industries. "A number of Canadian firms



Prime Minister Brian Mulroney and President Li Xiannian discuss Canada-China relations through interpreter Jean Duval.