

In addition to the special scholar programme, it was agreed that the Chinese Government could place undergraduates and post graduates in Canadian universities through normal channels. The Chinese Government agreed to facilitate access to Chinese institution of higher learning for Canadian scholars and students. Both sides agreed to encourage closer ties between their respective universities and colleges. In the four years since the signing of this agreement Canadian institutions have received over 1300 scholars and students from China.

Trade Relations

Under a trade agreement signed in 1973, extended for three-year terms in 1976, 1979 and 1982, Canada and China grant each other Most Favoured Nation trading status. In addition, an Economic Cooperation Protocol governing increased bilateral activity in a number of sectors was signed in 1979 as an addendum to the trade agreement.

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

Beginning on a foundation of wheat sales, trade has grown substantially through the 1970's and in 1982 reached 1.433 billion. There have been recurrent surpluses in Canada's favour: in 1982 exports to China amounted to 1.229 billion out of the above total. Textiles form the largest sector in China's exports to Canada, and many items in this category are under restraint, but since January 1, 1980 some other Chinese products have received General Preferential Tariff treatment. Wheat, minerals and metals, wood products and potash head the list of Canadian exports, while imports, besides textiles, include agricultural products, handicrafts and household furnishings.

Recently, efforts have focused on China's drive to modernize, drawing in part on foreign technology and foreign credits. To this end, the Export Development Corporation has concluded an agreement in principle to extend \$2 billion line of credit to China to support the purchase of Canadian services and equipment. Private Canadian banks have also extended facilities to the Bank of China for import financing.

The Canada-China Trade Council was founded in June 1978 to assist Canadian businessmen, both exporters and importers, in doing business with China. Private sector initiatives in conjunction with ministerial level missions