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VISIT OF MADAME QIAN ZHENGYING,
MINISTER OF WATER RESOURCES AND ELECTRIC POWER
FOR THE PEOPLE'S REPUBLIC OF CHINA

The Honourable James Kelleher, Minister for International Trade today met with Madame Qian Zhengying, Minister of Water Resources and Electric Power for the People's Republic of China. Madame Qian is visiting Canada at the invitation of Mr. Kelleher for an extended visit to hydroelectric, thermal and nuclear power facilities across Canada. Mr. Kelleher's invitation was extended to Madame Qian by a Canadian hydroelectric power delegation which visited China in November 1984. A Memorandum of Understanding, signed at that time, focussed on Canadian cooperation with China in its major power development plan and participation by Canadian firms in the planning and implementation of projects.

During the discussions, Mr. Kelleher announced that Canada, as part of a series of special trade initiatives the Government is undertaking in the region, will provide approximately \$612,000 toward development of a feasibility study of the Longtan Hydroelectric Project. The Longtan project, located on the Hongshui river, is expected to have a generating capacity of 4000 - 5000 megawatts. China had specifically requested Canadian assistance on this project in the 1984 Memorandum of Understanding. The feasibility work is to be carried out by the "CIPM-Yangtze Joint Venture", a cooperative venture involving Lavalin, SNC, Acres, Hydro Quebec and B.C. Hydro.

Mr. Kelleher also announced that Canada is prepared to participate with China, at their request, in the development of a model turbine for use in hydroelectric projects. Support from the Department of External Affairs would be to a maximum of \$300,000 and the work would be done by Canadian General Electric.

In addition, Mr. Kelleher noted that Mme Qian had, earlier, expressed an interest in the possibility of equity investment from Canada in large scale power projects in China. Mr. Kelleher announced that, in order to explore this area, his Department has contracted with R.L. Walker and Partners to obtain a report on the degree of interest by Canadian private sector investors and the possible modalities of such investment.

In this context, Mme Qian confirmed that her Ministry had just signed an agreement with the Bank of Montreal under which the Bank will be appointed Financial Adviser to the Ministry of Water Resources and Electric Power. Mr. Kelleher expressed his pleasure at this news.

All of the above developments, as well as Canadian funding of \$1.6 million for feasibility work on portions of the Three Gorges Hydroelectric Project previously announced by the Honourable Monique Vézina, represent Canada's response to earlier Chinese requests in areas where Canada/China cooperation might proceed.

The Minister for International Trade noted the above announcements were the latest in a number of special trade and development initiatives being undertaken by the Government through his Department to support Canadian firms in priority markets such as China. It follows earlier announcements by Mr. Kelleher that the number of Trade Commissioners in the Canadian Embassy in Beijing is being significantly increased and that a Canadian Consulate will soon be opened in Shanghai.