MINISTRY OF STATE FOR SCIENCE AND TECHNOLOGY

Report on

Visit to Canada of a

Delegation from the

State Science and Technology Commission

of the

People's Republic of China

24 April to 4 May 1985

Delegation Leader: The Honourable Dr. J. Song
Chairman of the State Science and Technology Commission of China

Canadian Host: The Honourable Dr. T. Siddon
Minister of State for Science and Technology

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Summary Record of Discussions

PREFACE

Actions are with:

The full program followed by Minister Song is given in Annex 1. The following summary record refers only to those visits at which discussions took place and covered subjects which need follow up, or which provide general information on Chinese plans, policies, or programs of possible use in the development of our relations.

The selection of sites visited was made in close collaboration with the Chinese Embassy in Ottawa and broadly concentrated on the following Chinese priorities (in alphabetical order):

Agriculture,
Aquaculture,
Communications,
Energy, and
Transportation.

Throughout the visit Dr. Song reiterated the two points that: (a) China was coming out from behind closed doors, first in the coastal zones, and (b) trade would in future be linked with the willingness to transfer technology.

All to review the new opportunities arising.

MEETING WITH DR. SIDDON AND OFFICIALS

Introductions

Dr. Song introduced his delegation and Dr. Siddon introduced the officials present from MOSST, External Affairs, Agriculture, EMR, NRC, NSERC, DOC, and Fisheries and Oceans.

Actions
are with:

Role of SSTC

Dr. Song said that China was very pleased with progress in the development of relations in S&T between Canada and China. In the last 6 or 7 years some 30 protocols had been concluded including those in forestry, environmental protection, agriculture, and those with NRC and the Civil Engineering Society.

The role of SSTC was summarized as:

1) Formulate and implement national S&T policies;

2) Prepare legislation;

3) Make rules and regulations;

4) Study the development of S&T internationally and advise the State Council on international developments;

5) Formulate policies for talented people, manage and inspire them;

6) Carry out international cooperation with all countries;

7) To look after nuclear safety.

The staff of SSTC number 400.

Proposal for a MOU

After carefully examining the roles of MOSST and SSTC Dr. Song said that he had concluded that the mandates of the two agencies were very similar. He then proposed that we should conclude a MOU between the two agencies and set up a "hot line" for direct contact between our officials. "We need to do better in our S&T

Actions are with:

relations and open up new paths." He requested that the staff of MOSST and SSTC get together to work out a method of direct cooperation between our two agencies.

In reply Dr. Siddon said that he would instruct his officials to explore the possibilities.

Discussions on the subject of an MOU were held between MOSST, NRC, and External Affairs. A MOSST negotiating team met with the Chinese in Montreal on 30 April which resulted in the preparation of a first draft MOU presented to the Chinese on 1 May when they were in Edmonton. As a result of Chinese comments a second draft was drawn up dated 3 May (ANNEX 2). There were no further comments from the Chinese on this second draft which is now under consideration by both sides for possible signature when Dr. Siddon pays a return visit to China.

External Affairs, MOSST and SSTC

Relations between SSTC and State Council

In reply to questions Dr. Song said that SSTC reports directly to Premier Zhau Ziyang and is involved in most of the "small group" meetings held by the Premier. He can meet with the Premier whenever he had the need. For example they met just before his departure for North America and he was urged by the Premier to "enhance relations with Canada."

Norman Bethune

Early on in his comments Dr. Song noted that Dr. Bethune gave his life for the Chinese People and they draw inspiration from what he did.

Invitation to visit China

At the dinner hosted by the Honourable Tom Siddon in the House of Commons, Dr. Siddon was invited by Dr. Song to visit China "at a convenient time."

MOSST

Actions
are with:

MEETING WITH IDRC

IDRC/SSTC relationship

Mr. Ivan Head noted the September 1980 MOU between IDRC and SSTC from which a broad, effective relationship had emerged. At present some 28 projects are pursued in China with IDRC assistance ($6.3 million over 4½ years with some $4.6 million for the future).

In reply Dr. Song noted that the Premier said SSTC should continue to work with IDRC. An invitation was extended to Mr. Head to visit China at "his convenience." The 28 IDRC projects had contributed to the exceptional growth of China (greater than 14% last year). Dr. Song would like to see more cooperation and also in activities with developing countries. SSTC was the counterpart to IDRC in China and would continue to help IDRC in any way. IDRC

Mr. Head expressed thanks for confirming the MOU between IDRC and SSTC.

It was agreed that IDRC would prepare a record of this meeting for agreement by both sides before the SSTC Delegation leaves Canada.

Reform in China

In reply to a question Dr. Song said that the reform of China will be covered in his public lecture, the text of which is given in ANNEX 3.

Although remarkable progress has been made in S&T in China he is not satisfied with the contribution S&T has made to the GNP or to people's living standards. A great deal of effort will have to be made to get Chinese engineers and scientists to concentrate their energies on "consumer goods and daily necessities." "More than

Actions
are with:

10 million scientists will be able to contribute to improving living standards of the people." This will be done by gradually reducing government funding of research institutions so that the staff will be compelled to cooperate more with industry and the "countryside." At the same time funding for basic research and high technology will be raised. Overall the total rate of spending of S&T as a proportion of GNP will be increased. SSTC is now working on a very ambitious grant program to benefit SME's particularly in fields such as aquaculture, food processing, small chemical plants, mountains areas, etc. Small scale development centres will be set up which will have training facilities attached. He went on to say that rural people in China have made a lot of money but skill training was needed to put this money to use. The people are looking towards S&T giving help and guidance since scientists are regarded as "fortune makers."

MEETING WITH NRC

In 1983 NRC signed an arrangement with the Chinese Academy of Sciences and this was working well. Dr. Song expressed thanks for the helpful arrangements made by NRC under this instrument.

Dr. Song said that since scientists liked to do sophisticated work it was difficult to get them to focus on industrial and societal needs. Therefore how NRC did this was of great interest. There was an exchange of views on that subject.

MEETING WITH CIDA

There was a brief exchange of greetings between Mrs. Catley-Carlson and Dr. Song. Dr. Song noted that China sold 20 million tons of surplus grain to the USSR

Actions are with:

last year. This is why animal husbandry and aquaculture are so high on his list of priorities. An environmental priority was to preserve the birds in China.

MEETING WITH NORTHERN TELECOM

Two major initiatives are being pursued by Northern Telecom with China in the fields of fibre optics and telephone exchanges. — Northern Telecom

ONTARIO MINISTRY OF THE ENVIRONMENT

As a result of the visit Dr. Song said that he would like to set up a cooperative project. He will consider the information provided and send instructions to Mr. Liu, Chinese Science Counsellor in Ottawa. — Ontario Ministry of Environment and SSTC

GOVERNMENT OF ONTARIO

The visit of Dr. Song overlapped a visit to Ontario from Madame Wu Xi Jun, Chairman of the Jiangsu Province Commission on S&T. In his speech given to Dr. Song, the Honourable Robert Welch, Attorney General of Ontario said that Ontario would sign a Technology and Trade agreement with Jiangsu Province.

ANDREW ANTENNA

Andrew Antennas agreed to discuss technology transfer for manufacturing in China of 6-metre diameter C-band TVRO (TV receive only) antennas. A proposal will be made to China in the next two weeks. China needs over 100,000 of these. — Andrew Antenna

Actions are with:

HERITAGE FARMS

Some interest was expressed by Dr. Song in the Ultra High Temperature (UHT) milk processing system seen at Heritage Farms. There may also be interest in the "Tetra Pak" system of packaging drinks of various types. — Heritage Farms

QUEBEC GOVERNMENT

In a speech which emphasized the contribution of France to world civilization, and noted those high ranking Chinese who were educated in France, Dr. Song invited his host, the Honourable Yves Bérubé to visit China. The relative roles in S&T, and complimentarity, of the federal and provincial governments was well covered by Minister Bérubé.

In his concluding remark Dr. Song said that "Canadians are the best friends of China." Mr. Bérubé was invited to contact Mr. Liu of the Chinese Embassy in Ottawa to arrange his trip to China. — Quebec MEST

ALBERTA

Dr. Song confessed that he did not know very much about Alberta before this visit. However he was extremely impressed by the way Albertans had developed their province and rapidly increased the GNP per capita. He believed that China could learn much more from Alberta and wanted to come back for a much longer discussion. — SSTC

The Delegation was escorted to the Speaker's Gallery of the Legislative Assembly and introduced to Members by Mr. Eric Musgreave M.L.A.

Actions are with:

Dr. Song was briefed on the activity under the Alberta/Heilongjiang agreement. This led to 7 missions to Alberta in 1984, and in the last 6 months there have been 3 trade missions.

Alberta Agriculture would like to be able to obtain breeding stock of the Chinese black hog in Alberta on account of the large litters it has. — Alberta Agriculture

Dr. Song asked Alberta to facilitate the placement of more Chinese students in Alberta Universities. — Alberta Government

Dr. Song met members of the Cabinet Committee on S&T and was provided with a clear overview of S&T in Alberta. Chaired by Mr. Eric Musgreave and attended by the Honourable Dick Johnston, M.L.A. Minister of Advanced Education. — Alberta

In his formal dinner speech Dr. Song invited his hosts, Mr. Johnston and Mr. Musgreave, to come to China.

BRITISH COLUMBIA

At every stop Dr. Song reiterated the two points:

a) China is determined to open up to the outside world;

b) that in future trade and technology would be linked.

He also said that the research system of China would be reformed to serve the needs of small business and contribute more to economic growth. With regard to point (b) above, in B.C. he gave the example of the recent $2 billion steel complex contract which was not awarded to Japan because they were not prepared to transfer technology or to embody Chinese technology. He also said

Actions
are with:

tht China will not need grain in the future but access to technology will determine the direction of their trade. When questioned about this comment Dr. Song said that SSTC, the State Planning Commission (SPC), and the State Economics Commission (SEC) worked closely together and for major projects all had to support the plan which would get final approval by the State Council. He went on to say that the State Council had strenghtened regulations accordingly. In the late 1970's China used the turnkey approach to purchasing but no longer are they prepared to buy things they can make themselves. He also said that in those days China did not know very much about competition.

Minister P. McGeer was invited to visit China as Dr. Song's guest. Stressed by Dr. Song in a speech to the Vancouver Chinese community was the point that China was wakening up and coming out from behind closed doors. 14 cities on the coast are to be opened up and also Hainan Island. The intent is to open up the whole coast to the free market system. By this mean they can attract the needed foreign capital investment in the same way Canada does. Dr. Tom Siddon from Richmond, B.C. was thanked for inviting him to Canada and his MOSST Escort Officer, Mr. Joe MacDowall was praised for the excellent arrangements and invited to visit China as his guest. As a result of this visit, said Dr. Song, "I will be able to do my work much better." Dr. Song said SSTC would be pleased to assist Ms. J. Burnes with her projected visit to China.

B.C. Government

GLENAYRE ELECTRONICS

Dr. Song said he hoped to see this company expand into China and he offered to give his personal assistance if needed.

Glenayre and SSTC

Actions are with:

DISCOVERY PARK

Dr. Song was clearly impressed by what was being done to nurture small companies at Discovery Park. He said that he would like to send some of his people to study the Discovery Park system. — SSTC

VANCOUVER PUBLIC AQUARIUM

Detailed interest in the management of the acquarium was expressed by Dr. Song who asked Dr. Murray A. Newman if he could help China to set one up in China. Dr. Newman said he would be pleased to help either by visiting China or by receiving appropriately qualified Chinese for training. — SSTC or Dr. Newman

MEETING WITH SCIENCE COUNCIL

There was a cordial and valuable exchange of views between Dr. Song and Dr. S. Smith Chairman of Science Council. Dr. Song said he quite understood why Dr. Smith had to cancel his planned visit to China last year but he hoped that Dr. Smith would be able to come in the future. The invitation to visit China was open to Dr. Smith at any mutually convenience time. The Chinese indicated that Mr. Zhang Dengyi, Director of the Department of S&T Policy would be his staff member most keenly interested in the activities of Science Council. — SCC

Actions
are with:

Visit to Canada of
Minister Song Jian
Chairman of Chinese
State Science and Technology
Commission

LIST OF VISITORS

Song Jian	Chairman, State Science and Technology Commission, China.
Zhang Dengyi	Director, Department of Science and Technology Policy, SSTC, China.
Shi Guangchang	Deputy Director, Department of International Cooperation, SSTC, China.
Liu Dongsheng	Science Counsellor, Chinese Embassy to Canada.
Wang Lin	Secretary, General Office of Administration, SSTC, China.
Qin Jiren	Deputy Chief Engineer, Department of International Cooperation, SSTC, China.
Jin Xiaoming	Deputy Division Chief, Department of International Cooperation, SSTC, China.
Zhou Linyi(f)	China Science and Technology Exchange Centre, China.

CANADIAN GOVERNMENT ESCORT OFFICER

Joe MacDowall	Ministry of State for Science and Technology

ANNEX 1

MISSION TO CANADA LED BY THE HONOURABLE DR. SONG JIAN CHAIRMAN OF THE STATE SCIENTIFIC AND TECHNOLOGICAL COMMISSION OF THE PEOPLE'S REPUBLIC OF CHINA AS GUESTS OF THE HONOURABLE DR. TOM SIDDON MINISTER OF STATE FOR SCIENCE AND TECHNOLOGY, 24 APRIL TO 4 MAY 1985.

PROGRAM

Wednesday, April 24

20:45 Minister J. Song arrives at Ottawa Airport on flight # PM 837 and is met by Minister Tom Siddon and officials from the Chinese Embassy and escorted to the Lord Elgin Hotel.

Thursday, April 25

08:30 The mission is met by Ministry of State for Science and Technology official and conducted to a meeting with Minister T. Siddon.

09:00 to 10:15 Meeting of Mission with the Honourable Dr. Tom Siddon and officials of Canadian Science and Technology agencies, 8th Floor Conference Room, 235 Queen Street (West Tower).

10:30 to 14:00 Meeting and lunch with Mr. Ivan Head and staff of IDRC, 16th Floor, 60 Queen Street.

14:30 to ca 15:00 Meeting with Dr. L. Kerwin President of NRC, Council Chamber, 3rd Floor, Building M58, Montreal Road Laboratories of NRC.

ca 15:15 Meeting with Mr. K.G. Glegg and Mr. E.V. Smith in the Canada Centre for S&T Information NRC.

17:00 Return to Lord Elgin Hotel.

19:20 Met by MOSST Official at Hotel and conducted for dinner with the Honourable Tom Siddon at the House of Commons.

19:30 to Dinner of Welcome given by the Honourable Dr. Tom Siddon, Rooms 601 and 602 House of Commons.

Friday, April 26

07:00 Leave Hotel for breakfast.

07:30 to 10:30 Breakfast hosted by Northern Telecom at Bell Northern Research, 3500 Carling Avenue, followed by discussions and tour. (An overview of both Northern Telecom and Bell Northern Research will be provided).

10:45 to 12:15 Visit to the Animal Research Centre of Agriculture Canada in Nepean and discussions with Senior research managers.

Lunch The Mission will return for lunch at the Chinese Embassy, 515 St. Patrick Street.

14:30 Departure from Chinese Embassy.

15:00 to 16:30 The Honourable J. Song will give a public lecture at the National Library Wellington Street, chaired by the Honourable T. Siddon. This event is sponsored by Carleton University, MOSST, and the Natural Science and Engineering Research Council of Canada. The scope of Minister Song's lecture will include the reform and opening up of China and the roles of science and technology.

17:00 Meeting with the President of CIDA Mrs. M. Catley-Carlson, 8th Floor, Place du Portage, Hull.

19:00 to 21:00 Reception given by the Ambassador of the People's Republic of China, His Excellency Yu Zhan, 515 St. Patrick Street.

Saturday, April 27

09:30 After checking out from the Hotel, the Mission will do some sightseeing in Ottawa, taking all their luggage with them.

11:30 Arrive at Hudson General Aviation air terminal at Linberg Place, off Hunt Club Road (733-8572)

(PREPARED BY THE GOVERNMENT OF ONTARIO IN COOPERATION WITH THE MINISTRY OF STATE FOR SCIENCE AND TECHNOLOGY)

11:30 Depart Ottawa
Northern Telecom Jet
Contact: Herman Chang, (416) 275-0960

14:00 Arrive St. Catharines, Ontario.

Tour of Niagara Falls. Drive past Adam Beck Plant

17:00	Arrive Hotel Plaza II, 90 Bloor St. W. 961-8000 Met by Joe MacDowall, Ministry of State, Science and Technology and Consul General Xia Zongcheng.
18:30	Dinner Fon San Restaurant 356 Eglinton West (416) 489-7766 Host: Northern Telecom
21:00	University of Toronto Transportation provided by Northern Telecom.

Sunday, April 28

08:00	Depart Hotel Plaza II, 90 Bloor St. W.
09:30	University of Guelph, Department of Animal and Poultry Science (Gordon and McGilvray Streets), Elora Research Station. Contact: Dr. Hacker, (519) 824-4120 Ext. 2251
11:00	SEMEX Canada, United Breeders Building, Highway #6 to Fergus. Contact: Dr. Morris Freeman, (519) 821-5060
13:00	Depart Semex Canada.
13:30	Depart Waterloo - Wellington Airfield Main hangar, de Havilland Buffalo Aircraft.
	Arrive Kincardine Airfield.
14:15 to 16:30	Tour Bruce Nuclear Station Contact: Elizabeth Muckle, Atomic Energy Canada, (416) 823-9040 Ext. 2664
16:30 to 16:45	Flight demonstration of de Havilland buffalo aircraft.
17:30	Arrive de Havilland Aircraft of Canada Ltd., Garratt Boulevard, Downsview Ground transportation provided by Government of Ontario.
17:45 to 18:00	Visit to University of Toronto Institute of Aerospace Studies, Downsview.
19:00 to 20:00	Reception hosted by Consul General Xia Zhongcheng, People's Republic of China. Contact: Liu Zhilin, (416) 964-7260
	Tour of Niagara Falls. Drive past Adam Beck Plant.

Monday, April 29

07:45	Depart Plaza Hotel.
08:00 to 08:45	Atmospheric Deposition and Chemistry Studies, Air Quality and Meteorology Section, Ministry of the Environment, 135 St. Clair Ave. W., 14th Floor. Contact: Judy Keith, (416) 965-2214
09:30 to 11:00 Group I	Andrew Antenna, 606 Beech Street, Whitby, Ontario. Contact: Alex MacKenzie (416) 668-3348
09:30 to 11:00 Group II	Tour Heritage Farms, 16 Shaftsbury Lane, Brampton (UHT Milk Processing) (Hwy 7 & Airport Rd). Contact: Hadley Benyon, (416) 791-6100
12:00 to 13:30	Lunch: Ministry of Industry and Trade, Trillium Room, Ontario Place (West/Security Entrance). Host: The Honourable Robert Welch, Attorney General of Ontario. Contact: Bonnie Leonard, Sonia Kaplan (416) 963-1373
14:30 to 16:30	Northern Telecom, Bramalea (Digital Switching Division) 8200 Dixie Road, Main Building. Contact: Herman Chang, (416) 275-0960
16:30	Depart Northern Telecom for Pearson International Airport.
18:00	AC #422 to Montreal.

P R O G R A M M E

(Prepared by the Government of Québec, Ministère de l'Enseignement supérieur de la Science et de la Technologie, in cooperation with the Ministry of State for Science and Technology).

Lundi 29 avril

19:00 Arrivée à Montreal à l'aéroport de Dorval par le vol d'Air Canada 422. La délégation chinoise sera accueilli par M. Camille Limoges, sous-ministre, du MESST, M. Léo Paré, Directeur général des Affaires Internationales du MRI et M. Charles Villiers, conseiller au MESST.

19:45 Installation de la délégation chinoise à l'Hôtel "4 Saisons" à Montréal, 1050, Sherbrooke, téléphone (514) 284-1110.

20:30 Réception offerte par le Gouvernement du Québec au Salon Ritz Carlton, à l'Hôtel Ritz Carlton à Montréal, 1228, Sherbrooke W., téléphone (514) 842-4212. Montréal (Voir liste d'invités en annexe).

Mardi 30 avril

08:30 Départ de l'Hôtel "4 Saisons" pour le programme de visites organisé par la Direction des Relations Extérieures et de la Coopération Internationale; conseiller responsable du programme de visites, M. Charles Villiers, MESST.

09:00 Visite de SPAR AEROSPACE LIMITED - Rencontre avec M. DARK SCHILLEBEBCKX, gérant de la division de télécommunication: 21025, Trans-Canada Hwy Ste-Anne de Bellevue (Téléphone: (514) 457-2150).

11:30 Départ pour l'IREQ, 1800, Montée Ste-Julie, Varennes, Montréal, téléphone (514) 652-8011.

12:00 Déjeuner à l'IREQ avec M. TOBBY GILSIG, président, et le Président-Directeur-Général de l'Hydro-International M. ANDRÉ GAGNON.

Visite de l'IREQ.

14:45 Départ pour l'Institut Armand Frappier, 531, Boulevard des Prairies, Laval, téléphone (514) 687-5010.

15:30 Visite de l'Institut Armand Frappier. Rencontre avec le président de l'Institution, le Dr. Aurèle Beaulne.

17:00 Cocktail offert par l'Institut Armand Frappier.

17:30 Départ pour l'Hôtel "4 Saisons".

19:00 Dîner offert par le Ministre de l'Enseignement supérieur, de la Science et de la Technologie, M. Yves Bérubé, au Salon "Vert", à l'Hôtel Ritz Carlton à Montreal.

ITINERARY FOR THE VISIT OF DR. SONG JIAN
CHAIRMAN, STATE SCIENCE AND TECHNOLOGY COMMISSION,
AND SCIENCE AND TECHNOLOGY DELEGATION
PEOPLE'S REPUBLIC OF CHINA
MAY 1-2, 1985

(Prepared by the Government of Alberta in cooperation with the Ministry of State for Science and Technology).

Wednesday	May 1
12:50 p.m.	Arrival on CP Flight 91 from Montreal. Dr. Song and delegation will be met by Mrs. Betty-Anne Spinks, Protocol Officer, and Mrs. Melanie Stephens, Administrative Officer, Federal and Intergovernmental Affairs. The delegation will proceed to the Department of Agriculture.
1:30 p.m.	Delegation will be met by Mr. Ben McEwen, Deputy Minister, and meet with the following representatives from Alberta Agriculture: Dr. Jim Mahone, Director of Research Dr. Chuck McNaughton, Head, Dairy Division, Wetaskiwin Mr. Bill Anderson, Trade Director, Market Development Mr. Garry Benoit, Section Head, Marketing Services Executive Boardroom, 3rd Floor, 7000-113 Street. Tel: 427-4241.
3:00 p.m.	Proceed to the Legislature Building.
3:30 p.m.	Introduction of Dr. Song and delegation in the Legislative Assembly by Mr. Eric Musgreave, M.L.A. Speakers Gallery
4:00 p.m.	Meeting chaired by Mr. Eric Musgreave, M.L.A., and Chairman of the Cabinet Committee of Science and Technology, to discuss science and technology policy. 512 Legislature Building. Tel: 422-3581
5:00 p.m.	Proceed in hotel for check-in. Edmonton Inn, 11830 Kingsway Avenue. Tel: 454-9521

6:10 p.m.	Mrs. B.A. Spinks will await the party in the lobby of the hotel and accompany them to Government House.
6:30 p.m.	Reception and dinner hosted by the Honourable Dick Johnston and by Mr. Eric Musgreave, M.L.A. on behalf of the Government of Alberta. Government House, 12845-102 Avenue. Tel: 427-2281
9:00 p.m.	Return to hotel. Edmonton Inn.
Thursday	May 2
8:00 a.m.	Check out of hotel. Please have luggage in lobby ready for departure. Edmonton Inn.
8:20 a.m.	Mrs. Stephens will await the party in the lobby of the hotel.
8:30 a.m.	Departure of Alberta Research Council, Nisku. 1910-5 Street, Nisku. Tel: 995-7891
9:30 a.m.	Tour of the Coal Liquefaction Facility by Dr. John Douglas, Vice-President, Energy Resources, Alberta Research Council, Dr. M.P. du Plessis, Head, Coal Research Department and Mr. David Aitchison, Facilities Manager, Nisku. The tour will be followed by discussions on the coal industry in Alberta led by Dr. Paul Ziemkiewicz, Manager of the Secretariat, Office of Coal Research and Technology.
11:00 a.m.	Proceed to Edmonton International Airport.
12:15 p.m.	Departure on CP Flight 43 for Vancouver.

VISIT OF

DELEGATION FROM THE

STATE SCIENTIFIC AND TECHNOLOGY COMMISSION

PEOPLE'S REPUBLIC OF CHINA

TO

BRITISH COLUMBIA

HEAD OF DELEGATION: The HONOURABLE DR. SONG JIAN, CHAIRMAN

British Columbia Escort: Mr. W.G. (Bill) Mercer, Director, Visits and Conferences, Ministry of Intergovernmental Relations (and) Ms. Jane Burnes, Ministerial Assistant, Ministry of Universities, Science and Communications

Canada Escort: Mr. Joe MacDowall, Senior Advisor, International Affairs and Trade, Ministry of State for Science and Technology

Thursday	May 2
12:30 p.m.	Arrive Vancouver International Airport (CP 43 from Edmonton)
	Check-in at Hotel Sheraton Landmark, 1400 Robson Street, 687-0511
2:00 p.m. to 3:10 p.m.	Mr. Jack McKeown, Deputy Minister, Ministry of International Trade & Investment, Suite 315, 800 Hornby Street, Robson Square (689-4411)
3:15 p.m. to 3:30 p.m.	Courtesy meeting with the Honourable William R. Bennett, Premier of British Columiba, Cabinet Office, 4th Floor, Robson Square (668-2701)
4:00 p.m.	Tour of Fisheries Research Laboratory, 4160 Marine Drive, West Vancouver (Contact: Dr. Ed Donaldson, Section Head, Fish Culture Research, 926-4358)
6:00 p.m. for 6:30 p.m.	Reception Hosted by Mr. Huang Yangzhao, Consul-General, People's Republic of China (Vancouver). The Excelsior Restaurant, 4544 West 10th Avenue. (Contact: Consul-General - 734-7492, Restaurant - 228-1181)
Friday	**May 3**
7:30 a.m.	Depart Hotel
8:00 a.m. to 9:30 a.m.	Glenayre Electronics Limited, 1570 Kootenay. (Contact: Mr. Klaus Deering, President, 293-1161)
10:00 a.m. to 11:15 a.m.	Microtel Pacific Research Limited, 8999 Nelson Way, Burnaby. (Contact: Mr. Don Crowson - tour guide, 294-1471; Dr. Bruce Hartwick, President)
	To: Discovery Parks Incorporated, Suite 220, "Discovery Park", 3700 Gilmore Way, Burnaby.
12:00 noon to 1:30 p.m.	Presentation on and Tour of Discovery Parks, followed by Luncheon. (Contact: Mr. Charles W. Kingston - President; Mr. Peter B. Thomson - Vice President Marketing, 430-3533)
2:45 p.m. to 5:15 p.m.	Vancouver Public Acquarium, Stanley Park. Discussions with Dr. Murray A. Newman and Dr. Jeffrey Marliave.
6:30 p.m.	Dinner, Hosted by the Honourable Dr. Pat McGeer Minister of Universities, Science and Communications for British Columbia, Brock House Restaurant, 3875 Point Grey. (Contact: Restaurant, 224-3317)

Saturday	May 4
8:00 a.m.	Check-out of Hotel
8:30 a.m. to 10:30 a.m.	Tour of ALRT. (Contact: Ms. Diane Hughes or Mr. Bob Egby, 683-8401) Tour guides will meet delegation at Sheraton Landmark Hotel and travel on bus (they will give a presentation on the bus and will direct drive to locations to be visited). Tour will include: - stations, guideway, maintenance facility, including control room, and UTDC Industries (technology).
11:00 a.m. to 1:30 p.m.	Harbour and Expo 86 cruise aboard M.V. Nova Springs. Luncheon served on Board. (Host: Mr. Jim Pattison, Chairman, Expo 86 Corporation).
1:30 p.m.	Messrs. Jin and Shi and Ms. Zhou to Vancouver International Airport for 3:30 p.m. Departure to Tokyo on flight JA 015 (Executive Limousine Service will provide separate car to collect at boat and deliver to airport)
1:45 p.m. Group 1	Messrs. Song, Liu, and Hui met by David Saxby and taken by private plane to Mr. Brad Hope's fish farm on the Sunshine Coast.
2:30 p.m. to 4:00 p.m. Group 2	Capilano Fish Hatchery 4500 Capilano Park, North Vancouver Tour of both public and private sections. (Contact: Barry - guide; or Mr. Eldon Stone, 987-1411)
5:00 p.m. to 6:30 p.m.	Dinner Hosted by Mr. Norman Gardner, President, Metro Canada International Limited Peninsula Restaurant, 604 West Broadway (Contact: Mr. Gardner, 685-9347: Restaurant, 872-1271)
8:45 p.m.	Dr. Song Jian and remainder of delegation depart Vancouver International Airport on Flight QF 026 escorted by Mr. Joe MacDowall of MOSST and Huang Yangzhao, Consul-General of PRC in Vancouver.

ANNEX 2

May 3, 1985

DRAFT

MEMORANDUM OF UNDERSTANDING

on Scientific and Technological Cooperation
between
the Ministry of State for Science and Technology of Canada

and

the State Science and Technology Commission of
the People's Republic of China

Recognizing the spirit of friendly cooperation that exists between Canada and the People's Republic of China, and the desirability of building on this relationship;

Recognizing the importance of science and technology to both countries with regard to economic growth, prosperity, and trade relationships;

Recognizing the specific mandates of the Ministry of State for Science and Technology of Canada and the State Republic of China (hereinafter referred to as the "parties");

The parties have agreed to the following:

1. To encourage and facilitate direct contacts between their officials, and to cooperate on the basis of mutual benefit, equality and reciprocity in areas of agreed interest.

2. To promote, subject to the mandates of the parties, activities related to science and technology policy, planning, and cooperative research and development in specifically chosen areas of mutual interest, such as:

(a) exchange of information on science and technology policies, strategies and organizations,

(b) meetings, conferences, seminars and visits as agreed to by both parties,

(c) exchange of publications and documents,

(d) collaborative projects,

(e) other activities as mutually agreed.

3. Both parties will use their good offices to facilitate contacts with other institutions and with industrial enterprises, involving them as appropriate, in the implementation of agreed activities.

4. The costs of international and in-country transportation, accommodation, emergency medical care, and other expenses of participants in activities carried out under this Memorandum shall be borne by the spending and host parties as determined on a case by case basis through consultations between the parties.

5. To facilitate communication between the parties for cooperative activities and related matters, each side will designate, within one month of the effective date of this Memorandum, one person to act as program coordinator for its side.

6. The parties shall periodically review the progress, future plans, prospects, and orientation of their cooperation under this Memorandum. This will normally be done through meetings of program coordinators or their designated officials, to be held approximately every two years, with the site alternating between the two countries.

7. This Memorandum of Understanding shall take effect upon signature. It shall remain in force for six years, and will be automatically renewed in the absence of objections by either party giving six months' notice in writing. The Memorandum may be amended by mutual written agreement of the parties.

Done in triplicate, in _____, this day of _____ in the English, French and Chinese languages, each version being equally authentic.

For the Ministry of State for Science and Technology of Canada	For the State Science Technology Commission of the People's Republic of China

ANNEX 3

Notes for an address

by

Dr. Song Jian (J. SONG)

Chairman

State Science and Technology Commission

People's Republic of China

Delivered at: Ottawa, Ontario
CANADA

26 April 1985

Ladies and gentlemen and friends:

I feel greatly honored to have the opportunity to be present here and meet so many friends. First of all, let me thank my host for his gracious hospitality.

The topic I would like to speak on today is "The Reforms and Open-up Policy in China".

Reforms of the economic and R&D management systems are spreading far and wide in China in a planned manner. The creative and pragmatic spirit demonstrated by the Chinese government in these reforms has won enthusiastic support of the Chinese people and aroused keen interest of statesmen, economists, and scientists the world over. The four previously established special economic zones, the open-up of 14 coastal cities and Hainan Island to foreign investment, and the smooth settlement of the Hong Kong issue by means of "one country, two systems" have brought new splendor to China's reforms. Many people in the press regard the decision of "one country, two systems" as the most courageous and most fascinating creation of the twentieth century.

It is known to all that in the history of over 3000 years before the age of industralization, China had created a splendid culture. The Great Wall and many other historic sites across the land remain to this day the source of national pride and are still acclaimed by the people throughout the world. However, China has lagged behind in the last two hundred years. Though many people with lofty ideals fought bravely and some even gave their lives in an effort to lift China from its backwardness, pitifully nearly all of them failed. But I would rather skip over this period of history which was filled with twists and turns. It is no use getting intoxicated in the glory of ancestors or indulging in sorrowful recollection of the past, for neither will alter China's past or help invigorate China's development today. As Longfellow wrote in one of his poems:

"Not enjoyment, not sorrow,
Is our destined end or way.
But to act, that each tomorrow,
Find us farther than today."

What has particularly gladdend the Chinese people is that ever since 1978 China has embarked on a correct path. Rural economic reforms have proven to be a great success, bringing about prosperity everywhere. Reforms in urban areas are gaining momentum and doing well. In 1984, China's GNP exceeded 455 billion US dollars, with an increase of 13 percent over the previous year. The industrial and agricultural output value amounted to about 400 billion US dollars, showing a growth of over 14 percent, and national income went up by 12 percent. Such high rates of growth are seldom seen in China's history.

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Mankind is eternal, but human life is short. Continuous efforts of several generations are required for a nation to get rich and strong. China has indeed made significant progress in recent years, but its level of development remains low compared to that of many other countries. At present China's GNP per capita is only 450 US dollars and this places China in the group of low-income countries. Over the past decades, Chinese scientists have succeeded in mastering nuclear technology, launching a number of satellites and synthesizing bovine insulin. However, their contribution to the economic growth and to the production of consumer goods cannot be considered satisfactory. Apart from the historic, political, and ideological constraints, an important cause of such performance is the rigid economic and R&D management systems. The state placed excessive control over research institutions and enterprises. No attention was paid to commodity production, and the role of market mechanism was neglected. Equalitarianism prevailed in the distribution of social wealth, and many scientists and engineers and workers got used to living at the expenses of the state. It seemed that people often forgot that a country could never prosper unless everyone worked to the best of his ability.

Having studied the lessons of its own and experience of other countries, the Chinese government has come to recognize that, in the country's modernization drive, commodity economy or market economy is an indispensable stage. Second, the positive experiences and achievements attained in developed countries often symbolize progress of human civilization, therefore they all merit our attention.

Third, a contemporary developed economy has to be international by nature, for no country can expect to achieve modernization if leading a self-sufficient idyllic life in seclusion. Finally, all developed countries depend on science and technology as the pillar of their development, but the latter can keep up with the advanced world level only when there exists an environment favorable to international interaction. A policy of seclusion can lead to nothing but backwardness.

To break up the stalemate, the government of China is determined to carry out economic reforms and to open up this country to the outside world. Subsequently, two separate decisions were made and announced last October and March this year.

These decisions have demonstrated that the government is fully aware that in a planned market economy based on public ownership the law of value must be followed to stimulate commodity production and its exchange. In the first place, the government intends to diminish the state control over enterprises and research institutions, to make a clear-cut distinction between the ownership, and the right to manage, state-run organizations. Sufficient decision-making power should be given to their managers. Secondly, the government had decided to link the remuneration of the workers with economic returns of their firms and to commensurate wage increases with profit margins. The job of the government should then be focused on guiding economic activities across the country through policy directives, laws, taxation, and investment on the basis of analizing macro-statistical information aggregated from the whole country.

Commodity prices in the marketplace are the yardstick and leverage of product quality and its exchange. In the past, prices of nearly all commodities were set by the state. With the passage of time, prices so set no longer reflect the true value of various commodities, nor do they reveal the actual relations between supply and demand. If the market mechanism is to be followed, the government intervention in pricing must be reduced and prices ought to be allowed to float in response to fluctuations in supply and demand. The first step the government begins with in the current reforms is to readjust existing prices so as to set up flexible, market-oriented pricing system. The

government fully recognizes that this is a decisive but rather sensitive step. Some people say economics is merciless. It sometimes offers opportunity and in other times gives rise to risks. An abrupt change in prices heralds either joy or disaster. The establishment of a reasonable pricing system holds the key to the success of the current reforms. Having taken a number of very precautionary measures, the government of China has decided to press ahead with the reforms of pricing and wage systems in the urban economy in 1985.

The wage system is closely related to the pricing system and must consequently be reformed. Such a reform is aimed at removing the equalitarian system where workers' wages are primarily determined by seniority. Under the new system, the wages of the employees of the state-run firms will be linked to the performance of the firms so that the principle of distribution according to work can be implemented conscientiously. Finally, while maintaining the predominance of public ownership, we must encourage the development of collective and individual sectors of the economy and promote diverse and flexible forms of cooperative management and economic association among the state, collective, and individual sectors of the economy to give every citizen an opportunity to contribute to the wealth of the society.

China's economic reforms scored points first in the rural areas. Agriculture, which worried us for so long, has been enabled to develop vigorously in a short period of time. This is primarily attributed to the replacement of the people's commune system with a system of contracted responsibility which links remuneration to produce. The rural economy is moving towards specialized commodity production. Farmers now are eager to set up small businesses, and the entire countryside is seething with activities and presents a bright perspective. As a result of this reform, the production value generated by small rural firms in 1984 exceeded 46.5 billion US dollars, an increase of 24 percent over the previous year, and it accounted for 40 percent of the national agricultural output value.

Science is often aptly worshipped as majestic Athena, who reveals truth for mankind and gives us wisdom. Yet we could not afford to keep all of her relatives idle and doing nothing. As a close relative

of her majesty, technology must be designated to bear the obligation of creating wealth for mankind to enjoy. We would not hesitate even to transform it into a cow to milk for the hungered people if necessary. In fact, the advancement of science and technology and economic growth are twin sisters that reinforce one another. This is no exception in China, where advanced science and technology have already become the main driving force for China's modernization program.

Of the more than 9,300 research institutions in China, majority are supported entirely by the state. They have done much praise-worthy work over the years, but alas, they have not contributed much to invigorating the economy. They are apt to pursue sophisticated technologies but are unable to translate them into social wealth. That science and technology are not tailored to the needs of economic growth constitutes the most serious defect in our R&D management system. The Chinese government had decided that, while restructuring the economic system, R&D management will also undergo a reform. This reform is intended to create an environment in which bulk of the research institutions and especially those intimately involved in technology development will have a market orientation. Research undertakings should then be geared toward economic construction and judged by their economic implications. Thus the public will show more respect for those who contribute to the acceleration of economic growth and they in turn will receive more awards.

The first practical step of the reform is to alter the way of fund allocation for research institutions. The governmental gratis financial allocation for R&D entities will be gradually reduced and eventually eliminated. R&D institutions should then fund their research undertakings mainly through contracts with industrial enterprises, transfer of technology, or service to the public. A system of invitation to bids and contracting will be put in place for major national projects. A national science foundation will be created to support basic research and some applied research projects. Such financial support will be rendered to selected ones through a peer-review process. A sum of venture capital will be set aside by the government for transient and risky high-tech development. The government will continue to allocate fund in the form of block grant to institutions devoted to social welfare, such as astronomy, time services, meteorology, metrology, environment protection, and public health, etc.

In addition, the government of China has also decided to create a market for technology transactions, thus taking technology as a kind of social wealth and commodity. It is expected that research institutions will benefit considerably from this market and be able to get well off without government subsidy. This will surely put an end to the practice of "eating from the same big pot" and greatly encourage research institutions to either invest their R&D results in firms as capital or sell them on the market.

Since a flourishing technology market depends on the demand of plants and factories, a number of measures are to be taken to reinforce their ability to assimilate and develop new technologies. Independent research institutions are asked to undertake joint ventures or to merge with enterprises on the basis of voluntary participation and benefit sharing. Large firms should have their own R&D establishments, while the medium and small-sized firms are encouraged to jointly sponsor research organizations. Moreover the government will give preferential treatment in price, taxation, and credit loans to R&D activities undertaken by such cooperative research entities.

Furthermore, a contract system will be introduced for recruiting scientists and engineers, so that they will be able to find suitable jobs and that their knowledge and expertise can be brought into full play. These people are especially encouraged to work in rural areas, in medium and small firms, as well as in remote and less developed regions. Freedom of expression is protected so that scientists and engineers will feel free to explore new ideas and concepts.

Deng Xiaoping recently pointed out: "The new economic structure must be favorable to science and technology advancement, and the new R&D system should, in turn, be conducive to economic growth. The two systems should go hand in hand, and the long drawn-out problem of mismatch between the two may be resolved satisfactorily."

It is inevitable that the current reforms will impinge upon the conventional customs and concepts of the people. It is indeed a major move, as though a large ocean-going vessel altering its course. Nevertheless, these reforms are in keeping with the world trend of development and the actual conditions in

China. It, therefore, enjoys abundent support of the Chinese people and has captured attention of the people throughout the world. As long as we keep the reforms on the right track and take well-calculated steps, we are full of confidence that we will succeed.

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With the progress in science and technology, our globe is getting smaller. Communications satellites keep us aware of what happened just few hours before in every part of the world. People can reach any place on earth within a day if necessary. Writers love to say the globe has literarily been turned into a village. In fact, our world has become a closely interwoven large-scale system and no country can stay away from it. Historically, the reason why science and technology could have reached the state of today's consummation is that every nation has contributed its bit of share to it. It is needless to say, in the last century, developed countries have made and are still making significant contributions to the perfection of science and technology. Today, hardly any discovery in science or any significant breakthrough in technology can be made without concerted efforts and collaboration of scientists and experts throughout the world. No longer does any country have the luxury of operating within an isolated, self-sufficient economic system. No country, if separated from the world, can achieve significant progress in developing its economy, science, and technology. A nation can hardly expect to enjoy the full blessings of modern civilization if it confines itself behind closed doors.

It is precisely based on this understanding that the Chinese government has decided to pursue a policy of opening this country to the outside world, discarding its tradition of closedness. The concept of "one country, two systems", the open-up of coastal cities of foreign investment, the ever expanding scope of international cooperation in science and technology, and so forth, all of these are incarnation of the open policy. In brief, this policy will enable us to learn from the new knowledge and positive experience of other countries and blend them with our own cultural tradition so as to invigorate China's economy and raise its science and technology capabilities. We believe that in the foreseeable future the Chinese nation will stand side by side with other great nations in the world and make greater contribution to mankind.

Although China's open policy has been in effect only for a relatively short time, its tremendous impact is manifest in many aspects of the nation's life. From 1980 to 1983, China's national income increased 32 percent and the total volume of import and export went up by 57 percent. Foreign investment in China now amounts to nearly 7 billion US dollars. Up till now China has signed agreements with foreign countries on over 3,000 projects for science and technology exchanges and cooperation. Over 50,000 foreign experts have been invited to visit China. Chinese scientists have joined more than 50 international scientific and technological organizations and academic bodies. Approximately 30,000 Chinese are now studying in foreign countries as students or visiting scholars.

To facilitate the people to people exchange with other countries, the government of China has formulated and is drawing up great many laws and regulations related to immigration, marriage, taxation, etc., to create a much more favorable environment for foreign guests.

Reforms and open-up of the country are at the core of China's modernization drive. These two policies are symbiotic, for neither can be effective and endure without the other. With the current world trends and China's need for modernization, I would like to take the liberty to imagine that, some decades later, China will be inextricably involved and locked in the complicated international economic, science and technology systems. Then no one would dare to draw back from the world systems into seclusion again for that would probably bring about disaster to the entire economy. I believe that these policies will live and continue in effect as long as the Chinese people remain committed to making further progress in their country.

Ladies and gentlemen, there exists profound friendship between the peoples of our two countries. China is prepared to develop economic, technological, and trade cooperation with Canada on the basis of equality and mutual benefit. We welcome entrepreneurs to set up businesses or trade organizations in China. I wish to extend our special welcome to Canadian scientists and specialists to undertake any form of cooperation with China, including study tours, giving lectures, and even working together with their Chinese

counterparts on collaborative research, development, design, manufacture, etc. In doing so, you will be able to watch the fascinating process of rejuvenation of an old nation. Anyway, ladies and gentlemen, welcome you to visit China.

Thank you for your attention.