

energy, transportation, telecommunications and the environment. These Canadian businesses sell to, buy from and invest in China. I believe these companies, and the industries they represent, have a fighting chance to expand the scope of Canadian-Chinese economic relations.

The Canada-China Business Council, represented here by my friend and colleague Senator Jack Austin, is another avenue for Canadian business to team up with others who have already invented the wheel.

When I say "team," I mean it in a very literal sense as the challenges and opportunities in China can best be met by combining our resources in a focussed effort. One of my mission members is CAPSEP, which represents the Canadian power sector. This sector has been particularly successful in China because of its willingness to work together to literally move the mountains of earth required to build some of the greatest hydro developments in the world. This includes the Geheyan project, which was completed with Canadian expertise.

For Canada, there are a number of obstacles to the Chinese market that we have encountered and have yet to resolve.

Canada is an "old friend" in China. We have afforded China MFN [most-favoured nation] status for two decades, no strings attached other than the obligations that are inherent with MFN: to give Canadian business treatment at least equal to the best treatment China affords her other trading partners. This is why Canada's insurance industry is waiting in line to operate in China, resuming a century-old relationship with this country.

Last year, China's exports to Canada grew by 25 percent, reaching a record \$3 billion. This is due to the fact that the Canadian market is one of the most open in the world. Tariff rates are low, particularly for China which benefits more from our general preferred tariffs (GPT) than any other country. Our business practices are open and transparent, and Canadians are more than willing to buy quality products at the reasonable prices that China offers.

Canada is among the most enthusiastic supporters of China's re-entry to GATT [General Agreement on Tariffs and Trade]. This is why we are working with China as it brings down its import duties, opens its bidding practices and makes its licensing and approval regimes more transparent.

These are big challenges, as I think many of you know. However, I would like to make the point that the Government of Canada, a government that opened the door to the People's Republic of China a quarter century ago, will forcefully pursue Canadian business interests and in the frank and open manner becoming an old