

None, of course. Nobody can predict the future anywhere. But there seems to be a stability now in China, a pragmatism, a sense that life belongs to the person rather than to the State, and that would seem to bode well. There is also a great swelling of consumerism that will be difficult to reverse. Nine out of ten urban households in China now have TV sets, and a lot of them are colour TV. People are buying things they have never had before, and doing things they never could before. There are discotheques and soap operas and the awareness that life is getting better. There is even rock music, or perhaps it's folk music to a rock beat, performed by Chinese rock stars. I suppose you could call it Rock and Egg Roll.

So although there are no guarantees that China will stay on its present course, there is not very much to suggest that it won't. The skies are pretty clear.

What does this all mean for Canadian business? What does it mean particularly for the small and medium size companies that are the backbone of Canadian industry? You may be surprised.

This is the group of companies with which the Chinese wish to deal with because of the current emphasis on renovation of their existing facilities. An increasing number of Chinese delegations has recognized that small and medium size Canadian firms have the technology that China is looking for in this area. And a number of contracts have been signed by firms such as STM Computers, Dyer Equipment, Dipix, MecFab and Canterra Engineering.

There are, of course, some problems when small and medium firms attempt to pursue opportunities in the China market. One of them is that their main, if not only trade experience has been with the United States, which is a very simple market compared to China. In addition, small and medium size firms do not have the financial and personnel resources enjoyed by multinational corporations. They are in need of more substantial assistance and we are now reassessing the federal trade assistance programs at their disposal.

Because of the costs involved in establishing a presence in China, one of the most valuable tools we in the government can offer those firms is a strong and effective commercial staff in our embassies and at our headquarters. Our staff on the China front is sorely overstretched and has