

I am deeply honoured to be here in Beijing today, to join in the effort to develop closer economic ties between Canada and the People's Republic of China [PRC].

For those Canadian business people in the audience who have invested time, energy and money in seeking opportunities in this great country, let me assure you that the Canadian government is right behind you.

Improving economic and trade relations between Canada and China is one of the central goals of the Government's trade strategy.

We recognize the tremendous growth that is taking place here. We recognize that Canada has a great deal to offer to help foster that growth, in terms of goods, services and investment. And we recognize that as a government, it is our duty to strengthen the bilateral relationship so that you can operate in a more secure and positive environment.

In our approach to China, we bear in mind that we are dealing with the oldest continuous civilization in the world. It is a country whose history has made it suspicious of foreign intervention. It is a country that has experienced the chaos of unbridled centrifugal forces and that is trying to fashion modern national institutions for its economy. Those are facts we must accept and deal with.

In short, we must recognize our differences, and in an atmosphere of mutual respect, see where and how we can co-operate to our mutual advantage. We must recognize both the obstacles and the opportunities that shape the dynamics of Canadian-Chinese relations.

At first blush, Canada's exports to China have shown only marginal growth over the past 10 years. In 1984, Canadian exports to China were C\$1.2 billion. Last year, exports were at \$1.5 billion, down from 1992 by about 30 percent, primarily due to a dramatic drop in our deliveries of wheat, which is still the single most important commodity Canada sells to China.

Taking a closer look at the statistics, however, one will see that over the same 10-year period, non-cereal exports to China doubled, in 1993 reaching C\$1.1 billion.

While China's requirement for Canadian grain may continue to fluctuate based on crop outcomes in both Canada and China, the stable and gradual development of Canada's value-added, knowledge-based and high-technology exports to China holds much promise for growth.

The delegation I have brought with me includes representatives from 30 companies determined to succeed in China. They illustrate the broad spectrum of Canadian capabilities in a number of sectors that are high priorities for China, including