



Report of the Canadian Parliamentary Delegation of the Annual Co-chairs visit

Canada-China Legislative Association

**Shanghai, Qingdao, Beijing, China
March 12 to 16, 2007**

The Co-chairs of the Canada-China Legislative Association (CCLA), the Honourable Joseph A. Day, Senator, and Mr. Tom Wappel, M.P., conducted the CCLA annual Co-chairs visit to Shanghai, Qingdao and Beijing (China) from March 12 to 16, 2007.

Report

The Co-chairs of the Canada-China Legislative Association (CCLA), the Honourable Joseph A. Day, Senator, and Mr. Tom Wappel, M.P., conducted the CCLA annual Co-chairs visit to China from March 12 to 16, 2007. During the visit, the Co-chairs had the opportunity to visit Shanghai, Qingdao and Beijing and meet with their counterparts in the Chinese branch of the CCLA. The Co-chairs were accompanied by Mr. Paul Cardegna, Executive Secretary for the CCLA.

Objectives:

The objectives of the visit were:

- to continue the renewal and reinvigoration of the CCLA relationship from the 9th Bilateral meeting of October 2006;
- to apprise the Chinese of the political situation in Canada;
- to learn more about Chinese-Canadian business, cultural and political links;
- to discuss the objectives and parameters for the 10th Bilateral meeting which will take place in Canada in June 2007; and
- to promote friendship and the normalization of regular opportunities for dialogue with Chinese counterparts.

Participants:

A complete list of people who met the Co-chairs is contained in the Appendix A of this report.

Shanghai:

The delegation arrived in Shanghai and received a briefing from Susan Gregson, Consul General, and her staff at the Consulate General of Canada in Shanghai. Shanghai is a major transportation hub which is currently constructing deep-sea port facilities which will be the largest in the world when they are fully operational in 2008. A major centre for multi-national corporations, Shanghai often serves as the first point of contact for foreign enterprises in China, in addition to having large manufacturing concerns, particularly in the automotive industry. The yearly economic growth rate of Shanghai is over 10%.

The Consulate General staff described their various outreach, consular and diplomatic functions aimed at increasing bilateral relations and raising the profile of the Canadian government and Canadian companies in the Shanghai region. Shanghai has been twinned with Montreal since 1986.

While in Shanghai, the delegation had an opportunity to tour the Shanghai Urban Planning Exhibition Centre which features a model version of the city and describes the proposed development and expansion of the city, including the Shanghai International Airport and the city's deep-sea port facilities. Also featured in the Centre is a model of the planned site of the World Expo which Shanghai will host in 2010. Following this, the

delegation toured the site where the Shanghai World Expo will be held. The planners described their vision for the site, which will straddle both sides of the Huangpu River, as well as the urban restoration efforts designed to reinvigorate the area. Following this activity, the Co-chairs met with representatives of Dream Home China, a Canadian project sponsored by the Government of British Columbia, which specializes in wood frame construction. Created in Shanghai in 2005, the project's primary goal is to promote British Columbia lumber products by teaching and advising on the techniques and benefits of wood-frame construction to Chinese developers and builders. The Co-chairs were also given a tour of two model homes constructed by Dream Home China that showcase Canadian construction techniques and expertise.

In anticipation of a planned visit to Canada, representatives of the Anhui Provincial Government met with the Co-chairs in order to gain some perspective on the legislative process at the federal level in Canada. While the Anhui government delegates were planning on visiting only their counterparts in the provincial governments of British Columbia and Ontario, their meeting with the Co-chairs was beneficial as they gained a perspective on federal legislative structures and processes.

The delegates had an opportunity to tour the Qinshan Phase III nuclear power facility in Haiyan County near Shanghai. The nuclear power plant, which represents the largest single trade item between China and Canada, features Canadian CANDU reactor technology. The Third Qinshan Nuclear Power Co. Ltd. (TQNPC) was established on January 31, 1997 to construct and operate the nuclear facilities after the contract was signed between Canadian and Chinese representatives on November 26, 1996. Since that time the TQNPC has overseen the construction of the units, all of which were completed ahead of schedule and under budget.

The Co-chairs reminded the TQNPC representatives that Canada has developed more efficient nuclear reactor technology and newer versions of the CANDU reactors since the late 1990's and suggested that the partnership between Canada and China be renewed and reinvigorated, especially in light of China's rapidly increasing energy needs. The TQNPC representatives were very eager to strengthen the working relationship between the two countries and resolved to raise awareness of the benefits of continuing to use Canadian nuclear technology.

Tsingtao:

The Co-chairs briefly visited Tsingtao in order to evaluate the city as a possible location for a future bilateral visit with a full delegation. While there, they toured the extensive museum and production facilities of the world-renowned Tsingtao Brewery, which is one of the largest breweries in China. Built originally in 1903 by Germans, the brewery has been owned at different times by German and Japanese companies. Since 1946 the company has been owned by the Chinese government. The brewery recently entered into a strategic alliance with the Anheuser-Busch company of the U.S.A. and currently has brewing facilities in China and Taiwan with plans for facilities in Thailand and South Africa. Representatives of the company noted that all of the barley used in making beer is imported from Canada and that in 2006 over 10,000 tons of Tsingtao beer was exported to North America.

While in Tsingtao, the Co-chairs also participated in several meetings with local political and business people, such as Mr. Zhang Baosheng, General Manager of COFCO Shandong Vermicelli and Beans Imp. & Exp. Co., Ltd. Mr. Zhang explained that his company, which makes vermicelli from peas, imports over 40,000 tons of peas from Saskatchewan every year. They also met with Mr. Amir Levin, General Manager of Bombardier Sifang Power which has an industrial plant in Tsingtao which produces trains for use in China. Finally, the delegation met with Mr. Li Rumin, Deputy Director of Qingdao Foreign Affairs Office, Mr. Zhang Zhiqiang, Division Director of Qingdao Foreign Affairs Office and Mr. Ma Lunye, Deputy Director of Qingdao People's Congress.

Beijing:

Upon arriving in Beijing, the delegation attended a briefing by the Canadian Embassy, which described the current situation in China, Canada-China relations as well as the most recent meeting of the National Peoples' Congress (NPC). The Co-chairs were told that the NPC meeting focussed on social and environmental issues, corruption and the new policy of "harmonious society" which is President Hu Jintao's plan for reform of China's society and government.

The delegation toured the Canada International School, a private school which recently opened in Beijing. Located in the embassy area of the city, the school only admits the children of foreign nationals. The course content follows the New Brunswick curriculum and graduates receive a New Brunswick diploma. English is the primary language of instruction and the majority of teachers are from New Brunswick. Opened in September 2006 the school currently has 300 students enrolled but has a capacity for 1700 students in total.

Interested in the current state of democratic development in China, the Co-Chairs met with Professor Li Fan, President of the World and China Institute. Professor Li described the activities of the Institute while recounting the current challenges facing democratic institutions in China. One of the primary challenges that Professor Li noted was the increasing interference in local elections. Due to a lack of oversight and institutional regulation, municipal elections have been hampered by local government officials who tamper with voting results. He believed that corruption could be curbed with increased citizen engagement in the electoral process. He lamented that there is no law to deal with electoral discrepancies and, therefore, Chinese courts cannot adjudicate on complaints. He advocates incremental reform rather than radical innovation and noted that the increased presence of foreign non-governmental organizations is essential to the future of Chinese democracy. Finally, Professor Li saw some hope in the fact that China appears to be preparing to sign the International Convention on Human Rights.

The last meeting that the Co-chairs had during this visit was with their counterpart, Mr. Lu Congmin, Vice-Chairman of the Foreign Affairs Committee of the NPC and the Chinese Chair of China-Canada Legislative Association (CCLA). The Canadian Co-chairs began the meeting by describing the current political situation in Canada. Mr. Lu, in turn, described the 10th session of the NPC, which had recently adjourned. Two major bills were enacted that will fundamentally change Chinese society. The first bill guarantees property rights for all Chinese people and the second bill reformed the

corporate income tax laws and, amongst other reforms, created a uniform tax rate for all corporations. Finally, an electoral mechanism was established to choose members of the NPC for the 11th session, which will convene next year. Mr. Lu also noted that in his annual report, the Chairman of the NPC identified a list of 15 countries considered to be “important” for continued interparliamentary relations and that Canada is included on this list as a priority for Chinese interparliamentary affairs.

All three men noted that Canada and China have enjoyed a strong relationship since diplomatic ties were established between the two countries in 1970 and resolved to further develop these links. Mr. Lu noted that the construction of the CANDU nuclear reactors in Haiyan County which the Canadian Co-chairs had visited a few days earlier were a perfect example of how the relationship was mutually beneficial. He suggested that Chinese and Canadians should use the mutual respect of differences in ideology and cultural values as a way to broaden the bilateral relationship and strengthen business, political and cultural exchanges between the two nations. He noted that lack of communication would lead to more diplomatic irritants and frictions and that cooperation should be the guiding principle of the Canada-China relationship.

Finally, the subject of the 10th Bilateral meeting of the Association was discussed and the week of June 10-19, 2007 was chosen for a Chinese delegation of the CCLA to visit Canada. The Co-chairs identified the following subjects for discussion: Canada-China bilateral relations, including trade relations, energy and environmental protection, national defence and security, global security issues in the Asia-Pacific region and in East Asia, International and regional issues.

Conclusion:

This visit to China was an excellent opportunity for the Co-chairs of the CCLA to further expand their knowledge of and contacts in China and conduct essential research for the next bilateral visit to China, which will likely take place in 2008. It was also vitally important to the planning of the 10th Bilateral visit which will take place in June 2007 in Canada. The Co-chairs were able to raise Canada's profile in China and gather vital information that will assist in strengthening, reinforcing and reinvigorating the already robust relationship which exists Canada and China.

A summary of the travel costs is appended to this report.

Respectfully submitted,

Hon. Joseph A. Day, Senator

Co-Chair

Canada-China Legislative

Association

Mr. Tom Wappel, M.P.

Co-Chair

Canada-China Legislative

Association

Travel Costs

ASSOCIATION	Canada-China Legislative Association
ACTIVITY	Annual Co-chairs' visit
DESTINATION	Shanghai, Qingdao, Beijing, China
DATES	March 12-16, 2007
DELEGATION	
SENATE	Hon. Joseph Day, Senator
HOUSE OF COMMONS	Mr. Tom Wappel, M.P.
STAFF	Mr. Paul Cardegna, Executive Secretary
TRANSPORTATION	\$22,804.16
ACCOMMODATION	\$6,103.29
HOSPITALITY	\$683.63
PER DIEMS	\$1,355.29
OFFICIAL GIFTS	\$719.21
MISCELLANEOUS / REGISTRATION FEES	\$158.76
TOTAL	\$31,824.34

Appendix A

List of People who met with the Co-chairs during the
2007 Annual Co-chairs visit of the Canada-China Legislative Association
Shanghai, Qingdao, Beijing, China
March 12-16, 2007

Mr. Xu Bo, Director, International Participants Department, Bureau of Shanghai World Expo Coordination

Ms. Mary Boyd, Director, Shanghai Corporate Network, Economist Intelligence Unit

Mr. Mark Ceolin, Chair, Canada China Business Council (Shanghai Chapter)

Mr. Congmin Lu, Vice-Chairman of Foreign Affairs Committee National People's Congress and

Chair of China-Canada Legislative Association

Ms. Sharon Crabb, Principal, Canadian International School Beijing

Mr. Li Fan, Director, The World and China Institute

Mr. Dong Fang, Manager, Tsingtao Beer Museum, Tsingtao Brewery Museum

Mr. Chen Gang, Deputy Director, Administrative Office (Foreign Affairs Office), Third Qinshan Nuclear Power Co. Ltd.

Mr. Hu Gang, Program Officer, International Participants Department, Bureau of Shanghai World Expo Coordination

Mr. Wei Guoliang, Deputy General Manager, Third Qinshan Nuclear Power Co. Ltd.

Mr. Dai Guoxian, Deputy Director-General, Anhui Provincial Foreign Affairs Office

Mr. Fuming Jiang, Section Chief, Third Qinshan Nuclear Power Co. Ltd.

Mr. Hu Qin, Deputy Division Director, Anhui Provincial Foreign Affairs Office

Mr. Murray King, Chief Representative, APCO Worldwide Inc. (Shanghai Office)

Mr. Song Lin, Deputy Director, Planning Department, Third Qinshan Nuclear Power Co. Ltd.

Mr. John E. McDonald, Managing Director, Canada Wood

Mr. Joel Murphy, General Manager (Machines, Asia Pacific), Husky Injection Molding Systems (Shanghai), Ltd.

Ms. Carolyn Norman, Vice-Principal, Canadian International School Beijing

Mr. Lawrence Nutting, Vice President AM, Manulife-sinochem Life Insurance Co. Ltd.

Mr. Charles K.W. Pang, Executive Director/Registrar, Canadian International School Beijing

Ms. Nancy Pon, Board Director, Canada China Business Council (Shanghai Chapter)

Mr. Yang Q. Ruan, Acting Chief Representative and Director General Programs, Atomic Energy of Canada Limited

Mr. Andy H. Truong, Board of Director, Canadian International School Beijing

Mr. G. William (Bill) Trimble

Mr. John Sharp, Technical Advisor, AECL Site Manager, Atomic Energy of Canada Limited

Mr. Charles Wang, Senior Counsel, Zhong Lun Law Firm

Mr. Yao Xin, Public Relations Manager, Kerr-McGee China Petroleum Limited

Mr. Bao Sheng Zhang, General Manager, Ceroilfood Shandong Cereals & Oils Imp & Exp Company, COFCO-Shangdong Vermicelli & Beans Imp/Exp Co. Ltd.

Mr. Zou Zhengyu, Assistant General Manager, Third Qinshan Nuclear Power Co. Ltd.

Mr. Zhang Zhenhua, Deputy General Manager, Third Qinshan Nuclear Power Co. Ltd.

Mr. Zhang Zhiqiang, Division Director, Qingdao Municipal Foreign Affairs Office

Mr. Ma Lun Ye, Vice Chairman, Qingdao Municipal People's Congress Standing Committee

Mr. Hong Yingchun, Deputy Director-General, Foreign Affairs Committee National People's Congress