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Legislative Association



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**Report of the Canadian Parliamentary Delegation
respecting its participation to
the 21st Bilateral Meeting**

Canada-China Legislative Association (CACN)

**Beijing, Regions of Shaanxi, Sichuan and
Qinghai, and Hong Kong, China**

August 16-26, 2017

Report

At the invitation of the National People's Congress (NPC), a Canadian parliamentary delegation from the Canada-China Legislative Association (CACN) undertook a working visit to the People's Republic of China from 16 to 26 August 2017. The delegation was led by the Co-Chairs of the Canada-China Legislative Association (Canada): the Honourable Joseph A. Day, Senator and Mr. Geng Tan, M.P. It also consisted of the following parliamentarians: the Honourable Victor Oh, Senator; the Honourable Percy Downe, Senator; Mr. Terry Duguid, M.P.; Ms. Jenny Kwan, M.P.; Mr. Majid Jowhari, M.P.; and Mr. Terry Sheehan, M.P. The delegation was accompanied by Mr. David Chandonnet, Executive Secretary, and Ms. Natalie Mychajlyszyn, Association Advisor.

The objectives of the mission included:

- To attend and participate in the 21st Bilateral Meeting between members of the Parliament of Canada and the National People's Congress in order to:
 - continue the legislative dimension of bilateral ties;
 - apprise Chinese interlocutors of Canadian values and priorities
 - regularize opportunities for dialogue with Chinese counterparts.
- To learn more about Chinese-Canadian business, cultural and political links, including people-to-people ties;
- To gain a better understanding of China's political, economic, and historical priorities as well as regional and social diversity; and,
- To promote mutual understanding and enhanced cooperation with Chinese government, legislative and political officials at local levels.

The highlight of the ten-day program was the 21st Bilateral Working Meeting, which was held for the first-time outside of Beijing in Chengdu, the capital of Sichuan province. Delegates from the Parliament of Canada and the NPC explored several themes over the full-day of sessions, including parliamentary diplomacy; commercial relations; cultural and educational exchanges and tourism cooperation; social diversity; comparative legislative and legal processes; and anti-corruption. These themes were identified by the Executive Committee of CACN (Canada) to inform the working visit more generally in order to reflect Canada's 150th Anniversary of Confederation and the achievements in Canada-China relations in those years.

In addition to Chengdu, the working visit included meetings in Beijing, as well as more remote regions of China (Yushu and Xining in Qinghai province) and those with particular political, economic, historical and cultural significance for China (Xi'an in Shaanxi; and Hong Kong). At these additional working meetings, the Canadian delegation met with high-level officials from the NPC and the Central Committee of the Communist Party of China; the political leadership of the Provincial People's Congresses in Sichuan, Qinghai, Shaanxi, Chengdu and Xi'an; representatives of the Chinese and Canadian business community in China; as well as groups promoting

people-to-people ties, including cultural and educational exchanges and tourism cooperation between Canada and China. These additional meetings provided Canadian delegates the opportunity to examine more deeply some of the themes already discussed during the 21st Bilateral Meeting.

The delegation was accompanied to its meetings by, and held briefing sessions with, Canadian diplomats and trade commissioners from the Canadian embassy in Beijing, Canada's consulates-general in Chongqing (responsible for Sichuan province) and Hong Kong, as well as its trade offices in Chengdu and Xi'an. In this respect, the CACN program provided a unique opportunity and important value to the work and priorities of Canada's diplomatic missions in western and southern China. This was particularly true where the Canadian Ambassador accompanied the delegation to various meetings in Yushu and Xining with key local Chinese decision-makers and was introduced to the region's diversity and opportunities for partnerships with Canada. At these meetings, the Ambassador's participation was received by the Chinese interlocutors as an indication of Canada's commitment to developing relations with China through new areas for cooperation.

Across all of these regions, the CACN delegation was warmly welcomed by its Chinese interlocutors. During their discussions, they exchanged views about the vital contribution of strong legislative ties to the Canada-China relationship. In this respect, this was the first CACN mission to Yushu in Qinghai province, and only the second time to Xining since its first visit in 2010. The CACN last held working meetings in Chengdu in 2002 and 2010, and in Xi'an in 2002 and 2009. Although it had visited Hong Kong several times, this was the first mission to the Special Administrative Region by a CACN delegation since 2013 and was timed to coincide with the 20th anniversary of the handover of Hong Kong to China.

A. The 21st Bilateral Working Meeting - Chengdu

The 21st Bilateral Working Meeting took place over the course of an entire day. Discussions and exchanges were held on the following seven themes as selected by the Chinese host delegation: Canada-China parliamentary exchanges, comparative legal affairs, Canada-China trade and investment, comparative ethnic policy, Canada-China education cooperation, Canada-China people-to-people links, and comparative legal practice and anti-corruption. Each topic was presented first by a Chinese or Canadian delegate, followed by a response. Members of the Chinese delegation included:

- Mr. CHI Wanchun, Chair of China-Canada Legislative Association, Member of the NPC Standing Committee, Vice Chair of NPC Foreign Affairs Committee
- Mr. BAIMA Chilin, Member of the NPC Standing Committee, Vice Chair of NPC Ethnic Affairs Committee
- Mr. SU Zein, Member of the NPC Standing Committee, Vice Chair of NPC Law Committee

- Ms. FENG Shuping, Member of the NPC Standing Committee, Vice Chair of NPC Financial and Economic Affairs Committee
 - Mr. WANG Zuoshu, Member of the NPC Standing Committee, Vice Chair of NPC Education, Science, Culture and Public Health Committee
 - Mr. LU Jianping, Member of NPC Foreign Affairs Committee
 - Mr. PENG Yu, Vice Chairman of the Standing Committee of the Sichuan Provincial People's Congress
 - Ms. ANG Mao, Vice Chairman of the Standing Committee of the Qinghai Provincial People's Congress
 - Mr. LI Jinzhu, Vice Chairman of the Standing Committee of the Shaanxi Provincial People's Congress
1. The topic of Canada-China parliamentary exchanges was addressed by Mr. Chi and Senator Day. Their respective presentations highlighted the benefits of renewing the membership of the Canadian and Chinese delegations as reflected in the composition attending the 21st Bilateral Meeting. They emphasized that such renewal serves to increase understanding of Canada-China relations among a wider and sometimes younger pool of legislators as well as the value provided to inter-parliamentary dialogue for years to come. Mr. Chi and Senator Day further underscored the significance of parliamentary exchanges as complements to the work carried out between the Canadian and Chinese governments, particularly amid the frequency of recent high-level meetings. In this respect, it was noted that the CACN Co-Chairs' visit to China in May 2017 preceded the Governor General's mission in July 2017, which was followed by the visits of Canada's Minister of Foreign Affairs and CACN. They also discussed the opportunities that exist to deepen ties even further in part because of the key roles played by both countries in the Asia-Pacific region as well as more globally, particularly regarding common interests relating to sustainable development and environmental protection. They agreed that the Canada-China relationship is based on a strong foundation and allows for the exchange of views on sensitive topics because of the mutual respect held for each other's political, economic and social systems.
 2. Presentations comparing the respective legislative systems of China and Canada were made by Mr. Su and Mr. Jowhari. Mr. Su focused in particular on the current NPC's most important accomplishments of the last five years, including improvements to its constitutional role and oversight mechanisms, the strengthening of China's governance structures, the passage of new legislation on national security including counter-terrorism and counter-espionage, and various social and environmental initiatives that focus on promoting Chinese law with socialistic characteristics. For his part, Mr. Jowhari provided an overview of the Canadian parliamentary system and legislative process. In particular, his

presentation reinforced how power is divided between the different levels of government, described Canada's Charter of Rights and Freedoms, as well as the judicial system. He further explained the electoral system governing members of the House of Commons, and how Canada's regions are represented in the Senate.

3. The topic of Canada-China trade and investment was addressed in presentations by Ms. Feng, Senator Oh and Mr. Sheehan. Ms. Feng focused on China's economic challenges as well as the fiscal and monetary strategies the leadership was pursuing in order to address them. These strategies include greater emphasis on innovation-driven economic development and structural adjustment measures. She also highlighted the country's efforts to open its doors to foreign direct investment and to increase trade. She emphasised that deeper Canada-China trade relations and increased commercial partnerships will contribute to China's new path towards economic development and growth.

For his part, Senator Oh linked the timeliness of the discussion of this topic with the ongoing exploratory consultations between Canada and China on a possible free trade agreement. He highlighted the broadening range of sectors and commercial initiatives between the two countries, including Canada's application for membership of the Asian Infrastructure Investment Bank ([AIIB](#)) and the establishment of a Canada-China Economic and Financial Strategic Dialogue. He noted that these efforts are intended to realize the full potential of Canada-China commercial relations, not just for traditional, large enterprises, but also for small- and medium-sized enterprises in both countries. Such efforts are also intended to reflect a more advanced commercial partnership that aspires to achieve new levels of cooperation in innovation, e-commerce and digitization.

Mr. Sheehan focused on potential commercial partnerships between Canada and China in which regional economic development agencies can play a greater role. He summarized the contributions these agencies play from the Canadian perspective in terms of reducing regional differences in economic growth and employment. He described the various beneficiaries of their programs, including private businesses, notably small- and medium-sized enterprises. He noted that regional economic development agencies also target isolated or rural communities, and more recently have focused on women entrepreneurs and the economic development of Indigenous communities.

Members of the two delegations discussed several other points under this theme. In particular, they exchanged views about the role that the AIIB is playing regarding infrastructure development as a public good and in deepening Canada-China relations. They also discussed the importance of developing commercial ties within a sound legal framework and, in this context, the implementation of the 2014 Foreign Investment Promotion and Protection Agreement between Canada and China. The Chinese delegation in particular expressed its interest in monitoring developments regarding Brexit and NAFTA renegotiations from the perspective of Canada's trade priorities and the impact on Canada-China trade. In response, the Canadian delegation pointed out Canada's efforts to include

references to women, Indigenous peoples, and LGBTQ rights in a renegotiated NAFTA in addition to improving trade ties with Mexico.

4. Presentations on ethnic policy, cultural pluralism and social inclusion were made by Mr. Baima, Ms. Ang, and Ms. Kwan. Mr. Baima and Ms. Ang noted that China's social harmony is a result of the country's frameworks regarding ethnic and minority groups. The framework includes the official recognition of 55 ethnic minority groups and five religions (Buddhism, Islam, Taoism, Protestantism and Catholicism) in China which grants their members and adherents government-level protection against discrimination and promotion of their culture or belief. In addition to approximately 150 autonomous prefectures and counties, the framework includes five autonomous regions in China that reflect a predominant or sizeable ethnic group in that area: Guangxi (Zhuang ethnic minority), Inner Mongolia or Nei Mongol (Mongolian ethnic minority), Ningxia (Hui ethnic minority), Tibet or Xizang (Tibetan ethnic minority) and Xinjiang Uyghur (Uyghur ethnic minority). Such an administrative division is intended to reinforce on the part of the ethnic groups in question their political representation at all levels of government, economic development and cultural preservation. The presentations by Mr. Baima and Ms. Ang focused in particular on the Tibet Autonomous Region and Qinghai province as examples of the success of these frameworks in terms of preserving the Tibet minority culture and promoting social harmony and economic development.

Ms. Kwan described Canada's cultural pluralism as including its three founding peoples (Indigenous, French and British) as well as its over 200 different ethnic communities drawn from countries and regions from around the entire world. She noted that the country's social diversity is continuously enhanced by annual immigration levels of nearly 300,000 people as well as by the acceptance of refugees who benefit from and contribute to Canada's stability, tolerance and prosperity. At the same time, Ms. Kwan cautioned that, despite Canada's achievements, which include being the first country in the world to enact legislation on the preservation, enhancement and incorporation of cultural differences into the function of society with the passage of the Multiculturalism Act in 1988, several challenges related to social inclusion of aggrieved communities remain outstanding. These challenges include the wrongs committed against the Indigenous peoples and ongoing efforts at reconciliation. She also highlighted the work of the House of Commons Standing Committee on Citizenship and Immigration in examining many of these issues and offering recommendations to the Government of Canada, including with regard to the integration and resettlement of nearly 40,000 Syrian refugees who arrived in Canada over the last eighteen months.

5. The topic of Canada-China education cooperation was addressed by Mr. Duguid and Mr. Wang. Their respective presentations underlined the beneficial links between education cooperation, trade, and mutual understanding, especially regarding social values. They noted that Canada-China education cooperation is built on a good foundation with over 600 exchange agreements between the two

countries, including several that were concluded at the highest political levels in 2016. They agreed that, notwithstanding these achievements, there was room for significant improvement as evident in the fewer number of Canadians who study in China compared to the number of Chinese studying in Canada. The establishment of China's Confucius Centres at educational institutions in Canada was also highlighted as playing an important role in promoting understanding, language development, and cultural awareness where China is concerned. Mr. Duguid and Mr. Wang also emphasised the long-term benefits gained from education cooperation in terms of career development, workforce mobility and as experiences to be leveraged in Canada-China ties. Several members of the Canadian delegation shared examples of these benefits related to education cooperation from their past and present personal experiences specifically regarding China and Canada.

6. Presentations on Canada-China people-to-people linkages and cultural exchanges were made by Mr. Tan and Mr. Zhang. Accordingly, several points were underlined on the important role these links play in terms of creating a lasting effect and a foundation on which all other elements of the Canada-China relationship are built. In the context of the 150th Anniversary of Canada's Confederation, they noted the significant contributions to the people-to-people ties between Canada and China of such key historic and current personalities as Dr. Norman Bethune and Mark Rowswell. The contributions of the Chinese-Canadian community to the country's political, social, business, arts and sports spheres were also highlighted. They include occupying among the highest political offices in Canada, such as that of the Governor General, in the Senate and in the House of Commons. Mr. Tan and Mr. Zhang agreed that these ties are expected to grow stronger as growth in travel opportunities and communication technology is facilitated by various initiatives that promote mobility and exchanges. These include frameworks related to the processing of visas, expansion of air transport agreements, the setting of targets to increase two-way tourism flows to over 2 million tourists by 2025, as well as the designation of 2018 as the Year of Tourism in Canada-China relations. They also agreed on the importance of increasing exchanges among artists and performers across various media, including the visual and performing arts, film, literature, and even gaming, as well as expanding opportunities for best practices regarding the legal side of cultural cooperation as it relates to copyright and the protection of intellectual property.

Other points discussed during the exchange included the cultural dimension of China's Belt and Road Initiative that is intended to link the country with trade routes and markets in Europe, Central Asia and the Persian Gulf. They also included the various types of tourism promotion events that take place in each country, community support for disaster relief measures that comes from people-to-people connections, and the value of sports exchanges and the promotion of ice hockey in China in the lead-up to the 2022 winter Olympics in Beijing.

7. The presentations on legal frameworks and policies to combat corruption were made by Senator Downe and Mr. Lu. For his part, Senator Downe focused his remarks on Canada's legal framework to address tax evasion, terrorist financing and money laundering, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. He stressed in particular the role that the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) and the Canada Revenue Agency play in detecting and preventing such activities. He raised the specific challenges Canada faces regarding tax evasion, as highlighted in a 2017 study on the issue by the Conference Board of Canada that estimated a loss of nearly \$50 billion annually to Canada's revenue. Senator Downe drew attention to ongoing efforts to improve the legal frameworks and policies that are related to these issues. These improvements include recent changes to guidelines that focus on the types of restricted activities that 'politically exposed persons,' their families and 'close associates' are subjected to under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

Mr. Lu informed the Canadian delegation about President Xi's priority of combating corruption in China as part of its efforts to meet China's international obligations. These efforts have included cooperating with partners to return to China fugitives and forfeited assets from abroad. He indicated that China is generally satisfied with Canada's cooperation on these matters, particularly in light of recent undertakings related to asset recovery and the extradition of fugitives. These undertakings include the 2016 agreement between Canada and China on the return to China of forfeited assets, the first such agreement between China and another country. However, Mr. Lu underscored the perception of Canada as a haven for Chinese criminals fleeing prosecution for corruption as well as the importance of strengthening the legal frameworks on these matters as a foundation on which commercial ties between the two countries can grow. Respect for Canada's sovereignty regarding judicial matters was raised as an important consideration in discussions on this topic.

The Chinese delegation also took the opportunity while discussing this theme to raise concerns about a planned visit to Canada by the Dalai Lama in October 2017. While an announcement was made in July 2017 that the visit had been cancelled for medical reasons on the part of the Dalai Lama, the Chinese delegation stressed the sensitivity from China's perspective of such visits and that the problems raised by the Dalai Lama regarding the treatment of the Tibet minority in China do not exist. Senator Day expressed thanks on behalf of the Canadian delegation for the reminder about China's position regarding criminal fugitives generally and about the Dalai Lama's international campaign specifically. He expressed his confidence in the ability of the two countries to continue to build mutual respect and to withstand discussions about difficult matters when they arise.

The 21st Bilateral Meeting concluded with closing remarks by Mr. Tan and Mr. Chi. They agreed that the candid discussions were of particular value in reinforcing the friendship between the two countries and mutual respect for various points of view. They emphasised their confidence in the further development of inter-parliamentary

dialogue between China and Canada and its contribution to building mutual understanding between the two countries. Mr. Tan and Mr. Chi agreed about the benefit of holding the meeting outside of Beijing and that Chengdu was an ideal location for broadening awareness about China's priorities from a regional perspective. Mr. Tan offered best wishes to Mr. Chi in light of his pending retirement from the NPC and appreciation for his commitment to strengthening the friendship between the Parliament of Canada and the NPC. Mr. Tan also noted that he was looking forward to continuing the positive exchange with the new NPC that will be constituted in March 2018 and invited Chinese delegates of the CCLA to Canada for the 22nd Bilateral Meeting.

B. Canada-China Relations

Over the course of its ten-day study program in Beijing, Chengdu, Yushu, Xining, Xi'an and Hong Kong, the delegation met with a number of Canadian and Chinese interlocutors, including:

- the Canadian ambassador to China, the Hon. John McCallum, as well as diplomatic and commercial staff at the Canadian embassy in Beijing and the Consulate General in Hong Kong, and Canadian trade officials based in Chengdu and Xi'an;
- Vice-Chair of the NPC, Mr. JI Bingxuan;
- Members of NPC committees on Foreign Affairs; Ethnic Affairs; Law; Education, Science, Culture and Public Health; Financial and Economic Affairs;
- Vice Minister of the CPC International Department, Mr. GUO Yezhou;
- the political leadership representing the Sichuan, Qinghai, and Shaanxi Provincial People's Congresses as well as the Chengdu and Xi'an Municipal People's Congresses;
- representatives from the Beijing-based Asian Infrastructure Investment Bank (AIIB);
- business representatives from the Sino Sichuan Business Council, the Canada-Chengdu Trade and Investment Chamber of Commerce, and the Canada-Hong Kong Chamber of Commerce as well as business representatives from the clean energy, petroleum equipment, automotive and technology sectors; and
- representatives of various groups promoting people-to-people ties, including cultural and educational exchanges and tourism cooperation.

The delegation repeatedly heard from its interlocutors that many opportunities are opening up that will further deepen ties between the two countries. These opportunities were noted to be present across a wide range of fields and increasingly possible due to the high-level commitment of the two countries' leadership to strengthen bilateral relations. Many Chinese officials and interlocutors shared their positive impressions of Canada that were formed during recent or past visits to Canada, and welcomed the

opportunity to continue discussions with Canadian parliamentarians. They also expressed their gratitude to Canada for the assistance provided following the earthquakes in Sichuan and Qinghai in 2008 and 2010, respectively; such assistance was received as a reflection of Canada's friendship with China.

At several of its working meetings, the delegation gained insights about China's global and regional leadership and its implications for Canada-China relations. Discussions focused on China's role as host of the BRICS Summit in September 2017¹. They also included China's "One Belt, One Road" (OBOR) initiative that is intended to connect the country, including the regions of Sichuan, Qinghai and Shaanxi, to markets in Europe and elsewhere with expanded land and maritime routes. These topics were discussed in particular during the meeting with the International Department of the CPC and its Vice-Minister. The delegation was informed that the Vice-Minister played a key role in preparing material on China's foreign policy for the 19th National Congress of the Communist Party of China that was scheduled for October 2017.

For their part, members of the Canadian delegation described the value of these working meetings in highlighting their legislative accomplishments in terms of Canada-China relations. They shared with their Chinese counterparts recent activities related to Canada's ties with China in both Chambers of the Parliament of Canada, including the work of the various parliamentary committees. Delegates also profiled their constituencies and the diverse regions they represent from the perspective of Canada-China ties. The delegation's political and social diversity was also highlighted as a reflection of one of Canada's key values and which the country emphasizes in its efforts to reinforce relations with China.

In noting the strength of Canada-Chinese bilateral ties, Canadian parliamentarians and Chinese officials in particular remarked on their ability to express differing views on sensitive issues without such discussions compromising the overall relationship.

C. Commercial Cooperation

The Canadian parliamentary delegation heard from its interlocutors about the strategic opportunities that were opening up to advance Canada-China commercial relations. In this respect, Canadian and Chinese interlocutors pointed to many positive factors, including ongoing consultations on a possible Free Trade Agreement between the two countries and Canada's recent undertaking to become a member of the AIIB. This latter initiative was noted to open opportunities that reflect Canada's comparative advantages in engineering, environmental, legal and financial services.

Officials acknowledged the natural overlap between them, as evidenced in current AIIB projects in Bangladesh, India, Tajikistan, Turkmenistan and Georgia to meet various transportation and trade needs across the region. The AIIB officials, who include some Canadian nationals in various positions of leadership at the bank, expressed their interest in Canada's potential involvement in these projects and the opportunity to share its expertise and leadership. Once Canada's application process is completed, its role in the bank's activities would be as a non-regional member, similar to Germany, Egypt,

¹ BRICS refers to Brazil, Russia, India, China, and South Africa, who have been meeting regularly in recent years in order to exchange perspectives on global developments.

and Ethiopia, among many others. In this context, the delegation met with officials from the Beijing-based Asian Infrastructure Investment Bank (AIIB) to learn more about its role in advancing China's development priorities in the region, the status of Canada's membership application (the first from a North American country), and opportunities for new avenues of partnership. In particular, delegates were informed about AIIB's focus on clean energy and sustainable development projects, building infrastructure and transportation networks, anti-corruption, and urban growth. AIIB officials also described the bank's governance structure, consensus-based decision-making, its loans-based funding and efforts to co-finance projects with other multilateral development banks. Although the AIIB is not directly associated with China's OBOR initiative, bank officials acknowledged the natural overlap between them, as evidenced in current AIIB projects in Bangladesh, India, Tajikistan, Turkmenistan and Georgia to meet various transportation and trade needs across the region. The AIIB officials, who include some Canadian nationals in various positions of leadership at the bank, expressed their interest in Canada's potential involvement in these projects and the opportunity to share its expertise and leadership. Once Canada's application process is completed, its role in the bank's activities would be as a non-regional member, similar to Germany, Egypt, and Ethiopia, among many others.

Throughout the mission, meetings with Chinese and Canadian officials as well as business representatives regularly included focused discussions on progress in the agricultural sector (especially beef, canola, and seafood), forestry (especially wood products for "green construction"), health and biotechnology, as well as energy cooperation. Chinese interlocutors also regularly expressed their interest in new partnerships involving a range of stakeholders in order to exchange best practices across several areas. For instance, Canada's leadership in clean energy technology and the commitment on the part of the two countries to implement the Paris Agreement on climate change were frequently singled out as important foundations on which to deepen commercial ties. In addition, the Canadian parliamentarians were informed about specific opportunities to expand commercial relations at the provincial level. The workshop on Canada-China Trade and Investment that was organized in Chengdu by the provincial leadership enhanced these discussions about regional commercial opportunities; participants in the workshop included officials from the Sichuan Investment Promotion Bureau and the provincial department of commerce, among many others.

The discussions also reflected the growing interest among Canadian and Chinese stakeholders to strengthen education cooperation and learning exchanges between Canada and China at all levels and across various types of institutions, including elementary, technical and vocational. These include intensifying exchanges about best practices, research partnerships, as well as student mobility. Throughout their work program, members of the delegation regularly shared with Chinese interlocutors their perspectives on the short- and long-term benefit of these experiences for the individuals and institutions involved as well as for Canada-China relations more generally. As an example of efforts to expand these opportunities, the delegation was informed at the Ministry of Education's China Education Association for International Exchange that Canada was designated as the "country of honour" at the 2017 China Annual Conference for International Education and Expo.

For their part, members of the Canadian delegation emphasized various elements of Canada-China commercial cooperation, including: the value of sister city relationships (e.g. Chengdu and Winnipeg); the potential role of regional economic development agencies in trade promotion and the exchange of best practices of such models; as well as opportunities for partnerships with less populated areas and cities of Canada. At the same time, discussions about Canada-China commercial ties focussed on challenges arising from different approaches to rule of law, protection of intellectual property, and pricing of exported goods. In terms of the latter, an important case in point is the rulings of the Canadian International Trade Tribunal against Chinese exports of steel and steel-products to Canada because their pricing was found to have a negative effect on the Canadian steel industry. The findings of China's dumping practices were raised at several meetings with Canadian and Chinese interlocutors.

Discussions with Canadian trade commissioners in Chengdu and Xi'an raised awareness about how Canada's commercial footprints in Sichuan and Shaanxi provinces compare with that of other countries such as the United States, South Korea and Germany. Canadian parliamentarians also gained a better understanding about the role that these trade offices play in promoting Canada-China economic ties and the advantages of partnering with Canada, a country characterised by tremendous political stability, economic growth and competitive returns on long-term investment. The discussions focused in particular on the value of such offices in Tier Two centres that are so designated following China's system for ranking cities according to the size of their population and economies. It was noted that, in the context of being open to international partnerships, the business culture in Tier Two cities is evolving.

The Canadian parliamentarians also gained insight into the continued importance of Hong Kong to Canada's commercial interests. More specifically, these interests reflect in large part the advantages Hong Kong offers in terms of similar legal systems, business culture, and currency considerations. They also reflect Hong Kong's strategic access to the Pearl River Delta Economic Zone and the synergies developed with Macau, Shenzhen and Guangzhou to form one of China's leading economic and manufacturing regions. Accordingly, commercial opportunities continue to grow in such areas as professional, financial and legal services, trade logistics, transportation and shipping as well as investment more generally. Delegates were told that resources at Canada's Consulate General were augmented to reflect the increased level of commercial activities in these areas.

The delegation's working program provided an invaluable opportunity to engage with various business associations as well as individual enterprises in order to gain a better appreciation of their efforts in promoting Canada-China trade and investment partnerships at the local level. These partnerships involve a wide range of sectors, including real estate development, health, extractive industry, hospitality services, agriculture and education, including language training. These included: the Canadian Chamber of Commerce in Hong Kong, Sino-Canada Sichuan Business Council, the Canada-Chengdu Trade and Investment Chamber of Commerce whose memberships include China- as well as Canada-based enterprises. For instance, the delegation learned about the close cooperation between these organizations and federal and provincial delegations, Canada's trade offices and consulates-general, and their role in

facilitating various memoranda of understanding. They also heard about their partnerships with Canadian-based groups as well as with representatives from various provincial trade and investment offices.

a) Commercial Site Visits

The delegation's awareness of the growing commercial ties between Canada and China benefitted from several visits to Chinese enterprises with an international or regional profile in key sectors. In Beijing, for instance, delegates visited the facilities of Huawei, a leading vendor of mobile phones and maker of telecommunications equipment in the world. In addition to operations in over 170 countries around the world, Huawei has been operating in Canada since 2008 where it has been focusing on research and development. At the facilities in Beijing, the delegates were briefed on the company's achievements in information communications technology (ICT) and in the development of emerging product lines related to digitally inter-connected homes, smart cities, and devices such as phones and tablets. The briefing also focused on Huawei's international supply chains and particularly those links involving Canadian companies, the company's partnerships with various Canadian universities, and its Seeds for the Future scholarship program.

In Sichuan province, the Canadian parliamentarians visited Bohong Group, a casting company that produces automotive parts for various cars. With such clients as Mercedes, Volvo, Skoda, VW, Ford, Buick, Mazda, GM, Honda, Audi, among others, the company has an international network of factories in Europe and the United States. In 2012, Bohong Group acquired Wecast Industries Inc., an automotive parts company located in Brantford, Ontario; this was one of the most significant Chinese investments into a Canadian company to date.

Also in Sichuan province, the delegation visited Changhong, an ICT company that has evolved since it was first established in the 1950s to develop Chinese radar technology for military purposes. The exhibits at the company reflected its focus today on technology innovation integration systems for the civilian consumer market, particularly in terms of home entertainment, health applications, smart cities and public safety. With a global network of offices, the company serves as an example of the opportunities arising in the ICT sector in China's secondary regions.

The Canadian parliamentary delegation also met with the leadership of Northwest University in Xi'an, Shaanxi province and heard about the work of its Research Center for Carbon Capture and Storage Technology. Established in 2016, this is the only such centre in China and reflects China's commitment to reduce fossil fuels and to combat climate change. In this respect, its work has already informed various strategic documents and the activities of Chinese government and business stakeholders, particularly in Shaanxi province. Drawing on the Centre's partnerships with a number of Canadian universities, the delegation was told that its work is an example of the benefits of Canada-China cooperation as it builds on the achievements of a multi-year project involving one of the centre's leading researchers and the University of Saskatchewan. Accordingly, the Centre expressed an interest in deepening partnerships with Canada in order to exchange best practices and expand its knowledge about climate change and carbon capture technology.

D. China's Social Diversity, History and Cultural Landmarks, Tourism Cooperation, and People-to-People Ties

The CACN delegation's working program offered an invaluable opportunity to better appreciate China's social diversity and history, as well as their influence on the country's economic activities, trade patterns, development priorities and foreign policy orientation. The Canadian delegates visited exhibits and received briefings from officials from local ethnographical and historical museums in Chengdu, Yushu and Xi'an that emphasized China's ethnic diversity (the Chinese constitution recognizes 55 ethnic groups in the country); regional variations in its geography, climate, food, flora and fauna; as well as cultural, medicinal and traditional values. Many of China's cultural, historic and religious sites that were explored during this mission are also recognized for their global importance, including: Yushu's Mani temple complex and Stone Field, which features the largest collection of carved Tibetan Buddhist prayer stones in the world; the 450 year old Ta'er Buddhist Monastery on the outskirts of Xining; the Muslim quarter and 8th century Grand Mosque in Xi'an, among the oldest and still active Muslim communities in China; the UNESCO World Heritage listed Dujiangyan Irrigation System on the outskirts of Chengdu; the Chengdu Research Base of Giant Panda Breeding; and the Museum of Qin Terra-cotta Warriors and Horses in Xi'an, another UNESCO World Heritage Site in China. Of particular importance for Canada, the delegation visited Hong Kong's Sai Wan War Cemetery where over 1500 Commonwealth soldiers, including nearly 300 Canadians, are interred after falling in the defence of Hong Kong in 1941, in prisoner of war camps, or in other battles in the Pacific Theatre of World War II. The visit to the cemetery was highlighted with a wreath-laying ceremony on behalf of the Canada-China Legislative Association.

The delegation's visit to Yushu Tibetan Autonomous Prefecture, was particularly valuable in raising awareness about policies that are intended to preserve the Tibetan language, culture, and religion. The remote area of approximately 300,000 people, 90% of whom are Tibetan, is located nearly 4000 metres above sea level in China's western province of Qinghai near the border with the Tibet Autonomous Region. Canadian parliamentarians engaged with students and faculty attending one of the Nationality Middle Schools in Yushu, which is part of the network of schools that promotes education in and of the Tibetan language and culture.

Dialogues between members of the Canadian delegation and their Chinese interlocutors provided numerous opportunities by which to share impressions about these multicultural and diversity elements of the program and their potential for deepening Canada-China ties. Such opportunities include partnerships and an exchange of best practices regarding social diversity, particularly in terms of education and minority language training and promotion; Canada's leadership in its national park system and preservation of its natural heritage; culinary exchanges and training; and as the base for promoting tourism and people-to-people ties. Indeed, these elements of the program were noted to serve as important features by which mutual awareness can grow beyond the commonly held public impressions that focus on Dr. Norman Bethune, pandas, rice, Chinese labour behind the building of Canada's railway, and hockey. In this regard, both sides regularly expressed their support for the ambitious targets set by the political leadership to increase two-way tourism by 2020. The discussions also

included the importance of facilitating the movement of people and an efficient, respectful process for issuing visas for all levels and types of travellers that is consistent with international standards relating to consular assistance and dual citizenship. The delegation was informed about the role that Canada's passport issuing office in Hong Kong, its largest in the world, plays in promoting ties at the people-to-people level with China.

E. Developments in Hong Kong and Human Rights

The delegation received extensive briefings from expert panelists about the human rights situation in China, notably in the context of political developments in Hong Kong since the handover from the United Kingdom in 1997. It was informed that access to social networks and the internet differs between users in mainland China and in Hong Kong, and that various Hong Kong-based businessmen and booksellers have been detained by authorities in mainland China. Discussions also focused on concerns related to the judicial independence of Hong Kong's courts following the prosecution of student leaders involved in the 2014 protests; the implications of these proceedings for sustaining civic participation on the part of political moderates and the youth population; Beijing's commitment to the implementation of the "one country, two systems" principle governing China-Hong Kong relations; and efforts to enact Article 23 of China's Basic Law which requires Hong Kong authorities to prosecute individuals and groups who conspire with foreign entities to take seditious action against the Chinese central authorities. More generally, the delegation heard perspectives about the increasingly repressive measures taken by the Chinese government against human rights advocates and Falun Gong practitioners, ongoing censorship and restrictions on freedom of speech, and limited inclusion policies where migrant workers and members of the LGBTQ community are concerned. On the other hand, the delegation was told that rule of law in China has improved in recent years, notably in terms of protection of intellectual property rights and commercial law. In addition, China generally and Hong Kong specifically have a good record in terms of anti-discrimination protections where race and the five recognized official religions (Buddhism, Catholicism, Islam, Taoism, Protestantism) are concerned.

During meetings with the Canadian parliamentary delegation, interlocutors emphasised the importance of raising human rights concerns with Chinese authorities within a larger framework for bilateral engagement, including potentially negotiations on a free trade agreement. In this respect, not only does Canada raise concerns regularly, but it also supports the work of the Human Rights Commission and various non-governmental organizations in Hong Kong relating to inclusion and social diversity. The delegation heard that international firms based in Hong Kong are increasingly developing inclusion and social diversity policies as a human resource and talent management practice. The delegation was told that, given the shared political and economic tradition with the former British colony and the tremendous stakes in Hong Kong's prosperity, Canada's messages about human rights, the rule of law, and transparency are credible whether they are voiced bilaterally or multilaterally. In addition, interlocutors noted that a better human rights image will work to China's advantage in terms of strengthening its claim to playing an international leadership role in addition to its global economic and trade profile.

Conclusions

The CACN's ten-day working visit to Beijing, Qinghai, Sichuan, Shaanxi and Hong Kong provided an invaluable opportunity to gain exposure to China's regional diversity and to strengthen and build synergies in the Canada-China relationship among a range of stakeholders and at various levels. In this respect, the visit resulted in a more comprehensive understanding of the diverse economic and social conditions that exist across China, the strides achieved over the last 25-30 years in the country's more distant provinces in terms of their development, their significance to China's priority to enhance gateways to economies throughout Asia and Europe, and the opportunities arising to strengthen Canada-China relations.

Respectfully submitted,

Hon. Joseph A. Day, Senator
Co-Chair
Canada-China Legislative Association

Mr. Geng Tan, M.P.
Co-Chair
Canada-China Legislative Association

Travel Costs

ASSOCIATION	Canada-China Legislative Association
ACTIVITY	21st Bilateral Meeting
DESTINATION	Beijing, Regions of Shaanxi, Sichuan and Qinghai, and Hong Kong, China
DATES	August 16-26, 2017
DELEGATION	
SENATE	Hon. Joseph A. Day, Co-Chair Hon. Percy Downe Hon. Victor Oh
HOUSE OF COMMONS	Mr. Geng Tan, M.P., Co-Chair Mr. Terry Duguid Mr. Majid Jowhari Ms. Jenny Kwan Mr. Terry Sheehan
STAFF	Mr. David Chandonnet, Association Secretary Ms. Natalie Mychajlyszyn, Association Advisor
TRANSPORTATION	\$74,752.23
ACCOMMODATION	\$26,016.42
HOSPITALITY	\$1,853.31
PER DIEMS	\$11,881.83
OFFICIAL GIFTS	\$486.89
MISCELLANEOUS	\$13,041.26
TOTAL	\$128,031.94