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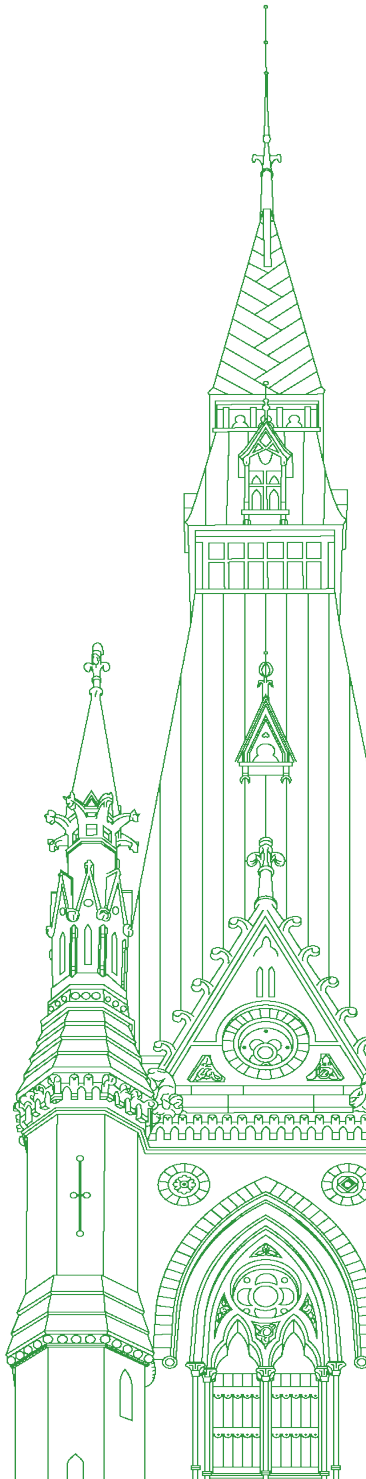

Chair: The Honourable Geoff Regan

Special Committee on Canada-China Relations

Monday, February 24, 2020

● (1005)

[*English*]

The Chair (Hon. Geoff Regan (Halifax West, Lib.)): Colleagues, this meeting of the Special Committee on Canada-China Relations is called to order. Good morning.

This morning we'll have two panels.

[*Translation*]

The first part of the meeting will take place from 10:00 a.m. to 11:30 a.m., and the second between 11:30 a.m. and 1:00 p.m.

[*English*]

We're starting off this morning with Charles Burton, senior fellow of the Macdonald-Laurier Institute, who is with us here. We have Phil Calvert, senior fellow of the China institute of the University of Alberta, by video conference from Toronto. We also have Paul Evans, professor in the school of public policy and global affairs at the University of British Columbia, by video conference from Singapore, where it's 11 p.m.

Mr. Jack Harris (St. John's East, NDP): Mr. Chair, I have a point of order. I was looking at the witness list and the number of witnesses in each of the one and a half hour periods. I've done some calculations based on our standing orders. It appears that if we are going to have three rounds of questioning, we need 64 minutes for this, leaving 26 minutes out of the 90 minutes.

I'm going to suggest that we confine the witnesses to a maximum of eight minutes each. I consulted with colleagues on this side. Those on the other side weren't here yet.

Otherwise, we're going to have a truncation at the end, and Mr. Bergeron and I would not get to participate in the third round.

The Chair: I should tell you that the clerk advises me she has advised the witnesses that they have seven to 10 minutes.

Mr. Oliphant.

Mr. Robert Oliphant (Don Valley West, Lib.): I was just going to say that I don't disagree with Mr. Harris; however, I don't think it's fair to our witnesses, who have been given time to prepare their statements of 10 minutes. I would be happy to give up two minutes of Liberal time to the third and fourth party if they should need it.

I just don't think it's fair. I don't think it's good parliamentary procedure, and I think it's somewhat rude to our witnesses.

The Chair: Mr. Albas.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Thank you, Mr. Chair.

First of all, it's my understanding that all of the witnesses, whom I look forward to hearing from, have been told it's between seven and 10 minutes. Also, by supplying their briefs in advance....

The real value of the experts we have is that we can ask them the questions that may not be illustrated in their briefings. I would hope that we show some flexibility and ask them to either speed up a little or slightly edit their statements, knowing that the committee will be looking at these briefs in full.

The Chair: The witnesses undoubtedly heard this conversation. I hope they'll do their utmost to keep it short.

We should get going so that we have a chance for as many committee questions and answers as possible.

Mr. Burton, we'll start with you.

Dr. Charles Burton (Senior Fellow, Macdonald-Laurier Institute, As an Individual): Good morning.

Thank you, Chair. It's a great honour for me to be invited to give evidence to this committee.

I have read all the evidence of the committee's meetings—numbers three, four and five—that were sent to me by the clerk, and all this evidence was given by senior Canadian government public servants explaining to the committee how they implement the Canadian government policy towards China.

This morning, I'd like to highlight some factors in the Canada-China relationship that I was disappointed to see omitted in the earlier evidence, some assertions that I interpret differently and finally some recommendations that I have for the Government of Canada on how to more effectively further Canada's interests in our relations with China.

First of all, as is the case in many Canadian families, Chinese, not English or French, is the language of my home. I bring this up because in my youth I read a lot of classical Chinese texts in the original. More than 40 years ago, I had the extraordinary privilege of being admitted into the history of ancient Chinese thought program in the department of philosophy at Fudan University in Shanghai.

Because of this, I was taken aback to read in the evidence given to the committee by a senior government official that the Chinese:

> ...place an importance on the values of collectivism and harmony, owing to a Confucian heritage. Understanding the extent to which China values unity and the needs of society at large, rather than freedom of individual choice...we just have to understand that. That's where they're coming from.

Later, this earlier witness elaborated, “Some elements of collectivism and harmony are at odds with individual rights. They're different.”

Let me point out that this assertion by our ambassador is consistent with the official propaganda of the Chinese Communist Party under General Secretary Xi Jinping. The Chinese Communist Party upholds its political legitimacy by claiming that China's traditional culture demands, in this modern age, a non-democratic single-party autocratic rule.

I could not disagree more with this interpretation, and I believe it is utterly refuted by the vibrant democracies based on respect for human rights and the rule of law existing today in Taiwan and South Korea.

The troubling question for me in terms of our policy towards China is that, if Canada accepts this idea that China values unity and the needs of society at large rather than freedom of individual choice, does that mean, for example, that Canada will stand idly by in the face of the horrendous and massive program of cultural genocide against the Uighurs and other Turkic Muslims in China who are confined, as we know, to the so-called re-education camps where they're not permitted to practise their religion at any time over their years of incarceration? The previous witness did not know how many Uighurs are incarcerated, but I can tell you that the U.S. State Department says three million, at least a million. The total population of Uighurs in China is about 10 million.

The other thing, with regard to a response we're not making, is that Canada has put the names of officials from Sudan, Russia, Venezuela and Saudi Arabia on our Justice for Victims of Corrupt Foreign Officials Act's Magnitsky list, but in sharp contrast, no Chinese officials complicit in the persecution of Tibetans, Uighurs, Falun Gong, Chinese Christians, democracy activists and so on have been designated.

I believe this sends a strong signal to the PRC regime by omission, and the signal is that hostage diplomacy and the arbitrary imposition of trade sanctions against Canada is a policy that works. Our lack of any substantive response to this emboldens the Chinese regime to do more of this kind of thing in the future.

A second point, the evidence given by our public servants in the previous meetings of this committee repeated over and over the formula that Canada's priority in China relations is “the immediate release of Michael Kovrig and Michael Spavor, as well as clemency for Robert Schellenberg”.

However, in response to questioning, one of the officials indicated there are two Canadians, Mr. Schellenberg and Mr. Fan Wei, whose charges on the death penalty are public and available. Why is this focus on Kovrig, Spavor and Schellenberg, three Canadians of non-Chinese origin, to the exclusion of Canadians Huseyin Celil and Fan Wei, who are not?

I judge that this would be deeply troubling to all Canadians formerly resident in the PRC prior to becoming Canadian citizens and joining our national family.

● (1010)

Do we also thereby tacitly accept the Chinese government's claim that persons of Chinese origin in Canada have an obligation of residual loyalty to the Chinese state regardless of their Canadian citizenship? Is this why the serious problem of Chinese state harassment of persons of PRC origin in Canada, in gross violation of the protections of the Canadian Charter of Rights and Freedoms, is essentially unaddressed by our government?

Let me conclude with recommendations that I have for the Government of Canada on how to much more effectively further Canada's interests in China.

The PRC regime's flouting of the standards of international diplomacy is without question becoming more and more blatant as the years go by. Last week, the Czech government's president's office acknowledged the leak of a communication received by that office from the PRC embassy in Prague. In that communication, the PRC threatens that if the speaker of the Czech Parliament travels to Taiwan as planned, then three Czech companies with extensive business in China would be punished, including the famous Petrof piano company.

Unlike the PRC sanctions against our canola seeds—the canola seeds being falsely accused of having severe impurities in their dockage—in this Czech case there is no longer any pretense that there is any legitimate basis for the PRC's threat of trade retaliation if a nation does not comply with the PRC's political agenda. The companies menaced were simply chosen because they have ties to politically influential people in Prague.

The larger question is that Taiwan has a national government utterly in control of its territory, fully legitimated by a liberal democratic election process. Why, then, should the Czech Speaker not go there? The Czech Speaker has not gone, because a few days ago he tragically died suddenly.

Canada has lost the respect of the Chinese regime through our non-action in response to their outrages against us. It is high time for us to kick back by retaliating, especially on China's persistent illegal imports into Canada of the noxious drug fentanyl.

What are the consequences for us?

We've heard evidence that Canada's external trade with China is about 4.7% of our exports—probably less because of current situations—as compared with 75% with the United States. Most of our sales to China are of primary commodities: canola, soybeans, potash, wood and so on.

In the unlikely event that we did incur the wrath of the Chinese regime by standing for our Canadian principles and maintaining the rules-based international order and that China decided to block us further from access to their market in consequence, the consequences would be highly disruptive to certain sectors that need compensation, but I would suggest not as severe as some people who speak in support of China would make out, because these are global commodities that are saleable elsewhere.

Canada's continuing to do nothing in response to China's violations of the accepted norms of international diplomacy and trade will not, in my view, sustain the status quo in our deteriorating relations with China and will certainly not allow us to see movement in achieving the release of Celil, Spavor and Kovrig.

Let me just say one last thing. My friend Anne-Marie Brady spoke to New Zealand's parliamentary inquiry on foreign interference earlier this year. She details the Chinese Communist Party's massive scheme of enticing foreign politicians, academics and business people to promote China's agenda through political lobbying, the media and academia. Besides offering business opportunities or free trips to China by using bribery or honey traps and so on, there are also consultancies in which prominent advisers pocket up to $150,000 U.S. per annum just for being affiliated with PRC entities. As long as the foreign adviser promotes relations with China on PRC terms, the money keeps coming.

I urge that the committee look seriously at Australia's 2018 Foreign Influence Transparency Scheme Act. Canada needs to come to terms with Chinese money benefiting Canadian political campaigns and rewarding Canadian politicians and public servants who are seen as friends of China.

● (1015)

Mr. Chair, I welcome vigorous and challenging questions from members of the committee on any of these and any other topics. There are many topics that I have been unable to address in this short statement. I do regret that.

Thank you.

The Chair: Thank you very much.

Next we have Mr. Calvert.

Mr. Phil Calvert (Senior Fellow, China Institute, University of Alberta, As an Individual): Thank you, Mr. Chair.

Before I start, I want to apologize for my informal appearance. I'm actually just transiting Toronto on the way to go trekking in Turkey, so I'm stopping in to do this.

My statement is about eight minutes. I'll go through it as quickly as I can.

Thank you for inviting me to appear before this committee. It is an honour to have the opportunity to discuss the Canada-China relationship, something that occupied a sizeable portion of my career in Canada's foreign service.

I've had the privilege of observing and participating in the Canada-China relationship for over 30 years. This included three postings to our embassy in Beijing between 1984 and 2008, as well as serving as deputy negotiator for Canada during China's accession to the World Trade Organization, and later on as director general for north Asia in what is now Global Affairs Canada.

These assignments were both fascinating and difficult because managing Canada-China relations, even at the best of times, is challenging. China is complex and full of contradictions. Its diplomatic face can be smooth and sophisticated, or ham-handed and brutish. As Canada has now witnessed first-hand, its reward-and-punishment approach to relations with all but the most powerful of countries means that relations can turn on a dime and suddenly enter a deep freeze. That's what Canada is experiencing now. With the arrests of the two Michaels in retaliation for Canada's detention of Meng Wanzhou, bilateral relations have plunged to their lowest point since Canada and China established diplomatic relations 50 years ago.

The Meng Wanzhou case presents some very difficult choices for the government. There is no perfect solution. It can let the case work its way through the court system. If the judge rules that the extradition should proceed, this will lead to a trial and possibly many years of detention and imprisonment under very difficult circumstances for the two Canadians. If the Minister of Justice decides to intervene in the case and release Meng in order to obtain the release of the two Michaels, it rewards China's bad behaviour. Let's not forget that they are not the first Canadians to have been arbitrarily arrested in response to actions by the Canadian government. For this reason, it is imperative that such a decision be part of a broader, comprehensive strategy for managing our relationship with China.

China sees this issue, I believe, in geopolitical terms and Meng's arrest as part of a larger U.S.-led strategy to hinder China's rise and to undermine China's leading companies. They will not back down. For this reason, I believe the only way to obtain the release of the two Michaels is through the release of Meng Wanzhou, either as a result of a judicial decision or action by the Minister of Justice.

If this latter approach is taken, it would need to be part of a broader decision that would include turning down Huawei's 5G application and restoring Canada's access for canola, and other outstanding issues. I also think Canada could play a leading role in crafting a collective response to China's practice of taking hostages. China has been engaged in this practice with virtual impunity for some time, and has arbitrarily imprisoned citizens of a number of countries. If all countries affected by this practice could commit to a common and collective response—trade measures, for example—when a citizen of one of the countries is taken hostage, it would send a strong message to China that such actions will not be tolerated. It's a complex and tough situation, and charting a way forward will be difficult. There's been talk, particularly from China's side, about getting through this current situation and putting the relationship back on track, which implies returning to the way things were before Meng's arrest. I don't think we can go back to the way things were before. This case has done significant harm to China's image in Canada, and has led to a fundamental shift in Canadian attitudes, and in the relationship itself.

China is and will continue to be important to Canada, both as an economic power and a global player, but the current situation has underscored the importance of approaching China with a critical eye and an understanding of what drives its foreign policy decisions. China's approach to foreign affairs is tough, strategic and driven by power rather than principle. It is almost exclusively focused on advancing its own interests through the exercise of hard and soft power, including in global institutions. Its perspective is informed by its history of being carved up and invaded by foreign powers in the late 19th and early 20th centuries. Because of this, China is determined never to be weak again and is focused upon returning to its earlier prominence as a global power. Within the Chinese system there is a strong undercurrent of skepticism and suspicion of the west's intentions and ultimate agenda with respect to China.

We should also keep in mind that a fundamental driver of Chinese foreign policy, indeed all policy, is keeping the Communist Party in power. The leadership is thus focused on stability, which requires sustained economic growth, peaceful relations at its borders and, increasingly, addressing middle-class concerns about environmental degradation and corruption. Securing and maintaining this stability is also part of Xi Jinping's drive for a stronger global presence and leadership role for his country.

● (1020)

Successful management of relations with China requires a clear sense of Canada's priorities and interests and a tough-minded commitment to advancing and defending them. Stories of early Canadian missionaries in China, of Norman Bethune and of Canada's decision to sell wheat to China in the wake of the great famine, all provide good imagery and heartwarming content for speeches but are largely irrelevant. China deals in power and respects power. A firm and strategic push-back in defence of Canada's interests and knowing where our leverage lies will garner respect. Being too accommodating out of concern for friendship or fear of offending will make us seem weak. China plays this game well.

It is also important for our government to avoid the tendency to view China through a preconceived ideological or political lens or through a single issue. Doing so undermines our capacity to deal with the complex reality of the country and our relationship with it.

The past two decades have seen wide swings in how successive governments have initially approached China. An overarching long-range vision supported by all parties would put Canada in a more advantageous position to consistently manage our relations with this country.

Moving forward, Canada needs a balanced approach based on a realistic understanding of China as it is, the opportunities and the challenges. This approach should also inform Canada's approach to Asia as a whole and our view of China's place in our approach to the region. With its strong focus on China over the last decades, Canada may have overlooked opportunities to form deeper ties with other countries whose markets are easier to navigate and whose systems—in Japan, for example—are based on the rule of law. The CPTPP should help in this rebalancing and diversification of Canada's trade interests in Asia. Canada's public support for broadening the agreement to include Thailand and Taiwan would further help this diversification.

Canada should also give consideration to its relationship with Taiwan, a vibrant and progressive democracy and the only Asian country to approve same-sex marriage. Canada and Taiwan have a healthy trading relationship with good potential for the future. Prime Minister Trudeau's public statement in support of Taiwan's meaningful participation in organizations like ICAO and the World Health Assembly is a good signal, but there is more that Canada could do to advance our interests there. A visit by a Canadian economic minister to support Canadian commercial objectives would respect the parameters of a “one China” policy and would send an important signal to both China and Taiwan.

Successful management of Canada-China ties requires coordination and coherence. Many federal government departments and most provinces have interests in the country. Although provinces sometimes compete for investment and students, they should be encouraged to buy into Canada's broader agenda in China. On core and important issues like human rights and the two Michaels, Canadian governments at all levels should present a united and consistent front in their discussions with their Chinese counterparts.

Canada-China relations are in a difficult place right now, and there is no easy path forward, but this is also an opportunity to objectively assess the relationship and to develop a realistic and balanced approach to our ties with this important global power.

I wish you all the best in these important deliberations.

Thank you.

● (1025)

The Chair: Thank you very much, Mr. Calvert.

Now we have Mr. Evans.

Professor Paul Evans (Professor, School of Public Policy and Global Affairs, University of British Columbia, As an Individual): Thank you, Chairman, for the opportunity to appear before the committee, albeit virtually, by video conference from 15,000 kilometres away in Singapore.

I've been studying and teaching international relations for more than 40 years, mostly dealing with U.S.-China and Canada-China relations. The focus of my remarks today will be about government-to-government relations between Canada and China. The overall relationship is, of course, much broader and includes human flows and cultural, business and educational exchanges, but this is an era in which high politics matter and government policies are in flux.

All of us are aware of how the fates of Michael Kovrig, Michael Spavor and Meng Wanzhou have generated a major diplomatic rift and changed the emotional landscape of feelings and emotions in both countries. Trust and mutual respect have been badly shaken. More recently the COVID-19 virus has affected Canadian interactions with China and our views about how to evaluate the competence of the Government of the People's Republic of China.

In the midst of these and other controversies, it's tempting to think that when they're resolved we can revert to normal in our bilateral diplomatic relations. I think this is unlikely. Rather, we have entered new territory, the product of forces much larger than individual incidents and consular cases and much larger than commercial issues like Huawei's potential involvement in our 5G telecommunications network. We are living amidst major shifts in economic, diplomatic and technological power, the emergence of a multipolar world order and a resurgence of great power rivalry.

For almost all of the past 50 years, there has been a consensus in Canada about the main outlines of a China policy, one that we came to call “engagement” and that at one time involved a strategic partnership between our two countries. Engagement was built on three pillars. First, the closer interaction with China was of commercial value and would benefit the prosperity of Canadians. Second, it was initially important to end China's isolation and later to integrate it into what we now call a rules-based international order. Third, it served the moral purpose of supporting economic and societal openness that would lead, over time, to political liberalization in China.

Engagement, Canadian-style, depended on a geopolitical context in which Canada had room for independent manoeuvre when it moved in somewhat different directions from Washington—for example in recognizing the PRC eight years ahead of the U.S. Engagement with Canadian characteristics overall was very successful, but it now has to be rethought, not out of anger about specific Chinese actions or fear about the hard edge of growing Chinese power and influence. It needs to be amended because of new circumstances that are not likely to change anytime soon.

The geopolitical and geo-economic balances are shifting. China is now a major global player, present in virtually every international institution and proving capable of creating some of its own. Moreover it is increasingly assertive in pursuing its own interests and in challenging the liberal dimensions of those institutions, particularly as they relate to human rights and democracy. China doesn't need Canadian help in the way it did in the past, and in some instances it is championing positions that challenge us directly.

The belief that economic openness would produce political liberalization now seems mistaken, at least for the time being. Under Xi Jinping, China is more repressive domestically and along its periphery than at any time since Mao Zedong. In addition, a new American consensus has emerged, spearheaded by the Trump administration but with broader bipartisan support, that the American version of engagement is dead. It has been replaced by a framing of China somewhere along a continuum of strategic competitor, adversary, rival or enemy. Washington is engaged in a full-court press, militarily, diplomatically and economically, to counter China's rising influence and power. As Henry Kissinger recently stated, this has led the U.S. and China to “the foothills of a cold war.”

● (1030)

As Washington is making abundantly clear in its pressure on Canada and other governments on the matter of Huawei and 5G, the costs of a made-in-Canada choice could be steep. Caught between Xi Jinping's China dream, Donald Trump's America first and a deepening geostrategic competition between the two, what can Canada do?

Let me make three recommendations.

First, rather than signing up for Cold War 2.0 and the active containment or confinement of China, we need to discuss and define a more flexible policy frame. Engaging in China 2.0, a sort of post-engagement engagement policy, is one way. Another would be co-existing with China. Neither is premised on changing China but on finding ways to live with China. Neither locks China into defined roles as friend or adversary, partner or competitor, ally or existential threat, but allows Canadian interests and values to determine the course of action on an issue-by-issue basis. Co-operate where we can in areas including climate change, global economic and financial governance, peacekeeping, agri-tech and the Arctic, to name a few. Push back where we must, particularly in matters related to interference in our domestic affairs and gross violations of human rights.

Second, we need to fight for the rule-based international order at the same time as we promote its reform in institutions, including the WTO, IMF and the World Bank, and through regional processes like the Comprehensive and Progressive Trans-Pacific Partnership. We need to push back against efforts to unravel or corrode the multilateral rules-based system, whether those challenges come from China or, as we have increasingly seen, from the United States. This will require recapturing a middle power identity that respects our alliance with the U.S. but navigates an independent course in matters like supporting the Chinese-led Asian Infrastructure Investment Bank or giving a balanced assessment of its belt and road initiative, both of which offer new approaches to international co-operation and development.

We will not be with the U.S. or with China in all matters, but we will not be alone. It is worth looking closely at how other countries facing similar dilemmas are adjusting their China policies. A good start would be to look at Australia, Japan, Singapore and perhaps the United Kingdom.

Finally, a new frontier of the relationship is reacting to China's growing presence, influence and occasional interference in Canada. A higher level of awareness and vigilance is needed to protect Canadian values and institutions at home. We need to do this without sensationalizing or exaggerating Chinese activities and their impact, without singularizing China as the only player in the influence and interference business, and without stigmatizing Chinese Canadians by calling into question their integrity and loyalty.

How, for example, do we keep our doors open to Chinese students and to research exchanges in our universities while closing windows to protect intellectual property and national security in an era of technological competition with China and extraterritorial pressure from the United States? Fashioning a new national consensus and a new narrative for relations with China and building it on a multi-party foundation will not be easy. We haven't tried it in a systematic way since 1966.

The work and recommendations of this special committee have the potential to make a signal contribution.

Thank you so much.

● (1035)

The Chair: Thank you very much.

We'll now go to our first round of questions, a six-minute round, with Mr. Albas.

Mr. Dan Albas: Thank you, Mr. Chair.

I'd like to thank all of our witnesses for bringing your expertise today.

I think I'm going to start with Mr. Evans.

Mr. Evans, Graham Allison's book, entitled *Destined for War: Can America and China Escape Thucydides's Trap?*, deals with major shifts in global power and obviously it explores the oft-cited observation from the history of the Peloponnesian War, which deal with events from the fifth century B.C., namely that it was the rise of Athens and the fear that this instilled in Sparta that made war inevitable.

According to Mr. Allison, tensions aside, when a rising power threatens to displace a ruling power, the resulting structural stress makes for a violent clash. That's the rule, not the exception. I'd like to start by asking you whether the world is facing a Thucydides's trap with the rise of China.

Prof. Paul Evans: We had the opportunity to bring Professor Allison to Ottawa two months ago to talk about his book because, I think you're quite accurate, it has grabbed the imagination of people who see a power shift under way and see the potentialities for major U.S.-China confrontation.

I think what Professor Allison is trying to tell us is that unless special efforts are made to reduce tensions between the United States and China, to find new ways to manage relations, that conflict—not just a cold war but something worse—is possible. I think Mr. Allison and a number of Americans are now looking at how to frame that relationship not as China as an adversary or an enemy, but something of a competitor and a partner at the same time, what Mr. Allison calls a “rivalry partnership”. His message to us in Canada was that we could be supportive of that in a variety of activities and international organizations.

Yes, that is the fear we wake up with every day, and if action isn't taken to mitigate that conflict, then “destined for war” is a very strong possibility.

Mr. Dan Albas: Dr. Burton, would you like to rein in the subject?

Dr. Charles Burton: Thank you, Mr. Chair.

Yes, I am very concerned about the rise of China, and particularly such phenomena that we see with PRC citizens in key roles in multilateral organizations who seem to be seeking to undermine the purposes of those organizations, presumably under instruction from Beijing. I mean Interpol, ICAO and other UN institutions.

In general, on the Chinese state's penetration into Canada, we don't have adequate laws comparable to other nations about the transfer of classified technologies to agents of the Chinese state. You may have noticed the total number of Canadian cases on this matter over the past few years, to the best of my knowledge, is zero, whereas other countries are able to bring these people to account. There's the case of the Public Security Bureau, of China's agents coming to Canada under false pretenses to pressure persons in our country. Our RCMP's response is that if we discover that someone has come into Canada under false pretenses, under those circumstances, we immediately deport them back to China—no accountability to the person involved.

I am concerned, in general, about the threat of China's desire to undermine the established institutions of the global order, the WTO and the United Nations, and replace them with what party General Secretary Xi Jinping, in October 2017, defined as the "community of common destiny with mankind", which is really a reorientation of the global order in the context of his belief that the United States will decline towards China, including the belt and road initiative that will reorient global infrastructure towards Beijing.

It's important that we recognize what's going on, and with our allies, particularly the United States, where there is non-partisan political consensus about this issue. It's not just Mr. Trump. His nemesis Speaker Pelosi has also articulated that we need to stand up for the principles of the rules-based order, which protects middle powers like Canada from the arbitrary domination of hegemonic superpowers. I'm particularly concerned about China because of the values gap that informs that regime, which is so different from what makes Canada a great nation.

● (1040)

Mr. Dan Albas: I'm reading a book right now that describes the United States' approach as unilateral universalism and the Chinese approach as universal unilateralism—so very different approaches indeed.

I'm sorry, Mr. Calvert. I don't believe we have enough time to ask you to fill in that, but I will hopefully be raising some more questions.

Thank you, Mr. Chair.

The Chair: Thank you very much.

Mr. Fragiskatos.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for their very thoughtful perspectives and recommendations. This is a question that I want to put to everyone, to all witnesses, but perhaps I'll begin with Mr. Calvert, based on his career as a diplomat.

When we think about the disputes and challenges that other liberal democracies have faced in recent times with Beijing, what has worked and what has not worked in terms of overcoming those challenges for the liberal democracy, whatever liberal democracy that might be? I emphasize liberal democracy because I think it's important to compare apples to apples. Canada's a liberal democracy, and I'd love to hear any thoughts that the three of you have on that particular issue, because it would be quite useful for this committee to hear that.

Mr. Phil Calvert: One of the things that has worked for some liberal democracies is size and power, that the countries with more political or economic clout naturally have more ability to respond to China's assertiveness in their own interests. I think what works for Canada is more collective action, assembling the like-minded and gathering together to jointly present concerns or common worries that they have in reaction to specific actions that Canada has taken. We've found over the years that Canada sometimes doesn't have the leverage by itself to influence China, but if you can collectively put other nations on side, that sends a stronger message.

Mr. Peter Fragiskatos: I'm sorry to cut you off, sir. It's just the time limit.

Professor Evans, are there any concrete examples of how liberal democracies have been able to overcome challenges with China, in specific approaches they've taken: strategies or tactics?

Prof. Paul Evans: Liberal democracies have been able, on some matters, to put a focal point on difficulties. It's fascinating to see which have organized to raise some of the special problems of Xinjiang. However, in addressing the challenge of China, the countries we need to work with are more diverse than just liberal democracies.

The balance of force is shifting in such a way that other kinds of countries are trying to have an influence on China, not trying to fundamentally change China's political values and system but some of its behaviours. If you look at the countries of Southeast Asia that are deeply concerned about Chinese assertiveness in the South China Sea and their activities around that, they're multilateral but are not premised on us, as western countries, pushing an outcome with China. It's a broader collection.

Those are going to be some of the actions that are going to be necessary to constrain certain Chinese actions, recognizing that almost every country wants to work with China more closely, bilaterally and in its economic interests, but also encouraging Chinese behaviour in a proper direction. To me, it's bigger than a liberal democracy challenge, even though there are special elements of that for us.

Mr. Peter Fragiskatos: Thank you.

Mr. Burton.

Dr. Charles Burton: We should be looking more closely at Australia as a country that has taken certain measures to try to limit Chinese influence through legislation. Certainly, in our own attempt to rally our allies, I believe that this, unfortunately, has probably had the opposite effect to what's intended, in the sense that we can list 14 countries that support us while claiming other countries support us in their hearts but are afraid to say anything.

I think the Chinese government would compare 14 against the total number of countries in the world and see that they retain support for their horrendous behaviour. With regard to Mr. Kovrig and Mr. Spavor, like Kevin Garratt before them, the Chinese have been unable to provide us with any evidence of any wrongdoing whatsoever in their case.

It would be wonderful if Canada would take the lead in trying to come up with some multilateral coalition of the like-minded to try to put some transparency and honesty in our relations with China. Currently, there's a psychology in Canada that the most important thing in our relations with China is the promotion of Canadian prosperity through enhanced trade, but the cost that China wants to extract from us for that in pursuit of their overall agenda, such as removing restrictions on Canadian exports of high tech to China, allowing unfettered Chinese state access to Canadian mining and oil or insisting that we install the Huawei 5G into our telecommunications and so on, these things are not worth the cost to Canada in the long run.

While we, or perhaps some politically connected companies, may achieve profits from collaboration with the Chinese regime, we're better off standing up for our laws and values. If China wants to punish us because of that, then I believe we have to accept the consequences in the overall longer interests of Canada.

● (1045)

The Chair: Thank you very much, Mr. Fragiskatos.

Mr. Bergeron.

[*Translation*]

Mr. Stéphane Bergeron (Montarville, BQ): Mr. Chairman, I would like to thank our witnesses very much for their presentations, which I found extremely enlightening.

Mr. Burton deplored the fact that he certainly had other points to address and other contributions to make.

I invite our witnesses to feel free to send us any comments or observations they may have on any topic at a later date. Their contribution can be most enlightening to our committee.

I'm trying to summarize everything we've heard from our witnesses, and I've identified four main themes.

First, the mythical era of China-Canada relations based on friendship, collaboration, missionaries, Norman Bethune, Canadian wheat and Canada's recognition of the People's Republic of China before the United States, is over. We are in a new phase.

Secondly, China is obviously a growing power, and it places a value on power or aspiration to power.

Third, therefore, Canada should take a more determined approach and show more firmness towards the government of the People's Republic of China.

Fourth and finally, Canada should try to develop a multilateral response to China's actions in violation of the international rules currently in effect which do not seem to be respected in any way by the Chinese authorities.

In trying to sum up in these four points that you've presented to us, did I do a good reading of what you tried to bring to our attention this morning?

The Chair: Who is the question for?

Mr. Stéphane Bergeron: I am putting it to anyone who wants to answer it.

[*English*]

The Chair: I guess I'll ask the witnesses. You're probably all interested in answering this. Just to be sure, would you like to raise your hands, if you're interested in answering it?

I see Mr. Burton first.

[*Translation*]

Dr. Charles Burton: Absolutely, Mr. Bergeron, absolutely.

[*English*]

It has always impressed me how effective members of the Parti Québecois are in these committees, and I thank you for that. I also have taken on your suggestion that more materials could be sent to the committee, and I will be honoured to provide those things.

I agree with you on all these points that you have raised, which are basically summarizing what I've said. I think it's important that Canada not try to do this alone with China. If we can come up with some consensus, that would be wonderful.

The countries that I find have the best knowledge of communism, including that of the Russians and the Chinese, are countries in eastern Europe, such as the Czech Republic, Poland, Lithuania and so on. These countries understand how these kinds of hegemonic powers work, and I would encourage us to draw broadly on the countries we seek to ally with to try to come up with some way to preserve what's good in our Canadian values and in the way we engage in foreign policy.

Thank you.

● (1050)

The Chair: Thank you.

Mr. Evans.

Prof. Paul Evans: Mr. Bergeron's question and his summary are intriguing in several ways, and each of the points is going to need to be fleshed in more fully as the committee proceeds with its discussions.

I would raise just a possible addition to the fourth point that he raised, about China as an international actor. We have to be realistic that there are certain things China does that we don't like. There are certain kinds of policies that it pursues that anger its neighbours and others. Overall, however, China's involvement in the international system, I would suggest, is in fact stabilizing rather than destabilizing.

On balance, in most of the international institutions in which it operates—in most of the ones that it has created but also the western organizations that have been put in place—China responds and plays a responsible game. It has benefited from the global order that we all put together, with the United States' leadership. In several areas it is trying to be the anchor to that order rather than the destabilizer.

Some of the other witnesses will talk about this in more detail, but we can't frame China exclusively as an outlier or as a threat. In the main, it has been a responsible international citizen.

Is that changing? Will it change in future? We're all worried, but at the moment we have to put it into that perspective.

The Chair: Mr. Calvert, I didn't see your hand up so I will go back—

Oh, yes, you did raise it. Pardon me.

Mr. Phil Calvert: I did raise it. Sorry.

I wanted to follow up a bit with something I think I said perhaps not very clearly in my opening statement, which is that any attempt to define China, very simply to label China, as this kind of actor or that kind of actor misses a much more complex story about how it performs internationally. That's not limited to just China, but it is particularly evident in China.

In some organizations, as Professor Evans has said, it is a stabilizing influence. In other organizations or other activities, we find its activities and actions less than helpful.

I think it has to go back to what China itself sees as how it will benefit. If it will benefit from stability in an organization, if it will benefit geopolitically from assuming a leadership role in an organization, and especially organizations from which the United States has retreated, then it serves its own interests.

One of the things I've learned about China is that there are no simple answers to any questions you ask about it, and this is another one of those questions.

The Chair: Mr. Harris.

Mr. Jack Harris: Thank you, Chair.

Thank you to the witnesses for your very informative comments.

Professor Evans, your comments about the international order and China's place in it reflect to some extent the United Kingdom House of Commons report of last April, which says that China's foreign policy goals primarily are designed to protect its domestic political systems, which I think we have heard from Mr. Burton as well.

They underscore that by saying it doesn't want to change the international world order as such, but it is more interested in showing that its own domestic policies are not challenged. They say that Chinese domestic politics cannot be treated as if it were separate from foreign policy, and the U.K. must adjust its approach to China accordingly. What that means in practice I think they say later on in the report, which I will ask another question on afterwards.

Given that, do you agree with that assessment, that they are not out to change the world in their own image but rather to make sure that their system is prevailing, and perhaps that's a key to understanding what they do internationally?

● (1055)

Prof. Paul Evans: China isn't alone as a great power trying to protect its own international interests and its own value structure in its own country, its own sovereignty. China in that sense is acting in many ways like great powers that we have known in the past and probably will know in the future.

The idea that China has an absolutely clear conception of what it wants a world order to look like is a little misleading. I think there are different strands that we see in Chinese behaviour and attitudes that suggest they don't have a single vision of what they want.

They do have certain immediate interests. They want to defend them. They want to protect them. They also want to keep globalization alive and moving forward. They have benefited from it, and on balance it's in their interests, but the challenge with China is that in 80% of activities it's a responsible actor. There are things they want to change. Those are mainly around issues related to human rights and democracy promotion, which they feel are antithetical to their interests. So yes, China is a defender of a world order, an international order, but not a defender of a liberal international order.

Something that is very difficult for many of us is that many countries are supportive of China's general approach in this. The balance away from the liberal democracies and the world order, as we understood it, is happening and in part because the United States is stepping away from it as well. These are turbulent times for everyone.

Mr. Jack Harris: I have a lot of questions, frankly, but this one I would ask all of you to comment on, again going back to the U.K. House of Commons, which studied this recently. We have talked about the different aspects of policy, Mr. Burton's views being starkly different from some of the others, but at the end it urged the U.K. government to produce a single detailed public document defining the U.K.'s China strategy.

Is that something that is realistic to expect a government like Canada to do? In these circumstances, how do we reconcile the suggestion by Mr. Burton that we should take a very hard line, risk any trade with China, and on the other hand seek to engage China in working with the issues of climate change and others that we have a collective interest in?

The Chair: Mr. Harris, I'm going to have to ask you to indicate who you'd like to...because the time remaining is less than two minutes.

Mr. Jack Harris: Mr. Burton, perhaps you could answer first.

Dr. Charles Burton: Everyone talks about how this is complex or complicated, but the fact is that General Secretary Xi Jinping's plan is clear. It's what's referred to as the two centenary goals: achievement of elimination of poverty by the 100th anniversary of the establishment of the Chinese Communist Party, which was in 1921—so next year— and achieving a middle-class society by 2035; and then, by the 100th anniversary of the People's Republic of China, which would be 2049—but actually they use 2050—China would become the dominant power on the planet, the belt and road initiative will be achieved and that the institutions will adopt this community of the common destiny of mankind. I think that's clear.

In terms of your other one, do I like the idea that we should be absolutely honest and open and frank and transparent about how we plan to engage in our foreign policy toward the People's Republic of China? Yes, I do believe that it's better not to have secret unknown plans or anything. We should lay it out on the line. We stand for liberal democracy. Paul said that the new world order will not be a liberal world order. I don't want to live in a world that's not a liberal world order.

Mr. Jack Harris: Do you want to say yea or nay from Singapore? Could you tell us whether you think having a defined policy is a good idea?

Prof. Paul Evans: Many of us have claimed for a long time that we need a China policy. I think that what this committee can do is help us set out what the basic theme or melody might be in that relationship. I suggested “engagement 2.0” or “co-existing with China”. The Americans and some other countries have set out recent approaches. The Americans' is this adversarial one. Australia's is more nuanced.

We're at a moment where clarity is needed but is going to be extremely difficult to construct. That's why we have such wonderful representatives in Ottawa as our members of Parliament.

● (1100)

The Chair: Aren't you nice. You're buttering us up.

We will go on to the second round with five minutes each.

Mr. Williamson.

Mr. John Williamson (New Brunswick Southwest, CPC): Thank you Chairman, and thank you to all our witnesses for being here today.

I'm going to build a little bit upon some of the remarks that Mr. Bergeron made. What struck me from the testimony was, to some slight degree, everyone seemed to agree that we can't go back. There is no going back to a normal relationship with China, as a result of what has taken place over the last number of years and months, as well as because of a changing and different China.

Someone mentioned this, and I'll come back to this. It seems we made a bet over the last generation that we would work to end China's isolation by granting the country most favoured nation status as a way to bring it into the international order and then, after that, into the World Trade Organization. I think I read at one point that even Margaret Thatcher's gamble on Hong Kong was to hand the territory back to mainland China in the hope that it would spark a more liberal approach to its politics, which of course, unfortunately, has not happened.

We are a liberal democracy. China is not, and if anything, it is reverting further away from us, so if what we're seeing is not working, and if the bet has not paid off, it would seem to me that the position of.... What struck me is that your comments run counter to what I hear from official Ottawa—from the Government of Canada policy—both from the ambassador, as well as ranking government officials. Is that correct? If you could maybe all limit your comments to a minute, I'd appreciate it.

Mr. Burton, why don't you start since you're right here?

Dr. Charles Burton: Yes. I agree. I don't think that our current policy is sufficiently aware of the necessity for Canada to try to stand up for our own values in our engagement with China, in the overall interest of the future of the world.

The question is why it is that so many key policy-makers seem to be reluctant to engage with China in an honest and forceful way. Are some of these people, in fact, to some extent under the influence of Canadian businesses with interests in China, or do they for other reasons adopt positions that mean that they're supporting a policy of engaging with China on Chinese PRC terms?

Mr. John Williamson: I believe Mr. Calvert also put his hand up.

Mr. Phil Calvert: With respect to previous policies of supporting China's international growth in acceding to organizations like the WTO, maybe some politicians thought that China joining the WTO would bring about liberal democracy. Negotiators didn't. I think what we hoped for from this was perhaps a somewhat better system of commercial law. China's accession to the WTO has benefited both sides. It has benefited companies in the sense of reduced tariffs. While we're not completely happy with how China implements or doesn't implement some of its obligations, it has substantially changed China's trading system—if you compare it to the way it was in 2000 and then the way it was afterwards—in a positive way.

I wouldn't agree with your statement. When we say we can't go back to the way it was before, it doesn't mean we don't want to engage China in some new way. We need to work with China and its presence in the international community. Yes, we have to be firm, but we have to be intelligent about how we engage China and choose where our interests lie and where we can work with China internationally and where we collide with our interests.

In the case of human rights, if we're going to articulate human rights concerns, lecturing is not effective. It sometimes is necessary, but we should be also giving a business case for it.

● (1105)

Mr. John Williamson: That's fair enough, but I'm curious. Would you agree, then, that continuing to ratchet up—or the path we're on—is not the way to go? For example, we have worked to bring China into what I will call the international economic order, the WTO. The next step would be a free trade agreement with China, which would, of course, deepen those ties. Do you think that is the next step, or should we be very wary of entering into a free trade agreement with a country that is known to steal technology and is, frankly, not a market-oriented player in its outlook of economics in the way Canada and other western countries are?

Mr. Phil Calvert: I believe now we should be very careful about entering into a free trade agreement with China. I think what has been demonstrated by China, especially in the last year with us, is that the rule of law continues to be a challenge. If you want to have a free trade agreement with a country, you have to have some confidence that it's going to implement its obligations bilaterally. I don't think this is the time, and frankly, I don't think there's a political will to do so anyway on the Canadian side.

The Chair: Go ahead, Ms. Yip.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): My question is directed to Professor Evans. Thank you for staying up so late to participate.

In your statement you mentioned three strategies or recommendations Canada could consider. Could you elaborate on what you meant by flexible policy framework?

Prof. Paul Evans: This has to do with the matter of how we define China on a spectrum: from a friend, to a partner, to a rival, to an adversary, to an enemy. Where on that spectrum do we do it? I'm suggesting that it depends on the issue that we're dealing with regarding China, and that no one hat fits all wearers. As we move forward with China, we have to see that we have a variety of interests: the commercial, the international agenda we're pushing, the development objectives we would like to see in the world. China is multiple things at the same time.

This is not a problem when we think about the United States. When we think about the United States, particularly in this era, we're looking at a country that is pulling in several different directions at the same time. Just as with the United States, we now increasingly look on an issue-to-issue basis rather than with one single formula. That flexibility that is going to come by engagement in the broadest sense of the word rather than in the way we pursued in the past, I think that's the track we're going to have to go forward on because of the new power dynamics in play.

Ms. Jean Yip: Could you comment further on how we can work together with China in peacekeeping, the Arctic and the environment?

Mr. Phil Calvert: Each of those need special attention. I would raise one in particular, which is peacekeeping. It's a perfect example of the choices we make. For some, working with China on peacekeeping is co-operating with a future enemy and their activities. China is now the largest player in international peacekeeping of the P5 countries.

I take a different view. I think that on peacekeeping, Canadian experience and Chinese capabilities, there are several areas where we can co-operate and where the world urgently needs an enhanced peacekeeping capability.

To use that as an example, there are the case studies, some of which your committee might be willing to take on, where we do have some commonality of interest, recognizing there are risks we have to take account of during that process. We could give an itemized list if you wish. We've been working on a dozen or 15 different areas where we think there are special chances for co-operation that might benefit both of us, but also the world that we'd like to see.

● (1110)

Ms. Jean Yip: It would be helpful if you could send that.

Why do you think they have the largest peacekeeping force or that they are represented so strongly around the world? Does it have anything to do with the belt and road initiative?

Prof. Paul Evans: I think China's use of its military is complicated. It is increasingly having its forces based in other countries, but only a small number. The United States has over 400 foreign military bases. China has—depending on how you count them—two or three or four.

There are mixed motives in what China is doing. The argument is that, because they have the resources, they have the troops that they're willing to put in and they have a marvellous training system that has been internationally supported, we can try to accentuate the positive with them, with eyes open, for other motives that we have to try to discourage in the longer term as well.

Ms. Jean Yip: Thank you.

I have 30 seconds. I don't know if this can be answered in 30 seconds, but it's directed to all the panellists.

China has conveyed its appreciation to the government's response regarding the coronavirus emergency. How likely is it that this will contribute to a thaw in the Canada-China relations? Is there—

The Chair: We have time for a one-word answer from each member. You want to say “very” or “not at all”.

Mr. Burton.

Dr. Charles Burton: Definitely.

The Chair: Mr. Calvert.

Mr. Phil Calvert: Minimal.

The Chair: Mr. Evans.

Prof. Paul Evans: I think the coronavirus can be a significant plus or a significant negative in our relationship with China.

The Chair: Thank you.

Ms. Alleslev, you have five minutes.

Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, CPC): Thank you very much.

This has been incredible in moving the discussion. What I've heard, and you can correct me if I'm wrong, is that overall our current approach is not serving us in the best way possible, that there is a sense of urgency to address that lack of, or weakness in, our current approach, and that some of the suggestions are around the benefit that Canada has as a middle power in being able to rely on other like-minded countries, either in the region or in the broader western world, or simply within our own country, to have a single voice and find a way to re-establish the strength of international institutions to be able to protect and preserve middle powers in a world where we're seeing the rise of great powers.

What I would like to hear from all of you, from your perspective, is what specific actions we can take to engage and strengthen those collective, coordinated approaches with other like-minded countries who find themselves in similar situations and even within our own country.

Mr. Burton.

Dr. Charles Burton: It would be great if Canada took the initiative, as we've taken most recently with the conference on North Korea and the land mines. Canada has a history of coordinating with like-minded powers to achieve goods for the global community. I think we also need to strengthen our capacity to engage with the Chinese regime. Under Ambassador Gotlieb, we changed the way we engaged in Washington, from beyond the State Department into Congress, into local legislatures and all the areas of power in the United States. In China we're falling very far behind in our capacity to engage with the people who count inside China and who are involved in the policy-making process that is affecting us so badly. I would certainly encourage that.

The other thing is that we keep talking about China, but we're really talking about the current government of China under Xi Jinping. I think that will not last forever. We shouldn't be feeling that there's a destiny here of the end of liberal democracy in global affairs. We could be engaging agents of change within China and supporting people we identify in China as doing good. We've done this before with human rights' dialogues and civil society programs, and senior judges' training. On my two postings as a diplomat in China, I was very much involved in those. All of those initiatives failed, but I don't think we ought to give up on the idea of democracy in China.

● (1115)

Ms. Leona Alleslev: Okay. Thank you.

Mr. Evans.

Prof. Paul Evans: I think we're facing a double challenge: a China challenge and an America challenge. In building or rebuilding an international order, we're going to have to work with both of those countries as best we can, for example, by getting them into some of the new multilateral trade organizations. It won't work globally, but the trans-Pacific partnership should have accession clauses where we could imagine both China and the United States, when they are willing and able, to come into them.

I would say, secondly, that where we can try to work together as middle powers is, with special reverence to here in Southeast Asia, through the Association of Southeast Asian Nations. The idea of these—

Ms. Leona Alleslev: Thank you. I want to make sure that I give Mr. Calvert an opportunity, too.

Considering it was a very significant emphasis of your opening remarks, what action can we take, Mr. Calvert?

Mr. Phil Calvert: First of all, we have specific issues. This has to be an issue-by-issue sort of decision, focusing on choosing. For example, with respect to the two Michaels, there are a number of countries, as I mentioned, that have had hostages taken. Collectively they can get together and say, “Okay, the next time a citizen is taken from one of our countries we will have a common response to this.” We can pull people together who have common interests in other areas as well. That's what our diplomats do.

I also think that, building on what Professor Burton says, we have a lot of trade commissioners in China but we don't have an adequate representation of officers in our embassies who do political and advocacy work. There are a lot more resources that could be put in that direction. Making more connections with the party system, with local governments and everything is where we can find ways to advance our interests and to try to influence the government.

I want to say one more thing—

The Chair: Mr. Calvert, I'm sorry. We haven't time. We're over time a bit there.

Ms. Zann.

Ms. Lenore Zann (Cumberland—Colchester, Lib.): Thank you very much.

Good day, gentlemen, whatever time zone you happen to be in.

I have three questions, one for each of you, so keep that in mind. I'm going to start with Mr. Burton.

Mr. Burton, what do you think would be the concrete consequences of a very tough policy response on Canada-China relations going forward to Chinese behaviours we disagree with?

Dr. Charles Burton: I'm fairly confident that because the relationship between Canada and China is so asymmetrical in favour of China, we would not get this negative response. I think we would gain respect from China. They would expect us to not simply be passive in response to the successive outrages that they have committed against the rules-based global order, and diplomacy and trade.

I really think, for example, that we should crack down on the activities of agents of the Chinese state in Canada, on money laundering in B.C., which affects some people connected to the senior leadership of the regime—that's why, I think, they protect Ms. Meng so carefully—and other actions such as inspecting shipments from China strictly to stop this fentanyl scourge from coming into our country. There are a lot of things we could do.

Frankly, I understand that we can't predict that regime and they don't seem to behave in a way that is fair or reciprocal, as one would expect in global relations. I'm not that worried that if we show some backbone, we will suffer disastrous consequences for our economy and relations, but it's a continuing story.

● (1120)

Ms. Lenore Zann: Thank you very much.

Mr. Calvert, what have you learned as a diplomat or professor about the best way to engage China, even when we have disagreements with them?

Mr. Phil Calvert: I would say two things.

One is that tone is important, as it is with any kind of relationship, and that while public statements are sometimes useful, they are also blunt instruments and have to be matched with other kinds of engagement that takes place out of the public eye.

Second, I would say that the more you can provide a business case for convincing them that what you're trying to, let's say, advocate for China is in their interests and not just an extension of our own values, the more it can be effective.

For example, on human rights issues, if you can make the argument.... For example, on the coronavirus, if you want to talk about transparency and governance, you can make a business case for China right now, behind closed doors, saying, “Look, you lost a month of potential activity that could have possibly contained this virus, because of your system, because of the way you control, with the lack of transparency and your crackdown on the very people who were trying to draw attention to this. This should tell you something.” Basically, you can argue that respect for human rights and for more democracy is ultimately more stable and ultimately provides more possibility for addressing challenges and long-term challenges in any country.

Also—for example on the Uighur issue, which is abominable in the way they're treating them—we can bring Canada's experience to bear and say, “Look, we have our own experience in the way we have treated our indigenous people. It has been very costly in social and financial terms because of the incredible mismanagement of it.” The more you can present issues in that way, the more you're going to find some kind of willing listener.

Ms. Lenore Zann: Excellent. Thank you.

I have one last question. This is for you, Mr. Evans.

How much room do we have for pursuing an independent China policy that might cut across the American policy of treating China as its strategic competitor, adversary or enemy—as for example, with Huawei?

Prof. Paul Evans: The Huawei question is exactly the right one to ask, because it is where these forces come together, and the challenges of a made-in-Canada decision are really important as a signal of where we're going to go.

I think the consensus in the United States is somewhat cracking on the Huawei issue, even if it isn't represented at this moment among their elected officials. Business think tanks and others see the dangers of decoupling and are backing off from that hardline full confrontation.

The Chair: Thank you.

I'm sorry, but we have very little time for each of our members to ask their questions.

[*Translation*]

Mr. Bergeron, you have two and a half minutes.

Mr. Stéphane Bergeron: Thank you Mr. Chair.

I understand that Canada's policy on China has been completely revised. I noted Mr. Burton's comment that we also need to change our approach to China, as we did with the United States. What role do you think the provinces can play in that change?

Next, I'd like to ask a question that could be addressed to all three of you and that we can hardly ask of the officials at the Department of Foreign Affairs: how well equipped is Canada today in terms of personnel and analysts?

Finally, I'd like to refer back to one of Mr. Calvert's interventions in response to a question from Ms. Alleslev: is Canada well equipped to deal with this paradigm shift we're seeing with respect to China?

The Chair: Which witness is your question for, Mr. Bergeron?

Mr. Stéphane Bergeron: It is for all three witnesses.

The Chair: Please tell us which of the three witnesses you would like to hear first, Mr. Bergeron.

Mr. Stéphane Bergeron: My first question is for Mr. Burton. Please proceed, we are wasting time.

● (1125)

[*English*]

Dr. Charles Burton: Certainly we've had some very effective representatives in China from our provinces. I know of some from the province of Quebec, when I was serving in the embassy, who were particularly strong not only in trade but also in general in the discussions that occur between diplomats in that posting.

Do we have the analysts we need to defend our interests in China adequately? I would say that we do not. It's very difficult to get people with the requisite expertise in understanding the Communist system, fluency in the Chinese language and the willingness to spend a lot of time engaging with their Chinese colleagues. This is not a problem simply for Canada, but it is a big problem for Canada.

The thing is that there is no short-term solution. Many countries at present are providing scholarship incentive programs to graduate students to acquire this expertise. We really have to get serious about it, but it's not something we can solve in the short term.

The Chair: Professor Evans.

Prof. Paul Evans: Thank you.

I think the question of the province and Asian competence is very interesting, because it takes us back to our universities. I think one of the areas that the committee could be of great value is in looking at the role of the universities and the challenges they now face in dealing with China. Some of those are opportunities in terms of recruitment of students, but there are whole new challenges about protecting—

The Chair: Thank you. Sorry to interrupt, but the two and a half minutes are up.

Mr. Harris, you have two and a half minutes.

Mr. Jack Harris: Thank you, Chair.

A lot of Canadians, as we all know, are very motivated by concern for human rights in China, whether it be the Uighurs or the case of the imprisonment of Michael Spavor and Michael Kovrig. Throughout the history of our relationship, we've always demanded that the Prime Minister raise the question of human rights in meetings with the leadership of China. These things have been going on for 50 years. My question is this. Are the international human rights mechanisms that are available capable of playing a role in solving this issue, or do we need other things? We have public statements, we have normal diplomatic channels, etc., but are there any other things that we could or should be doing that could help us?

Could each of you address that? Is there anything else that we're missing here?

Dr. Charles Burton: Mr. Harris, the UN institutions are not very effective. I note that North Korea has ratified both of the main human rights covenants. Clearly, we're not able to get them to be in compliance. From that point of view, I think some of these institutions to some extent have been co-opted by the power of China in the UN to prevent nations from supporting exposure of Chinese human rights abuses.

As I said in my opening statement, we do have the Justice for Victims of Corrupt Foreign Officials Act, the Magnitsky list, and I think it's a glaring shortcoming that the country that has committed the most human rights abuses on the planet is excluded from our Canadian list.

Mr. Jack Harris: Thank you.

Go ahead, Dr. Evans.

Prof. Paul Evans: I think this is a very interesting problem that you've identified: what we are going to do with China on human rights. I would say that public attitudes are quite interesting. When we ask Canadians what they think our government's major priority should be with respect to China, human rights consistently comes up fourth on the list, after trade, after co-operation on global issues and after protection of Canadian values and institutions at home.

How far we put this as a priority is important.

The Chair: Thank you.

Give a 15-second answer, Mr. Calvert. Sorry.

Mr. Phil Calvert: If we want to change China as a whole, that's going to be very difficult. We have to find specific, small, concrete issues and work to convey to China why it's in their interest to do this, find areas where we can work together collectively and build out on what we can do from there. We used to have a human rights dialogue—

The Chair: Thank you. Sorry about that.

I thank the witnesses very much. We do deeply appreciate your time here and your understanding of the fact that each member only has so much time, so we have to roll through these quite quickly. I invite all the witnesses to send additional information in writing to the clerk if you wish to do so.

We'll suspend for five minutes—

● (1130)

Mr. Peter Fragiskatos: Can I read a motion into the record?

The Chair: Do you want to move a motion?

Mr. Peter Fragiskatos: Excuse me. I mean I want to move a motion. I move:

> That the clerk of the committee make the necessary arrangements for a working lunch on Thursday, February 27, 2020.

The Chair: We'll come back to that after the break.

We'll suspend for five minutes to allow the witnesses to leave and to get the new witnesses and teleconferences in place.

Thank you again.

● (1130)

_____(Pause)_____

● (1137)

The Chair: I call the committee back to order.

We have our second session now.

With us we have Jeremy Paltiel, professor in the department of political science at Carleton University. By video conference from Vancouver, British Columbia, we have Yves Tiberghien, professor, department of political science and faculty association, school of public policy and global affairs, University of British Columbia. From the Canada West Foundation, we have Carlo Dade, director, trade and investment centre, along with Sharon Zhengyang Sun, trade policy economist in the trade and investment centre.

Thank you very much.

We'll begin with Mr. Paltiel.

Dr. Jeremy Paltiel (Professor, Department of Political Science, Carleton University, As an Individual): Thank you very much.

Members of the Commons Special Committee on Canada-China Relations, I thank you for the honour of testifying before you today.

[*Translation*]

I am very grateful for the opportunity to testify before you, and I will be happy to answer your questions in English or French.

[*English*]

This year marks the 50th anniversary of the establishment of bilateral relations between the People's Republic of China and Canada. It also marks the 50th anniversary of my starting to learn Chinese. I see this as a particularly opportune moment from which to examine our bilateral relationship. My presentation is in three parts. In the first part I review the pattern of our relationship. In the second, I offer my perspective on the nature of the Chinese regime and the constraints this imposes on our bilateral relations and our alliance relations. In the third, I offer some perspective on the current state of our relations and how we may move forward.

We negotiated the establishment of bilateral relations beginning in 1968, a time when the People's Republic of China was largely isolated diplomatically during the unprecedented turmoil known as the Cultural Revolution. The premise of our initiative was not to endorse the Chinese regime, nor was it that China would transform itself into Canada. The human rights situation was then much worse than it is today. Underlying our establishment of diplomatic relations—and I defer to Professor Paul Evans on this question, since he literally wrote the book—was to bring China into the community of nations for the sake of global peace and security, as well as to diversify our foreign relations and trade and to show ourselves to be an independent global actor.

Our effort was eventually rewarded beyond our initial hopes. The People's Republic of China took its seat as a permanent member of the UN Security Council within months of the establishment of diplomatic relations in October 1970. Within 10 years, China began the process of reform and opening up, which led to China's spectacular rise. Canada played a role as a partner in China's reform and opening through our CIDA program, which began in 1981. China's reform and opening turned into a hope that China's reform would lead it to being a full participant in the liberal international order.

This initial hope was contradicted by the events of Tiananmen in 1989. When China's economic reforms resumed in 1991-92, our CIDA programs also continued, and hope was reignited, albeit on a more cautious and more long-term trajectory. China's efforts to join the World Trade Organization were symbolic of this renewed effort, and it was in this context in 1998 that then Chinese premier Zhu Rongji called Canada “China's best friend in the world.” Canadian efforts facilitated the adaptations of China's legal system and its institutions to the demands of an open trading system when China entered the WTO in January 2001.

In the 21st century, China no longer needs Canada to tutor it, nor to open doors for it. Just as China's success grew apparent, our relationship lost its overall strategic rationale. The spectacular growth of the Chinese economy became the new justification for our relationship, but we were disappointed that our previous history granted us no special privileges in the Chinese market. Even the team Canada approach failed to arrest the decline in our market share of the Chinese economy, and our trade fell into persistent deficits that see us buying basically two dollars of goods for every dollar we sell. We have not been able to establish a strategic focus in our relations under both Liberal and Conservative governments. Over the past decade and a half, as China's power has grown, our disappointed hopes have become increasingly tinged with fear.

In terms of the nature of the Chinese regime, since Xi Jinping rose to power at the 18th party congress in 2012, China has moved from a defence of China's difference as an exception to the universality of liberal values to celebration of its governance based on its own cultural traditions and achievements of the Communist regime.

● (1140)

Xi has been careful not to broadcast that the Chinese model should be copied or imposed, but nonetheless offers his country's experience as a model for developing countries to learn from. However, it is worth remembering that at the time when Canada recognized China, in October 1970, Chairman Mao and the Chinese Communist Party still espoused global revolution and the overthrow of capitalism. That is not the case today. Beijing's concerns about liberal democracy largely stem from its fears about the domestic security of its own regime. It does not seek to aggressively undermine regimes abroad. It's not Russia. As the world's greatest exporter, China is inherently committed to an open, rules-based international trading order. China is trying to cement its status through initiatives like the belt and road initiative and the Asian Infrastructure Investment Bank.

These efforts to increase prosperity and connectivity through the BRI and the AIIB are not in themselves a threat to Canada. Investment in public goods, like infrastructure, will pay dividends even if we are not direct beneficiaries or participants. Moreover, closer engagement will allow us to exercise some influence, such as our membership in the AIIB, over the direction and management of these programs. We confront China as a successful competitor that has adapted market methods to achieve state-led goals. This is a challenge, but it is not a threat to the rules-based order in itself.

China's Leninist regime is designed to insulate the political leadership from outside influence, domestic or international, so its entire outlook is based on insulating itself from the outside internally and externally. However, the continued survival of the Chinese Communist Party—the People's Republic of China has now survived longer than the Soviet Union did—requires it to adapt and learn. China is sensitive, in the best and worst sense of the term, to outside opinion and to criticism from below.

The Chinese dream of China's great rejuvenation represents joining the world, not isolating China from it. One concrete expression of this is the hundreds of thousands of Chinese students in Canada. Our strategy must allow for different representations of the will of the Chinese people, while recognizing that the Chinese government we are dealing with is the government that is empowered to make commitments by the Chinese state. We have no control or say on how it may change or when.

Canadian prosperity and global influence depend on having a workable relationship with China. Right now we have the worst relationship with China of any of the G7 countries, but there are signs that our relationship is thawing. This provides hope for improvement, but I share with other Canadians the conviction that there can be no fundamental improvement in the relationship until the two Michaels go free.

The Chinese have an expression they employ often in their diplomacy called *qiutong cunyi*, which means emphasize points of agreement while reserving differences. We must craft a strategy that allows us to do that even though we have serious, ongoing human rights concerns, particularly as regards Xinjiang. We cannot disentangle China from the fate of the globe, and any hope of isolating or containing China is doomed to fail. There is a whole agenda of issues, including climate change and global health, where we have no choice but to work with China. Our prosperity, like China's, depends on an open, rules-based trading system. We cannot safeguard that system and a healthy environment for global innovation without China.

● (1145)

The Chair: Mr. Paltiel, you have 35 seconds. You can wrap up, please, if you don't mind.

Dr. Jeremy Paltiel: Okay.

I have a few more comments, but basically the premise of our engagement is not to remake China in our own image, but to cooperate in areas of common interest and to reserve a space where critical concerns will be listened to on the basis of reciprocity. We have to obviously move to one where we have to emphasize reciprocity more and more. Apart from the fact that China no longer needs us to open doors, we have too many pressing concerns to ignore.

I will submit my other comments and let the other commentators go forward.

The Chair: That's 10 minutes, bang on. Thank you very much for your co-operation.

Mr. Tiberghien.

[*Translation*]

Prof. Yves Tiberghien (Professor, Department of Political Science, and Faculty Associate, School of Public Policy and Global Affairs, University of British Columbia, As an Individual): Thank you, Mr. Chair and members of the committee.

I am honoured to contribute to your deliberations today by sharing with you some of the fruits of my research and observations on Canada-China relations.

I commend the important work of your committee, and I recognize the urgency of assessing this relationship, given the situation of our fellow citizens incarcerated in China, specifically, Michael Kovrig and Michael Spavor. We all recognize the bad turning point in the Canada-China relationship since the arrest of Ms. Meng Wanzhou on December 1, 2018, and the arrest of the two Michaels on December 10, 2018.

[*English*]

I also acknowledge that we are talking here in the middle of a public health crisis wherein we have many diplomats in China, including the ambassador, and where the biggest lockdown of cities in the modern age has taken place, with terrible suffering.

I also will take this chance to thank the clerk of the committee and the staff for making a difference every day, including the pages, Hansard, translators and clerks. I have a student now who served as a page last year, and it was a fantastic training ground.

I'd like to start with two key points. Then I'll focus on some key aspects of the international system as it relates to Canada-China and offer some points on China and some implications for Canada. First, the Canada-China downturn is part of a larger period of great disruption in global politics. Every country today is adjusting its posture in international affairs and is responding to the moves of others. Second, in this context, Canada's priorities are to be robust in defence of the national interest and in finding actionable pathways to defend the rules-based international order with key partners. Effective multilateralism must underpin Canada's action in the international arena.

Now I'll offer some points on the international context and how it impacts upon the Canada-China relation.

I call this the age of disruptions. To a large extent, the Canada-China crisis is part of the larger U.S.-China crisis and is a prism for the challenges to the rules-based order.

Let me elaborate on five key drivers and their impact.

First, we're living through a crisis of globalization. We see peaking trade flows, a move toward the regionalization and deglobalization of global supply chains. Globally induced inequalities have led to great polarization and tensions in most advanced democracies. This is an age of anxiety and anger in countries such as the U.S., the U.K., France, Italy, Greece, Poland and many others.

Second, we're facing systemic shifts in our economic system due to the combination of climate change and the fourth industrial revolution. These two forces are creating heightened competition.

Third, we have just lived through one of the greatest shifts in economic power in modern history. Between 2000 and 2018, more than 20% of global GDP in nominal dollars shifted hands from OECD countries to emerging economies. Of this shift, 60%—that is, 12 points—went to China. The rest went to India, Southeast Asia, central Asia and Africa. The IMF estimates that Asia represents 60% of world growth today and for the next decade. The open economy facilitated that shift, yet it's also important to note that China and India are essentially returning to where they were for 2,000 years until 1820, that is, before the industrial revolution and colonization. As part of this change we see a more assertive China but also a more assertive India, Russia, Indonesia and Africa.

Fourth, China today represents 16% of world GDP nominal dollars and 19% in PPP terms. That's 2018 data. From 2012 to 2020, China has represented one-third of global growth. China is a giant in every domain, from health to renewable energy to AI, big data, international students and UN peacekeeping soldiers. We cannot work on any global issue in the world today without working with China. We also observe a recoupling of Asian sub-regions, such as South Asia, Southeast Asia, central Asia and China. Those regions had been disconnected since colonial times—for more than 200 years, and in fact since the fall of Tamerlane, the last Mongol ruler, in 1405.

Fifth, we're currently witnessing a shock in the international order as the U.S., the leader that created the liberal order, is, under the Trump administration, turning against many of the multilateral institutions that the U.S. created and has nurtured since World War II. We don't know yet whether it's a bargaining readjustment or a longer-term disruption to the 100-year search for order, going back to Woodrow Wilson following World War I.

● (1150)

The consequence of those five disruptions and systemic changes is a period of growing geopolitical rivalry. I see tremendous dynamism. I also see tremendous misperceptions, since every power is reading the actions of the others through its own historical frame and narratives. For example, the arrest of Madam Meng Wanzhou in December 2018 led to extremely powerful reactions among the Chinese public and within the government, revealing great misunderstanding about Canada's true intentions. Of course, the same is true on the Canadian side. You may unlock such misunderstandings by looking for clues in Europe.

I'm also struck that the Internet has not narrowed perceptions among groups or nations, but increased them due to echo chamber effects and overload. In this context, it's essential to start by understanding what drives and motivates other players, so as to find actual pathways to get things done. It's crucial to avoid emotional tit-for-tat cycles that lead to everybody being worse off.

As a case in point, see the EU's wake-up call with the last op-ed written by Josep Borrell, the current High Representative of the EU, on February 8, 2020, in Project Syndicate. He urged Europe to wake up to a world where big players don't play according to rules but practise issue linkage and power politics. He urged the EU to have strategic thinking, to build leverage and coalitions. We hear similar views from our key ally in Asia, Japan.

Now I will say a few things about China and Chinese governance and Chinese perceptions.

China is complex and paradoxical. It has gained great international power yet faces more domestic and global uncertainties today than at any time since the end of the Mao era. Here are a few of the challenges.

First, about Chinese governance, if you've talked to members of the Chinese middle class in recent years, you get a sense of great hope and emergence from great trauma. China was a wealthy and peaceful country in 1820, representing 30% of the world's economy. After 1820, China lived through two opium wars and the loss of trade and foreign autonomy to western powers and Japan, and there were great peasant rebellions that killed upward of 50 million people in the late 1800s. The great hope of the 1911 revolution with Sun Yat-Sen was followed immediately by fragmentation into warlord-held regions, civil war for decades, invasion by Japan that killed another 20 million, more civil war and the Korean war. China did have a few good years from 1952 to 1957, followed by the madness of the anti-rightist campaign, the Great Leap Forward with a famine that killed 50 million more, followed in turn by Mao's cultural revolution. No wonder the middle class supports stability and sees the current decades as the best time in China in 150 years, an age of prosperity and possibility.

There is, of course, broad support for the regime. Many Chinese feel a sense of great progress, growing wealth and prosperity, greater freedom—except for political freedom, particularly the ability to criticize the party.

There is also, of course, increasing desire for information and voice, especially on social media. At the same time, given that the middle class is only 25% of the population, it's not yet in its interest to hand power to the other 75%, the rest of the population. Think of Thailand and the yellow vest push-back against democratically elected Thaksin. What I hear, however, are aspirations for evolution over time that would yield better political freedom and governance without the trauma of national fragmentation or past dynastic change.

Second, given a long and sophisticated political history over thousands of years and China representing a big share of humanity's collective experience, the Chinese people and government alike expect recognition for that heritage. The current government may be Leninist in structure, but it often behaves like a government that inherited practices and norms from past dynasties.

Third, while China does not buy in to the political pillar of the liberal order, governance is nonetheless fragmented and pluralistic. Despite Xi Jinping's very strong accumulation of power and crackdowns on many fields like media, the structure of power remains collective leadership. When Xi doesn't get the support of the 25-strong politburo or the seven-strong standing committee, he cannot move forward. In fact, to stay on for a third mandate after 2022—

● (1155)

[*Translation*]

The Chair: Excuse me, Mr. Tiberghien, you have 30 seconds left. Could you conclude your presentation, please?

[*English*]

Prof. Yves Tiberghien: Okay.

China's policy output has zones of darkness and zones of light and progress. The more insecure China is, the more it tightens control. We need to find effective ways to deal with this.

The implications for Canada are as follows. We cannot wish China would go away. We have to deal with the China we have. We need a differentiated approach with China, with certain practices and national interests. We have to protect our security, but the longer term of Canada is to buttress the rules-based international order and to make sure China gets integrated into it. We must focus on outcomes.

[*Translation*]

The Chair: Thank you very much.

[*English*]

We now have the Canada West Foundation.

I understand that Mr. Dade and Ms. Sun will be sharing the 10 minutes.

Thank you.

[*Translation*]

Mr. Carlo Dade (Director, Trade and Investment Centre, Canada West Foundation): Yes, that's correct.

Before we begin, and as always, we would like to thank the committee, the chair and the clerk for their assistance.

[*English*]

Thank you for the invitation to be here. This makes two times in two weeks for the Canada West Foundation to be in Ottawa testifying before Parliament on issues of great importance, obviously to Canada, but also to the west.

This is where our testimony will focus today. If we had 30 minutes to go it alone, we would stay with the high-level discussions, but we'd like to bring the testimony down to some concrete elements about our engagement.

I trust too, Mr. Chair, that since we're the only institutional speaker today we can get an extra 15 to 20 seconds to describe our institution.

● (1200)

The Chair: No, I'm sorry.

Mr. Carlo Dade: Once again, then, the west is shut out.

Some hon. members: Oh, oh!

The Chair: Everyone gets equal time.

Mr. Carlo Dade: All kidding aside, the Canada West Foundation was created 50 years ago for moments much like today to ensure that the west has a voice in affairs that shape the country, but more to assure that the west can contribute to creating a strong and prosperous Canada. A strong west is a strong Canada, and nowhere is that more evident than in our relations with Asia.

We've been through some difficult times, the west and the country. We are in some now, but we continue to work towards that vision of a strong west in a strong Canada. Given what's happened today, we just hope that the rest of the country will continue to respond and to reach out to us.

On Asia and engagement, we have three points today for the committee.

Asia and Canada's engagement has been a focus for the Canada West Foundation. We carried out modelling—economic impact assessments—that members in another committee asked that the government do, so that Parliament could actually have data, intelligence and information to understand trade agreements. We did it for the CPTPP in advance of the government's doing it.

That information was critical for the committee to understand. It was critical for the country to have the data, to understand and to keep the country and the government from making the calamitous mistake of walking away from the TPP agreement. Given the way our relations with the U.S. and our relations with China have gone, it's easy to see not just how prescient but how important that sort of information was.

We have three points for the committee, and we hope these will guide your thinking going forward and guide your questioning of other witnesses.

The first is that Canada's relation with China flows through the west. The west is the centre and the focus of our engagement with China. Yes, other parts of the country are involved, but it is in the west that the rubber meets the road. It is the west that is implicated immediately, in ways that other parts of the country aren't.

Second, agriculture is a key part of this relationship. The data that you have before you, which my colleague will walk you through, shows this.

Third, agriculture may offer an idea of what the solution is or how we begin to build on re-engagement.

[*Translation*]

It may facilitate the renewal of this relationship at the appropriate time.

[*English*]

It is how we can potentially re-engage when the time is right.

I will now turn it over to my colleague, our trade policy economist, to walk us through some of the data.

[*Translation*]

Ms. Sharon Zhengyang Sun (Trade Policy Economist, Trade and Investment Centre, Canada West Foundation): Thank you, Mr. Dade.

Thank you, Mr. Chair.

[*English*]

I'll start with some numbers. Even though the U.S. is and will continue to be our largest trading partner, the average growth of two-way trade with China over the last 10 years has been 12%—that compares with 4% with the U.S.—and 65% of this two-way trade with China comes from the four western provinces. China has become an important trading partner for Canada and for western Canada.

[*Translation*]

Our engagement with our second largest trading partner will continue to grow.

[*English*]

Trade with China is particularly important for agriculture. If you look at diagram six in the testimony I've shared with you, you see that more than $10 billion, or 37% of Canada's total export to China, is agricultural and that 75% of this agricultural export to China comes from the four western provinces of Canada.

[*Translation*]

This is why a poor relationship with China is detrimental to Canadian trade, particularly in the west.

[*English*]

We've observed evidence of this in our recent issues with China on canola, on pork, on beef and on soy.

Canada, therefore, needs market access certainty with China, which means reducing or mitigating arbitrary actions that have harmed farmers and diminished Canadian exports. This means addressing non-tariff barriers in the long term for Canadian agriculture.

While trade in agriculture is important for Canada—it's important for western Canada—agriculture or food security specifically is very important for China. We've seen clear indications of this in their five-year plans. We see evidence of it in “made in China 2025”, their industrial policy that aims for self-sustainability in agriculture as one area by focusing on smart agricultural technology. We see evidence of it in the belt and road initiative that focuses on transportation and infrastructure connectivity by land and by sea as an indication for longer-term agricultural supply certainty.

OECD also has projections on agricultural consumption by 2028. China comes first for many of the agricultural sectors that are important for Canadian export, such as pork, oilseeds, protein meal, soybean and cereal.

● (1205)

[*Translation*]

So China's interest is agri-food security and Canada's interest is certainty of access to the Chinese market. Agriculture is therefore a key interest shared by both countries, but this interest is driven by different needs.

[*English*]

Mr. Carlo Dade: Indeed, if you look at the interests of agriculture, on the one hand China needs food security—access to certainty on access to supply. Even though China is moving to become self-sufficient in certain commodities, the overall demand means that they will always need foreign inputs, not simply as a backstop but to feed the population.

On the other hand, Canada needs market access certainty. If we are going to have producers risk farms, risk investments, risk things that have been in their families for generations, we need certainty about access to markets. That certainty has just been redefined by the U.S.-China phase one trade agreement.

At Canada West, we're engaged on a project to examine how other countries are dealing with non-tariff barrier issues with China. We've looked at Australia and New Zealand, obviously, but also Brazil. I would suggest that at the committee you always hear Australia, New Zealand and the United States, but Brazil has some interesting insights.

Looking at the phase one agreement, what the U.S. has done is redefine what market access certainty is. There are, give or take, 121 specific concessions that the U.S. got from China in that agreement; 51 of them are what I would call hyper-specific commitments and concessions. They're such things as that, within 20 days of receipt of any monthly updates to the list of U.S. pet food and non-ruminant-derived animal feed facilities that the U.S. has determined to be eligible for export, China shall register the facilities, publish the updates to the list on the Chinese GACC—the Chinese customs website—and allow imports of food derived from animal feed from U.S. facilities on that list.

You have the same thing for pork. You have the same thing for beef.

These types of market access certainty are the bar. This will essentially have us out of the Chinese market.

If you think about access and what we need to get from China, agriculture offers a possible solution. If we were to engage China and guarantee access to Canadian supply—not that we'll send a certain amount, but that we will not impose political restrictions on China's access to food, on China's access to agricultural technology, on China's ability to invest in or to access agricultural biotechnology, on China's ability to invest in agricultural production, on China's ability to invest in agricultural processing—we'd have the makings, potentially, of an agreement.

This distinguishes us from the Americans, who used food as a political weapon throughout their history. Even just two months ago, a former U.S. undersecretary was threatening to cut off food to North Korea. We distinguish ourselves from the Americans, we establish why we are different and we have the basis for re-engaging China to reset the relation. Obviously, China will want more, but this is a start.

For the committee—

The Chair: I'm sure there will be chances to speak some more during the answers to questions.

Before I go to questions, we had Mr. Fragiskatos's motion that I probably should have come to after the break. Is it agreed?

(Motion agreed to)

The Chair: Thank you very much.

Now we have a six-minute round, Mr. Genuis.

● (1210)

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you.

Mr. Tiberghien, I wanted to ask my questions to you. You said some things about the Canada-China relationship that are different from things I've read in other sources, so I thought I would dig in a little bit.

Your colleague, Mr. Evans, suggested that we talk a bit about the relationship between Canadian universities and the Canada-China relationship. When it comes to the Canada-China relationship and the Canada-Huawei relationship, do you have a sense of UBC's financial exposure and how much your institution would stand to lose financially in terms of partnerships if certain things happened that made those partnerships less possible?

Prof. Yves Tiberghien: I don't have a sense. I don't manage the overall budget of UBC. What I do know is that when I was director of the institute of Asian research, we had no funding from Chinese sources. We had other endowments that came from Japan, Taiwan and so on, but none from China. The main exposure of UBC is primarily through students—student flows—but students are not just agents of the Chinese state. They are independent members of the middle class, by and large, and they're very hard to control.

Mr. Garnett Genuis: I appreciate that, and I agree about the important role there, but I've read—and I don't know if you can confirm these figures or not—that at the beginning of 2019, UBC and Huawei alone had partnerships worth $7.6 million over three years, that the exposure on the Vancouver summer program, which was for summer students coming for a month-long period, was about $10 million. Maybe you don't have those numbers offhand. I researched them beforehand, and the level of exposure that UBC has is interesting.

In the context of that partnership with Huawei, has CSIS ever issued warnings to you or the university, that you know of, about the risks of collaboration with Huawei?

Prof. Yves Tiberghien: Not to me, no.

Mr. Garnett Genuis: Are you aware of CSIS issuing warnings to other officials at the university?

Prof. Yves Tiberghien: Mainly from my colleague Paul Evans. He has more contact with CSIS.

Mr. Garnett Genuis: All right.

You mentioned not managing the university's overall budget. Are you still the executive director of the UBC China council?

Prof. Yves Tiberghien: Yes.

Mr. Garnett Genuis: You are. Okay.

It's interesting that didn't come up in the introduction. My understanding of UBC's China council is that it's a body of administrators and faculty who advise the university on, among other things, how UBC can advance and protect its financial interests vis-a-vis China.

Do you think it's a problem for you to be responsible for working with the university, advising them on their financial interests vis-a-vis China, while also offering expertise to the public on Canada-China relations?

Prof. Yves Tiberghien: I need to correct one thing. The China council has no responsibility for financial issues. That is purely managed by the respective vice-presidents and the president. The China council is mostly an advisory group that meets not very often—recently, it's been about twice a year—to review certain broad questions and to have conversations. Then this advice is handed over to the vice-provost, the national and the team.

At the moment, the role of the China council is actually quite limited.

Mr. Garnett Genuis: Let me ask some specific questions about the role.

Do professors on the China council at UBC ever consult with administrators on the council before speaking publicly? Do they ever ask for speaking points before offering public comment?

Prof. Yves Tiberghien: No, and the main reason is that the prime role of a professor in a university is academic freedom.

Mr. Garnett Genuis: Yes.

Prof. Yves Tiberghien: When I speak to the media, I don't speak as the China council, and I never mention that title. I speak as a professor of political science who has academic freedom, so those roles are separate, and I keep them very carefully separate.

Mr. Garnett Genuis: Okay. Are professors on the China council ever involved in commercial negotiations with Huawei?

Prof. Yves Tiberghien: No.

Mr. Garnett Genuis: Thank you.

Does the China council play a direct role in university fundraising or in providing advice related to fundraising?

Prof. Yves Tiberghien: Not in many years. There were some early discussions, going back five years, but in the last three to five years, there have been no such discussions.

Mr. Garnett Genuis: Are discussions with the China council held about the implications of Canada's China policy on international student recruitment and on university revenue?

Prof. Yves Tiberghien: We have had some discussions about trying to have visibility about what could happen with students.

By the way, I also need to correct something else. In terms of exposure, the Vancouver summer program and Huawei contracts are very different things.

● (1215)

Mr. Garnett Genuis: Oh yes, of course.

Prof. Yves Tiberghien: The Vancouver summer program is under students.

Mr. Garnett Genuis: I understand I didn't mean to conflate those at all, so my apologies if I did. What I meant was to identify those as two very significant examples of multi-million dollar exposure at the university.

Prof. Yves Tiberghien: The bigger exposure is the flow of students. The summer program is a small part. There is a bigger number.

Mr. Garnett Genuis: Because of time, here's my final question.

Would the decisions about the awarding of honorary degrees ever be discussed at the council?

Prof. Yves Tiberghien: No, because the honorary degree decisions are made by the senate. The senate has all prerogatives and is very strict about this.

Mr. Garnett Genuis: Okay, I think that's my time. Thank you.

The Chair: Thank you very much, Mr. Genuis.

Mr. Fragiskatos, the floor is yours for six minutes.

Mr. Peter Fragiskatos: Thank you, Mr. Chair.

First of all, let me just extend a message of respect to all witnesses, particularly Professor Tiberghien, who had to withstand that line of questioning and did so very calmly. We're very fortunate as a committee to benefit from the insights of witnesses, and today is no different.

Let me begin if I could with Mr. Dade.

Mr. Dade, I'm not sure if you were here for the previous testimony, but if you were, you would have heard Charles Burton from the Macdonald-Laurier Institute, who made a statement that I thought was quite interesting and it surprised me. I'd like to get your insight and that of Ms. Sun, as well.

He said—and I'm paraphrasing—that if Canada wanted to shift its export focus away from China, global commodities could be sold elsewhere, and he implied that this could be done relatively easily. What you've presented to us here in terms of cold, hard data is just how entrenched the relationship is in terms of our economy vis-à-vis China, particularly on agriculture, and the western provinces figure quite prominently in that.

Would it be very easy to just shift quickly, as Mr. Burton implied?

Mr. Carlo Dade: Thank you for the question. I'll pass along your appreciation for witnesses to the others who preceded us, including the the ambassador.

You would have to pull in the private sector, the trading houses and those who are directly involved to get the definitive answer. Looking at the data and understanding commodity flows, long-term contracts, planting decisions, the massive investments that go to production, the massive investments that go for trade infrastructure, I would submit to you that the answer would probably be no, but I suggest that you call in the experts to get a first-hand confirmation of that.

Ms. Sharon Zhengyang Sun: As you can see in the report, we excluded the U.S. in all of our datasets because our trade with the U.S. is still so large, even though we have a mandate for trade diversification. This is because shifting the supply chain is very costly and takes a lot of time. Countries will always be trading with other countries that are larger in economic size and closer in geographic distance.

Trade agreements and institutions that are in place do make a difference, but ultimately it's businesses that trade, so that is what determines the flow.

Mr. Peter Fragiskatos: I was also interested, Mr. Dade, when you began your presentation by saying that Canada's relations with China flow through the west. It is, I think it's fair to say, a very underappreciated element of the relationship, just how prominently the western provinces figure in that bilateral.

Could you expand on that? I see Mr. Paltiel nodding his head as well, if he wanted to comment.

Mr. Carlo Dade: I think the data speaks for itself. In addition to the trade relations, you'll note that the western provinces all have on-the-ground representation in China and throughout Asia. I was just in Beijing, and I spent days with the Alberta office and the various staff that the Alberta office has on the ground. Indeed, other provinces—*la belle province, bien sûr*—but certainly the western provinces are on the ground, and they have deep relations and staff.

That's a benefit to the entire country. By working together with the provincial officials, we have greater reach at lower levels of government, and it's an assistance for us. It's an indication, though, as you mentioned, of the importance.

Mr. Peter Fragiskatos: I only have two minutes, so if I could, I'll put this to Professor Paltiel and then to Professor Tiberghien.

We heard from Professor Paul Evans in the previous meeting this morning. He recommended a few ways forward for Canada on this relationship we have with China. One suggestion he made was pursuing a strategy of coexistence, as he put it. To quote him, this would involve “finding ways to live with China” and “co-operating” where we can on common issues. The former ambassador, Phil Calvert, also said that we ought to find “specific issues” where we can work “collectively”.

Is there low-hanging fruit that we can identify or that both of you esteemed colleagues can suggest, low-hanging fruit that Canada can reach out and identify so that we can move forward in a meaningful way and perhaps enhance this thaw we're seeing in Canada-China relations right now?

● (1220)

Dr. Jeremy Paltiel: Professor Evans mentioned peacekeeping. I think that's an obvious one.

My colleagues here mentioned that agriculture is one that has been identified for a long time. It's a vital interest in both countries.

On health care, the whole area of health care and long-term care and things having to do with aging in China are non-controversial things that we can work together on.

Mr. Peter Fragiskatos: Mr. Tiberghien, did you want to add to that?

Prof. Yves Tiberghien: I'll add a couple of things.

First, we have Bruce Aylward, a Canadian from the WHO who is on the ground in China right now and doing press conferences. Public health is a huge one right now.

Climate change and green tech are enormous. In city management and urban planning, there's enormous progress in China. Then there's the G20, the work around the G20, and the WTO. China is one of the 17 countries that have signed with Canada on the potential short-term fix, or at least the mediation mechanism, to replace the dispute settlement mechanism at the moment.

[*Translation*]

The Chair: Mr. Bergeron, you have six minutes.

Mr. Stéphane Bergeron: Thank you, Mr. Chair.

I think that all the opinions, all the comments and all the analyses tell us that the Communist Party has taken control of the state apparatus in a very intense and intimate way. There's a close relationship, I would say, between the party apparatus and the state apparatus.

Mr. Paltiel, you've carefully pointed out that there's been a paradigm shift with the arrival of the current president, Xi Jinping.

Do you think there is indeed a connection to be made between Xi Jinping's personality and his control of the state and this paradigm shift that is taking place, which has had quite dramatic implications for Canada?

As you said, can we expect—we don't know when, we don't know how—such a change with a different character at the head of the Chinese state?

Dr. Jeremy Paltiel: Thank you for your question. I will answer in English.

[*English*]

Yes, Xi Jinping's personality has played a role. I would say that it's a combination of factors—that is to say, China has risen. It has become more powerful. The difficulties that the west saw in the 2008 crisis, the difficulties in the United States and the ongoing problems with wars in the Middle East have given an opportunity to China. Xi Jinping has seized on this.

The other reason is that many Chinese were aware of the fact. This hypothesis that China will eventually converge with the west is not something that is heard only in the west. Many Chinese Communist officials—and I believe Xi Jinping himself—are worried that as China becomes more integrated into the global rules-based system, the Chinese will begin to question whether there's any role or rationale for the Chinese Communist Party. We've seen, since Xi Jinping came to power, a real effort to try to re-emphasize the ideology, role and practices of the Chinese Communist Party.

To the last part of your question, I recently wrote part of a debate on the coronavirus and its effect on Chinese politics. I believe that in some sense Xi Jinping is overstretched; this assertiveness is gone. I can't predict when or how changes will take place in China. It's like predicting earthquakes. We know where the fault lines are, but we don't know when the earthquake is going to happen.

I think that underneath the surface there are some questions about the handling of governance and that these will eventually bubble up, and yes, this will be a part of perhaps a change over time. I did go on the record as thinking that I'm not sure he will serve out a third term. That's my own personal speculation, but it's based on my knowledge of how Chinese Communist processes work.

● (1225)

[*Translation*]

Mr. Stéphane Bergeron: Once again, Mr. Chairman, we have seen that the witnesses had more to say than they could manage in the time allotted to them.

If either of you wish to add to your testimony, you may do so in writing and send it to the clerk for the benefit of this committee.

Quebec Premier Jacques Parizeau used to say that globalization is like the tide: you can't oppose the tide, all you can do is adapt to it. I think we are still in the process of adapting to the effects of globalization, as Professor Tiberghien mentioned a few moments ago.

That said, I was struck by the difference between the testimony of this second group of witnesses and that of the first.

The first group of witnesses seemed to be calling for us to be firmer with China, while the second group was calling for us to work more closely with China. How can we around this table reconcile these seemingly different views between the first group of witnesses we heard and this second slate of witnesses?

The Chair: Is the question addressed to me, Mr. Bergeron?

Dr. Jeremy Paltiel: I would say the challenge is adaptation.

[*English*]

We have to adapt ourselves to the new reality of China, and we also have to adapt to the reality of China itself. That's to say that the world has changed, and not just in China. The United States has changed in response to it. We have to adapt to this world. Our traditional policies haven't worked and aren't working. We can't simply rely on our ally to protect us, because our ally has turned its back, in some ways, on the rules-based international order.

We saw in fact that the January 15 agreement is a managed trade agreement. The United States will now be playing a role in which they take unilateral gains from their relationship with China based on their market size, not on the rules-based order. We actually have to work to protect the rules-based order, and our best partner may not be the United States. This is a new world.

The Chair: Thank you very much.

Mr. Harris.

Mr. Jack Harris: Thank you, Chair.

I want to thank all of the witnesses for bringing forth their perspectives, particularly on the historical dynamics and the change in our relationship over the years. I'd say that all three presentations, including Mr. Dade's, were dependent upon and/or suggesting how we ought to be improving and buttressing the rules-based international order.

In some cases, Mr. Dade, I'll ask you about it specifically, but the question for all of you is this. How do we go about doing that? If we did have a rules-based international order, it might be easier to solve the problems that we have right now with China with respect to human rights or with respect to trade. We've been vulnerable to their taking action against us.

Of course, we've been vulnerable to the United States doing the same thing, but in respect of China, how do we actually achieve that goal? Do you have any suggestions for us lay people who are trying to find solutions to recommend to the government?

[*Translation*]

Mr. Carlo Dade: We'll start.

[*English*]

It relates to the question from Mr. Bergeron. If you look at the data, the data indicates that we are tied to China. The data indicates that in the private sector across Canada individual consumers, businesses, producers and farmers are making a decision that's increasing our trade. When times have been good, trade has been increasing. When times have been bad, trade has been increasing. The question is how we manage that reality. You could have different views as to whether or not that's good, but fundamentally, how do we manage that reality?

Mr. Jack Harris: If I could interrupt, Mr. Dade, given your concerns about certainty in market access, if the trade-off is investment, which I think you actually encourage, how do we avoid further vulnerability, where instead of having the percentage of trade from western Canada in agriculture being beneficial, all of a sudden production is all owned by the Chinese and they're feeding themselves with our land and our resources? How do you avoid that?

● (1230)

Mr. Carlo Dade: We haven't seen that elsewhere. I would have you take a look again at the example of Brazil.

How do we manage this? The rules-based system has been important to Canada and our history. We're facing a time, though, when the U.S. is trying to destroy or undermine the rules-based system, so we have to try to reinforce it with reaching out with like-minded countries or work with Japan. Joining the TPP was the single biggest statement we could make in trying to keep the rules-based order.

Mr. Jack Harris: Thank you. Can you leave time for Professor Paltiel and...?

Dr. Jeremy Paltiel: I was going to echo that.

First of all, we have to change our mindset. We are a Pacific nation, but we think like an Atlantic nation, and we have to stop doing that. We have to start thinking like a Pacific nation, which means including the west, and therefore, we have to build on those partnerships of the CPTPP to try to build wider networks, especially in Asia, to project the rules-based order. We should look, as Professor Evans and others have said, towards expanding the CPTPP to include China and other actors so that we can extend the rules-based order. The problem is that it is not likely we will have a bilateral free trade agreement anytime soon, or that one would protect our interests, but we could still work multilaterally through the CPTPP to achieve some of the same ends and to work with the countries involved.

Mr. Jack Harris: Thank you.

Can we hear briefly from Professor Tiberghien?

Prof. Yves Tiberghien: Yes. Thank you, Monsieur Harris.

Essentially, my idea would be to differentiate among issues. We cannot take a cookie-cutter approach, a one-size-fits-all approach with China. There are issue areas in which we have to be protective, when it comes to espionage activities and the like or cyber issues. There are issues on which we can work with China, because China is supporting the rules-based order—on the Paris Agreement, on the G20, etc.—and then there are issues on which we need allies to have any leverage. The prime allies should start with Europe and Japan, and then the others. Of course, in other cases, we can work with the U.S. when the U.S. is on board with some dimensions of the rules-based order.

It's a differentiated approach for a very complex moment.

Mr. Jack Harris: Thank you very much.

Mr. Carlo Dade: It is apparent that the rules-based order has failed. If the Americans continue with this managed trade track, we need to have a plan B to follow the Americans.

Mr. Jack Harris: Yes, and I do want to follow up with you, Mr. Dade, because I think it's important. On your suggestion that the model that Mr. Trump and the U.S. have been using with China is one that we should attempt to emulate, I'm wondering how we could manage to do that given the strength of the U.S. market and the tactics that were used to achieve that result. It's not a free trade agreement, obviously. It's a clearly managed trade agreement that excludes Canadian production and some of the elements of that.

How exactly would Canada achieve a positive result using that sort of approach? What leverage do we have and what percentage—we talked about percentage improvement—of our agricultural trade, for example, is with China?

Mr. Carlo Dade: That data is available in what we've handed out. In terms of how we manage this, look, I'm not suggesting we adopt the Trumpian world view, but on the very specific issue of market certainty on agriculture, the Americans have managed to come up with something new. The idea is that we don't have the leverage that the U.S. has, but if we completely flip the script, completely turn it around, the Americans cannot offer the Chinese certainty that America will not use food as a political weapon. We can serve as an example. It's immoral to do so. Canada is a moral country. It's anti-progressive to do so. China will destroy the world if it's going to practise agriculture in ways that aren't at the cutting edge of science and technology.

Mr. Jack Harris: Part of the knock on China—

The Chair: Thank you, Mr. Harris.

Mr. Jack Harris: —and a deal with China is that they don't necessarily follow the rules.

The Chair: Thank you very much.

Mr. Genuis, you have five minutes.

Mr. Garnett Genuis: Thank you, Mr. Chair.

Mr. Fragiskatos doesn't appear to have liked my last line of questioning, but Mr. Tiberghien, this is, I think, an important one to follow up on because I have a couple hundred pages of emails exchanged between members of the China council at UBC over a couple of months in early 2019. Those were obtained under a FOIPPA request in British Columbia. These are important things to highlight, because I asked you if professors on the China council at UBC ever consult with administrators before speaking publicly, and if you ever ask for speaking points before offering public comment.

You said, “No”, but after receiving an email from a reporter at the UBC student newspaper about Huawei and Canada-China relations on January 18, 2019, you wrote to Adriaan de Jager, associate vice-president of government relations and community engagement, and Murali Chandrashekaran, co-chair of the China council, and you asked, “Any advice on how I should respond to this request? Thanks Yves”.

Adriaan de Jager responded, “Looping in Kurt Heinrich who will share our response to media regarding Huawei.” He's a senior director of media relations for UBC.

You replied:

> Thanks Adriaan
>
> For Kurt: I can of course provide my expertise on the analysis of the larger Huawei event and Canada-China relations. But I will be asked about impact on UBC and UBC's reactions. So, it is good for me to know well the official response...do you encourage me to do this interview?
>
> Thanks!
>
> Yves

Earlier that month, on January 2, you wrote to Paul Evans and others asking for his notes from various meetings. One of the co-chairs of the Canada-China Council—

● (1235)

Mr. Robert Oliphant: Mr. Chair, I didn't raise a point of order during Mr. Genuis's last line of questioning mainly because I thought the witness was doing a very good job of responding to all the questions. However, I believe that in the last round of questioning Mr. Genuis did go well beyond the mandate of this committee into an issue that was not related to the mandate given to us by the House of Commons.

We are to look at the relationship of Canada and China. I don't think the internal workings of one institution are in the particular purview of this committee. I believe it's amounting to both an attack on a person who is a witness and has graciously given us his time and on an institution that has its own priorities.

I am concerned that we are veering beyond—

The Chair: Mr. Oliphant, I think this....

Look, I do remind members to stick to the mandate. However, I think this is primarily debate—

Mr. Garnett Genuis: Mr. Chair, if I could just speak to the point of order before my—

The Chair: I'd like to have you go on with your questions, if you don't mind, in terms of time for all members.

Mr. Garnett Genuis: This is a question of the integrity of our research and the advice we are receiving, and it is very telling that Mr. Oliphant is uncomfortable with these questions.

I'm reading from an internal email in which one of the co-chairs of the China council wrote—

Mr. Robert Oliphant: I have another point of order.

Mr. Garnett Genuis: More points of order...? Mr. Oliphant is very uncomfortable.

Mr. Robert Oliphant: On a point of order, I would like to know what it is telling of, because indirectly this—

The Chair: I'm sorry. This is debate. You're getting into debate, Mr. Oliphant. I appreciate—

Mr. Robert Oliphant: Then it's a point of privilege, not a point of order.

On a point of privilege, not on a point of order, I would argue that the member is impugning my character by saying that something is “telling” of what I am doing when I am simply trying to raise a point of order.

For me, that's a point of privilege, not a point of order. If the member has an accusation he is wanting to make, he should make it but not impugn my character.

The Chair: Thank you, Mr. Oliphant.

I'm going to go back to Mr. Genuis.

Mr. Garnett Genuis: Thank you, Mr. Chair, and again, very revealing.

The email references an official UBC point of view:

> I would recommend we have one meeting in which all players are present.
>
> Yves—you should trigger that meeting sooner rather than later....?

You wrote back saying, “I just sent the general email triggering the message.”

Another question I asked of you is if professors on the China council are involved in commercial negotiations with Huawei. You said no. I have here an email you received from Paul Evans on on March 9. It reads as follows:

> Meigan set up a very good session for me on Wednesday with six of her...applied science colleagues. Crisp and informed discussion about experiences in working with China, Huawei related matters in particular, and the changing environment for future collaborations.
>
> Reconciling national security concerns and related risks with advancing research and science is a complicated issue that they are all thinking about. So far there has been no interaction with Ottawa on this but clearly an interest in doing so.
>
> I've suggested a second meeting with the same or a slightly enlarged group or the smaller UBC group (four of five were with us) negotiating with HW now. Meigan made the case that this is an issue where UBC could play a national leadership role. She'll do some internal consultations. Gail has informed.

I had asked you as well if the China council played a direct role in university fundraising or in providing advice related to fundraising. You said not in many years.

On March 20, 2019, you sent an email to various colleagues called “Strategic follow-up action items UBC-China” in which one of the items is the presidential advisory council on China. About this advisory council, you said that Jack Austin, one of the co-chairs of the China council, remained very excited about this process and thought that it held the key to a higher quality relation of UBC with China, but also to fundraising related to China.

The minutes from the September 12, 2018, meeting of the China council say, “Community engagement and PACC: to complete the President's Advisory Council on China...to incorporate top...societal leaders (and future fundraisers), as this could have tremendous impact in terms of the university's reputation, networks, and fundraising.”

I asked if decisions about awarding honorary degrees were discussed at the council. You said no, but according to the agenda for January 18, 2019, UBC awarded an honorary degree to Kevin Rudd, former prime minister of Australia.

I asked if CSIS had issued warnings about the risks of collaboration with Huawei. You said, not that you were aware of, but on January 22 of last year Paul Evans wrote to you and said, “CSIS has issued warnings already about the risks of research and other collaboration with Huawei in particular.”

Mr. Chair, I'd like to, in light of this, give notice of the following motion:

> That the Committee undertake a study of no fewer than four meetings into the relationship between Canadian Universities and Chinese government-controlled entities, and that as part of that study the committee hear from the Co-Chairs of the UBC China Council, and that the Committee report its findings to the House.

This is a notice of motion. I'm not moving the motion, just providing the verbal notice of motion.

● (1240)

The Chair: Thank you very much, Mr. Genuis.

[*Translation*]

I will explain to the witnesses that members have the right to use their five-minute period in any way they wish. They can make comments, as Mr. Genius did after his first question, or they can ask questions. I would encourage members, if they ask questions, to allow reasonable time for witnesses to respond and therefore not to ask questions at the end.

The next speaker is Mr. Dubourg.

You have five minutes.

Mr. Stéphane Bergeron: Mr. Chair.

The Chair: Mr. Bergeron, are you raising a point of order?

Mr. Stéphane Bergeron: Yes.

I understand what you've just explained very well and I totally agree.

Mr. Stéphane Bergeron: However, given the nature of Mr. Genius' remarks, Mr. Tiberghien should be given an opportunity, at least as a courtesy, to respond and explain his point of view.

The Chair: Thank you very much, Mr. Bergeron. However, I will leave it up to the other members to give a portion of their time to do that, if they wish.

Mr. Dubourg, you have the floor.

Mr. Emmanuel Dubourg (Bourassa, Lib.): Thank you very much, Mr. Chair.

First of all, I'd like to acknowledge all the witnesses who are here and thank them for their presentations.

Our relationship with China is at an impasse. It is a difficult situation and your expertise, gentlemen, is extremely important to us so that we can see how to improve this relationship.

Mr. Tiberghien, I want to give you time to answer, if you have a comment to make following this long statement.

The floor is yours.

Prof. Yves Tiberghien: Thank you, Mr. Dubourg.

Of course, I'd like to answer. It's an important matter.

[*English*]

I want to first thank the member for those questions.

I want to preface by saying this is really taken out of context. This is picking one little thing out of a hundred others, so you pick a lot of noise.

First, it is not representative of the usual function. Out of 200 interviews I may have given in three years, this one may be the one where I asked for some thoughts, but I received none and I spoke freely afterwards. You must put this in a larger context.

Second, I did say that I had not heard directly from CSIS, but that I had heard from Paul Evans. This is exactly what you find in the emails.

Third, when it comes to the PAC, the presidential advisory council, this is an old idea that goes back to 2014 or 2015. It has been kicked around in the council, but so far, it has led to nothing. Nothing came out of it. Primarily, the idea was to create an advisory group. It's not primarily about fundraising. You picked a little bit of noise here, but we have to look at the primary goal.

I also want to make it clear that the China council played a role in, for example, convincing the president not to have a Confucius Institute at UBC. We did the research. We did interviews with government, and found that this was risky. We pushed back and we advised against having it. We played a role in ensuring the Dalai Lama came to UBC. We are very neutral. We are pretty happy and are very proud of the role we play in hearing all sides. It's very important to state that the elements picked up here were not representative.

There was a discussion, as noted in the emails, about Huawei that was triggered by the hearings with Paul Evans in Ottawa. They were hearings at GAC, not at CSIS, where we heard there were concerns in Ottawa so we did trigger the meeting. The issue was not about managing media. It was about responding to what we heard from government. We had a very fair discussion. We decided to monitor, to watch what was happening and to be very careful.

Also, one consequence of that was that the officer in charge, the vice-president of research, Gail Murphy, went to Ottawa and was briefed. She did it not as a China council member but as vice-president of research, so she is the lead person managing that.

● (1245)

[*Translation*]

Mr. Emmanuel Dubourg: Thank you, Mr. Tiberghien.

Since we're talking about Huawei, my next question will be for Mr. Paltiel.

I know that in June 2019 there was a meeting to discuss difficulties and solutions. You organized a summit and a conference.

[*English*]

One of the key questions addressed was “The fate of Huawei and Canada's next generation 5G communications network. How do we arrive at the right decision?"

[*Translation*]

You know the background related to Ms. Meng Wanzhou. In your opinion, should we make a decision on Huawei now or should we wait?

Finally, what impact would one decision or another regarding Huawei have on our relationship with the Group of Five?

The Chair: You have thirty seconds left.

[*English*]

Dr. Jeremy Paltiel: On the question of Huawei, I have some complex views. I can't do them in one second. The point is that this is an issue of security, yes. I'm also on record as saying that research partnerships with universities should also be subject to some security concerns. The problem of Huawei is also a problem of competitiveness and technology development and investment in Canada. We have to take a look at the Huawei issue from the perspective of what it means—if we start banning particular companies in particular countries—to the whole notion of national treatment in international trade. That's a problem.

The Chair: Thank you very much.

I'm sorry. The time is up.

Mr. Genuis, you have five minutes.

Mr. Garnett Genuis: Thank you, Mr. Chair.

Professor Tiberghien, I want to give you most of this round to respond to whatever you want to respond to. In fairness, I asked you questions in the first round, and in the second round I simply shared emails that seemed to suggest a somewhat different interpretation of the facts.

You said, in response to my colleague's question just now, that in this rare instance on January 18 when you asked Mr. de Jager if he encouraged you to do the interview.... You seemed to imply that there was no response. In fact, there was a response. That email was sent on the Friday. On the Monday, there was a response that said, “Good morning, Yves. Thanks for the note. Please see below for UBC's position on research agreements with Huawei. I hope this helps.”

Then it contains what looks like five or six paragraphs of bold type. That's there. That's part of the record. I would welcome members and members of the public to take a look at these emails because they raise concerns for me about about the fact that we have not one but two people today who are coming to us as experts who are involved in this Canada—China council.

That's a minute and a half, but you have three and a half minutes left of my round to address whatever you like and use how you see fit.

Prof. Yves Tiberghien: Thank you, Mr. Genuis, for the time.

Obviously, I haven't prepared for this. I haven't looked back at all the emails. I have 300 to 400 a day. Thank you for correcting my memory on this. My recollection is that.... I often meet the UBC student newspaper because they are often my students.

As far as I recollect, whatever the formal facts given by Mr. de Jager, they may not have popped up in a discussion. I can't recall. I will have to check. As far as I know, most of my interviews with student papers are pretty broad discussions. They want to know what's happening, the views on both sides, etc. Usually, I'm very frank. I've often been very open and frank. I can look back at whether this was used in an interview. It may not have been even used. I don't recall. It was not very striking. I want to say again that those are....

The emails in January 2019 follow conversations in Ottawa by Paul Evans—for me, it was with GAC—where we heard for the first time that there was concern in Ottawa. I guess the professional thing that we did with UBC in the end was to hold a conversation where, for the first time, there was discussion that involved some deans and the vice-president, etc. It was a professional thing to do, to hear what we heard from Ottawa. That was the bulk of it.

● (1250)

Mr. Garnett Genuis: Thank you, Mr. Tiberghien.

I really feel that this is an area where we need to have further study at the committee. We've talked about a few examples of the financial exposure. Clearly, the financial exposure is coming up in conversations with the China council. We've identified two small examples—likely small in the scheme of things—that total $17 million for one Canadian university in terms of exposure.

I have about a minute left, but I'll turn that over to Mr. Albas.

Mr. Dan Albas: Thank you, Mr. Genuis, Mr. Chair, and all of our witnesses.

I am also concerned. I know Waterloo university has publicly asked for clarification on who it can contract with, particularly when they are concerned about certain corporations. In this case, I'm sure one of them would be Huawei, although I can't be certain. However, there's a lot of clarity that is being asked for by Canadian universities.

I would like to go to the Canada West Foundation now.

You said that the growth that Canada has seen over past years in selling our agriculture, for example, to China, has gone up and up. You have suggested that perhaps some sort of deal could be made.

I think that would be subject to the new NAFTA provisions, and I think we also need to understand what this U.S.-China managed trade agreement will do to our own exports. It's very difficult to foresee that there are not going to be major structural changes in flows in the North American-Chinese trade balance. Those things will harm Canadian agriculture.

Could you please...?

The Chair: It will have to be a comment rather than a question, because your time is up.

Now we have—

Mr. Robert Oliphant: Mr. Chair, may I suggest that in our remaining time, we will take maybe two minutes and then offer it to the opposition, the third and fourth parties, if that works for our time?

The Chair: That's very helpful. Thank you very much.

Ms. Zann, please.

Ms. Lenore Zann: First of all I want to say thank you again to all of the witnesses. I want to apologize if anybody has been made to feel uncomfortable. I think sometimes these little moments of “gotcha” are very unpleasant and really unprofessional.

On that note, though, I would love to ask Mr. Tiberghien a question.

Having spent time in Hong Kong doing research, and having given lectures in China on global governance, what do you think of the current state of affairs in Hong Kong and how it's going to evolve? What are the reactions and attitudes of students in China toward that topic and also global governance?

Prof. Yves Tiberghien: Thank you very much for this great question, Madam Zann.

First, on global governance, that's an easy one. When I give lectures at universities in China, I'm struck that there is a lot of interest and enthusiasm about the idea of global governance or global public good. You can find a young class, at this moment in history, and they believe in a rules-based order on the economic and environmental side. There is a lot of interest in the UN, in the SDGs, in climate change. It is quite similar to what you see in Europe, or to some extent, in places like Japan or Korea and Canada.

I want to put this on the table. When I get to discuss the political situation, usually they aspire for more freedom and fixing problems in China, but they do it in a way that's humbled by history. They want to find a pathway that's not going to destroy China like it has in the past. There is that awareness as well.

When it comes to Hong Kong, I feel a bit of a sense of tragedy. I feel sad. I have a lot of friends in Hong Kong. I was there in 1996 and 1997. I did months of interviews. When I was at Stanford in a legal and a co-operation centre—

● (1255)

[*Translation*]

The Chair: I'm sorry, Mr. Tiberghien, but your two minutes are up.

I must now give the floor to Mr. Bergeron, who has two minutes and thirty seconds.

Mr. Stéphane Bergeron: Thank you, Mr. Chair. I'll try to be brief to give our witnesses some time.

I ended my last round of questions with a question that I thought was highly relevant, especially since it is the kind of question that our public servants are not able to answer objectively. It's not that they don't have the competence to do so, but, in any event, I think we're beginning to understand that there are changes to be made in Canada's foreign policy, particularly with respect to China.

The question I asked the previous witnesses is this: do you believe that Canada is currently well equipped to take full measure of the changes that are taking place and to adapt to them?

Dr. Jeremy Paltiel: May I start?

Mr. Stéphane Bergeron: Why not?

[*English*]

Dr. Jeremy Paltiel: I have advocated for some time that we need more co-operation with people who are facing the same circumstances. We can't deal with China alone. Our traditional way of dealing with it is that our alliance goes straight to the United States. The American alliances in Asia are also bilateralized. There is no framework that we could, and should, use to talk with like-minded countries, if we want to call it that—South Korea, Japan, Australia, New Zealand—where we can compare notes on not just dealing with China, but also dealing with their allies and the relationship between them.

We need a structure for this, so that we can be on the same page and be able to approach China collectively, because individually, we do not have the leverage. Of course, Europe is also important, but Europe has its own issues and problems.

[*Translation*]

Mr. Carlo Dade: Canada must increase its capability.

[*English*]

We don't have the research institutions, the non-academic think tanks, that can engage on an ongoing basis. This is a critical weakness, when you look at Australia or the U.S., though it's difficult when we stray from the practicalities and go into political grandstanding and into attacking organizations that have worked hard to help Canada and have worked hard to increase our capacity and understanding.

You hear time and again that we simply don't have the capacity. What we had here today kind of diminishes our ability to get capacity.

The Chair: Thank you.

Mr. Harris, you have two and a half minutes.

Mr. Jack Harris: Thank you.

First of all, Professor Paltiel, you talked about Huawei. I'm interested. I don't want to put words in your mouth, but I gather from what you're saying that you believe that Canada should take an independent view and decision with respect to Huawei, and it should include business aspects to it as well as security.

Are you suggesting that we should seriously consider an approach that's similar to what the U.K. has taken in terms of recognizing the security issues with respect to certain aspects of the 5G network, but that there are business aspects in which there can be participation? Is that your position?

Dr. Jeremy Paltiel: That is my position. I put in my remarks, but didn't get to it, that we should take an empirical approach to security issues. That's what the British have done. That's what Canada has done in the past. We have to be mindful of our senior ally. We also have to be mindful of the risks. We also have to be mindful, if we want to have an open climate for investment and also the creation of intellectual property in Canada, that much of the 5G technology that Huawei has developed came from Canadian scientists, scientists in Ottawa.

Are we going to be able to enjoy the benefits of the creation of intellectual property created here in Canada? That's a question both for regulation and for universities, but it's also a question of how we deal with this 5G network issue.

Mr. Jack Harris: Thank you.

The second question has to do with increased trade with China with less than absolute market access. Are we making ourselves more vulnerable by being dependent on that trade in the absence of a rules-based system that guarantees they'll actually following those rules? The knock on the idea of a trade agreement with China—and some celebrated the fact that it failed—was that we would be bound by the rules through our legal system but they would not. Is that a concern?

Should we be getting that certainty first?

● (1300)

Dr. Jeremy Paltiel: China is a member of the WTO. It's subject to more anti-dumping provisions than any other country. The dispute mechanism of the WTO is not working because the United States refuses to name judges to it. That's a problem that has to be dealt with. China actually acts in many ways within the rules of the WTO. We do need the WTO. We do need to be on that.

The premise of your question is a little strange in some sense. Either we're a trading nation or we're not. When you're a trading nation, you're, in that sense, automatically vulnerable to changes in trade flows. Unless we decide to go the way of North Korea to autarky, we have no choice but to be subject to those vulnerabilities.

The Chair: Thank you very much.

Mr. Jack Harris: Thank you. That answers the question.

The Chair: Thank you, Mr. Harris.

Thank you to all the witnesses. We very much appreciate your presence here, whether directly or remotely.

The meeting is adjourned.