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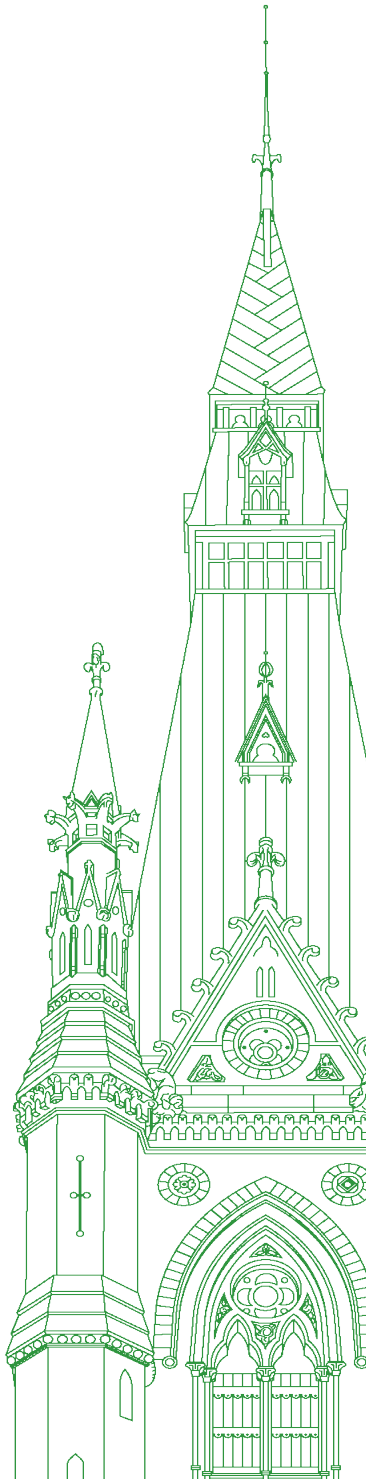

Chair: The Honourable Geoff Regan

Special Committee on Canada-China Relations

Monday, May 3, 2021

● (1830)

[*English*]

The Chair (Hon. Geoff Regan (Halifax West, Lib.)): I call this meeting or order.

Welcome to meeting number 25 of the Special Committee on Canada-China Relations.

Pursuant to the order of reference of Wednesday, September 23, 2020, the committee is meeting on its study of Canada-China relations.

[*Translation*]

This is a hybrid meeting, pursuant to the motion passed by the House on January 25, 2021.

Before we welcome the witnesses, I want to inform the committee members that Iain Stewart, president of the Public Health Agency of Canada, and Dr. Guillaume Poliquin, acting vice-president of the National Microbiology Laboratory, have confirmed that they'll appear on Monday, May 10, 2021.

[*English*]

They have also indicated that they are negotiating with the Translation Bureau and will do their best to expedite the translation.

Turning to our witnesses, I would like to welcome, as individuals, Lynette H. Ong, associate professor of political science, Munk School of Global Affairs and Public Policy, University of Toronto, as well as Richard Fadden. Thank you both for being here.

Let’s open the floor with opening remarks from Ms. Ong. Please proceed. You have five minutes.

Ms. Lynette H. Ong (Associate Professor of Political Science, Munk School of Global Affairs and Public Policy, University of Toronto, As an Individual): Chairman Regan, vice-chairs and distinguished members of the special committee, it's an honour be here. Thank you for the generous invitation to testify before the committee today for a second time.

Given today's topic of foreign interference, I would like to start with some definitional issues.

What constitutes foreign interference, and how do we differentiate foreign influence from foreign interference?

A country can exert influence on another country through the use of carrots, such as financial aid and concessional loans; sticks, such as economic sanctions; and persuasion, such as propaganda or disinformation campaigns. Democracies have a more pluralistic and open society and are more tolerant of foreign influence. Conversely, autocracies are less tolerant, because policy contestation tends to take place between factions of the ruling elite rather than in the public realm.

When does foreign influence become foreign interference? Foreign interference refers to the grey zone of domestic security. The terms that have been used to describe it range from “covert” and “deceptive” to “malicious” and “manipulative”. I think the scope of what foreign interference laws cover also differs among countries. Therefore, the distinction between legitimate foreign influence, as every country aims to pursue with its public diplomacy, and foreign interference is not clear-cut. I think it should be recognized that they exist along a continuum rather than in binary terms.

I want to spend some time speaking about United Front work. The Chinese Communist Party's, the CCP's, United Front strategy is premised on the idea of uniting with lesser enemies to defeat greater ones. The strategy proved highly successful in the civil war that brought the CCP to power in 1949 by enabling it to recruit non-Communist power holders, business leaders and local communities to undermine the Kuomintang government. While much of the United Front work was inward-facing in the past, its prominence has been reinvigorated and its scope expanded since 2015. In the same year as the term limits for the Chinese president were abolished, the government departments in charge of ethnic affairs, religion and overseas Chinese affairs were subsumed within the party's United Front Work department. Since then, the United Front Work Department's foreign-facing operations have been carried out by overseas Chinese, with the party's co-optation of ethnic Chinese individuals and communities living outside China and of Chinese organizations based overseas.

The key United Front groups include peak organizations such as the Chinese People's Political Consultative Conference, which brings together non-CCP social elites domestically. Overseas, it includes the China Overseas Friendship Association, the All-China Federation of Returned Overseas Chinese, Chinese students and scholars associations, and numerous overseas Chinese friendship and hometown associations. By co-opting these organizations under the umbrella of the United Front work, the party seeks to shape the narrative and extend its influence overseas. This raises the question of whether activities of these organizations are instances of “foreign influence”, such as attempts to project China's soft power overseas, or they amount to “foreign interference”. The covert nature of some of these activities makes a fair and impartial assessment more challenging.

I think there's a lack of rigorous academic studies on the subject of the United Front work. Being part of the United Front networks does not automatically imply that individuals or organizations are the CCP's local agents to carry out foreign interference, even though they are part of the umbrella.

I think it is also important to recognize that the diasporas are not passive or apolitical agents of their home governments. In general, the diasporas have agencies and incentives of their own. In Canada's context, it is also crucial to recognize that the Chinese diaspora is far from being a homogeneous community, and their allegiance to the Chinese government, or the CCP, should not be automatically assumed.

In 2018—

● (1835)

I have two more pages to go. Can I go to my recommendations?

I'm sorry; I can't hear you.

The Clerk of the Committee (Ms. Marie-France Lafleur): Mr. Chair, you're on mute.

The Chair: I'm sorry. We provided five minutes. Hopefully, the questions that are asked will draw out more from you, if you don't mind.

Ms. Lynette H. Ong: Sure.

The Chair: Thank you very much.

Mr. Fadden, you have five minutes, please.

Mr. Richard Fadden (As an Individual): Thank you, Chair. It's a pleasure to be before you this afternoon.

I'm going to take advantage of the fact that you didn't vet my comments and provide a little context to the issue, as opposed to speaking in great detail about the specific topic of foreign interference.

I think it's important when we look at this Chinese practice, along with a raft of others, to think of the Chinese as our strategic adversaries. What I would like to talk about more than anything is what it should mean for Canada if we accept that.

I think as a precondition to dealing effectively with the Chinese on foreign interference and on anything else, we have to accept that they have a coordinated and centralized policy, an activity development program, that enables them to use all the tools they have at their disposal—foreign, defence, security and trade policy. My metamessage this afternoon is that if we are going to deal effectively with the Chinese, we have to do the same. We cannot look at foreign interference in isolation from trade activity or diplomatic initiatives in the Far East or Indo-China. We have to have a coordinated activity.

I have a couple of metapoints, if I may. First, I think we need to be realistic. China is the second most powerful country on the planet. We're a middle power among many. Except when our sovereignty is directly impacted, I'm not sure there's a great deal we can do alone to affect how the Chinese are going to treat their objectives and how they are going to carry out their objectives. If we are to have an impact on the Chinese, we must use every multilateral tool at our disposal. If the UN doesn't work, we should try the Five Eyes, the G7 and the margins of NATO. They all provide many opportunities for ministers and officials to exchange views and coordinate action.

Let me touch upon what we should do when our sovereignty is directly affected by Chinese action. We need to recognize it, first of all, and develop some sort of consensus on what that is. When we cannot stop it, and when it is not stopped, we need to take some action. Foreign influence is an activity that comes to mind. By any definition, this is unacceptable and is an assault on our sovereignty and a threat to our citizens. There is no reason we cannot discuss this common problem—this is a common problem shared by many of our allies—and coordinate any push-back.

When the Chinese activity is more indirect—too many Chinese students in universities, the extent of Chinese grants to research in areas sensitive our national security—we need to do something in this area as well. Because they affect areas other than our national security interests, they are more difficult to deal with, but they cannot be ignored in the face of control exercised by the Chinese state.

Coming back to my effort at setting out a metapoint, I submit that Canada cannot effectively deal with organized and centrally controlled Chinese activity without itself being organized and coordinated. I mean that our response needs to be whole-of-government at the level of the Government of Canada and to be national at the level of the country.

By “whole of government”, I mean that our reaction to unacceptable Chinese behaviour can't be limited to just CSIS, CSE and occasionally DND and GAC. Rather, it must encompass all elements of the Government of Canada. ISED and Natural Resources come to mind. By “national”, I mean that the responsibilities of the federal government for protecting our sovereignty and the control it has over our border means that it entails federal governmental activity throughout the private sector and civil society, and in some matters potentially affecting the province.

I stress again that we're not going to be able to deal with foreign influence or any other unacceptable Chinese activity unless we admit we have a problem and we coordinate it internally and with our closest allies. This is not necessarily very easy. It's not easy for any number of reasons. I just want to flag one: Not all Chinese citizens and not all Chinese activities are undertaking activities that are harmful to Canada. Distinguishing between the kinds of activities that Professor Ong talked about and those other activities that are perfectly fine is a great deal more difficult than it sounds on the surface. The only way we're going to do this is if we talk about it and articulate what we consider to be unacceptable, ideally coming up with standards that are very similar across our allies.

Thank you very much, Mr. Chairman. I look forward to answering any questions you might have.

● (1840)

The Clerk: Mr. Chair, you're still on mute.

[*Translation*]

The Chair: Sorry.

[*English*]

Thank you very much, Mr. Fadden and Ms. Ong.

[*Translation*]

We'll now begin the first round of questions.

Mr. Paul-Hus, you have the floor for six minutes.

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Thank you, Mr. Chair.

Good evening, Mr. Fadden and Ms. Ong. Thank you for joining us.

Mr. Fadden, this may sound like a simplistic question, but I'll ask it anyway. On a scale of 1 to 10, how would you rate the threat posed by China in terms of the economy, national security and defence?

[*English*]

The Chair: Mr. Fadden, you're muted, just as I was.

Mr. Richard Fadden: Thank you. I go through this all the time. My apologies.

[*Translation*]

I would put the threat level at about 8 out of 10. That's mainly because the Chinese authorities are absolutely determined to achieve their goals, no matter what people think. I'm particularly concerned about their willingness to use almost any method to succeed. We can't do that here in Canada, or in the west in general.

Mr. Pierre Paul-Hus: Since the Chinese don't have any limits or regulations, they can do whatever they want.

That said, I want to hear your thoughts on some of the issues that the committee has already addressed. For example, Mr. Juneau-Katsuya, who appeared recently, said that the number of Chinese diplomats in Canada was unusually high.

What are your thoughts on this statement? Do you think that he's right?

Mr. Richard Fadden: In general, there are a few more diplomats than necessary. However, large countries tend to have huge embassies. We shouldn't necessarily be concerned about the number of people from China in Canada, but about their positions. That's what we should be focusing on. An embassy official who deals with consular and cultural issues isn't a problem. However, a number of people are basically members of the Chinese ministry of public security. That number should be reduced, and not necessarily the total number.

● (1845)

Mr. Pierre Paul-Hus: We must focus on the positions held by these people. We must wonder why people from the Chinese ministry of public security are working in our country, based on what you said. Is that right?

Mr. Richard Fadden: Yes, exactly.

Mr. Pierre Paul-Hus: At the start of the pandemic, CanSino was given a contract to develop a vaccine, and that contract was dropped. A witness told us that China was playing political games.

Do you have a clearer idea of what type of political game the Chinese government may be playing, in particular by keeping the cell lines at Chinese customs?

Mr. Richard Fadden: Honestly, I don't know enough about this topic to respond. I'm sorry.

Mr. Pierre Paul-Hus: Okay.

I know that Ms. Ong spoke about this. However, in your opinion, how should the Canadian government address the use of the united front work department and the thousand talents program?

Mr. Richard Fadden: We must start by accepting that we have an issue. One of our difficulties in Canada is that, although the views of Canadians have changed over the past few months, there isn't any consensus. As long as there isn't any consensus on this type of activity, the national security agencies will have a very hard time addressing it.

Clearly, not only in Canada, but in all our allied countries, this type of activity is unacceptable. We need to provide some additional resources to the national security agencies in Canada. We give them a very broad mandate, but we don't necessarily give them the necessary resources. We heard a few moments ago that there weren't any restrictions on Chinese activities. The Chinese also have an edge over us because they have almost unlimited resources. If we want to address this type of issue, we must act.

Mr. Pierre Paul-Hus: I believe that you spoke to the Standing Committee on Public Safety and National Security two or three years ago about Bill C-59 and cybersecurity operations, among other things. Lately, as a result of the COVID-19 crisis, we've seen that our security agencies don't have highly offensive capabilities, compared to the CIA, to counter external threats.

Do you think that, in Canada, we should start considering other ways of dealing with threats?

Mr. Richard Fadden: Yes, that's what I think.

For a long time, I believed that this wasn't necessary and that defensive measures would suffice. However, the global digital environment is so dynamic and dangerous that we need tools to actively counter the threat. This requires a clear legislative and regulatory framework. We must do something about this.

Mr. Pierre Paul-Hus: In your opinion, what scares the Government of Canada? Is the government mainly concerned about the economy? Does the government have other concerns regarding China?

Mr. Richard Fadden: I think that the main concern is the economy. The economic secrets of the government and the private sector are being stolen on a massive scale. There's no doubt about that. This has cost us hundreds of millions of dollars over the years. The issue is hard to ignore.

Mr. Pierre Paul-Hus: Thank you.

The Chair: Thank you, Mr. Paul-Hus.

Mr. Lightbound, you now have the floor for six minutes.

Mr. Joël Lightbound (Louis-Hébert, Lib.): Thank you, Mr. Chair.

I want to thank the two witnesses who are here today.

My first questions are mainly for Mr. Fadden.

Mr. Fadden, thank you for your testimony and for your service to the country.

Mr. Fadden, I'll delve into the past a bit. In 2010, you said that foreign powers were influencing a number of politicians, ministers and public servants through espionage activities in Canada, and that foreign powers were infiltrating political circles in Canada. At the time, a number of people legitimately concluded that you were talking about China. However, the government of the day and its public safety minister found your comments regrettable.

A few weeks ago, Michel Juneau-Katsuya, a former Canadian Security Intelligence Service, or CSIS, officer, said that you were severely reprimanded by the government of the day. In addition, Wesley Wark said that Prime Minister Harper's office threw you under the bus as a result of those comments.

Has the situation changed in this area? Has the government taken this threat seriously and improved its response to the threat of interference by the Chinese Communist Party, a threat that you had identified?

● (1850)

Mr. Richard Fadden: The opinions of the people in government and the views of the general public have changed.

I used the following English expression.

[*English*]

“They had a certain measure of influence”.

[*Translation*]

My comments were somewhat overblown. It was inferred that I was saying that foreign powers were controlling public servants and politicians, but that was not the case.

It has generally been recognized that my comments were truthful and that the situation must be taken seriously. Over the past few years, a number of your colleagues, both former and current, have told me that I was right and that more honesty should have been shown at the time.

Agencies like CSIS are now allocating more resources to that type of threat. However, it is more difficult to detect it, contrary to terrorist activities. There is no clear evidence in this kind of a situation. So I sympathize somewhat with my former CSIS colleagues. With the help of our allies, we can do something to counter that kind of foreign influence, whether it is coming from China or from another country.

The problem in Canada is that the general public has trouble accepting that our country is under threat. In North America, we feel well protected by the three oceans and by the United States. A crisis sometimes needs to occur for people to admit that there really is a problem. In this kind of a context, the scope of public security agencies' actions is somewhat limited.

Mr. Joël Lightbound: I would like to talk about the evolution of thinking and the increased awareness in Canada concerning the threat China poses in terms of foreign interference.

You published a report in 2010-11, while you were director of CSIS. In it, you talked about the economic and strategic competitiveness among nations, and you said that it created a threat level similar to the one that existed during the Cold War.

You talked about this 10 years ago without, however, naming China. Is there a reason you did not name it? We are seeing a change in the more recent reports, produced by Mr. Vigneault. For example, China is directly named in those reports.

Is there a reason you did not name China at the time? Was it indeed China you had in mind? I assume that was the case.

Mr. Richard Fadden: That was mainly because there was not really consensus yet within the Five Eyes and among our close allies.

It is a bit difficult for a country to formally say that a specific country poses a problem. At the time, we decided not to name China, but I think it was implied and most people who read the report understood that.

It is difficult to name a country in particular when we cannot bring up specific incidents. That can constitute a difficulty in this area.

Mr. Joël Lightbound: You were talking about the Five Eyes alliance. In your remarks, you said it was important to use multilateral tools, such as the Five Eyes, the G7 or perhaps other activities in the margin of meetings of the North Atlantic Treaty Organization, or NATO.

What degree of cooperation do you think is necessary to deal with this situation brought on by China?

Mr. Richard Fadden: Cooperation is very extensive within the Five Eyes alliance. As for the G7, its member countries are discussing the situation and know that it is serious. However, there are currently so many other issues to consider on a global scale that it is difficult to ask G7 leaders to look beyond a certain point.

As for NATO, we should take advantage of the fact that our major allies are its members and, although the situation involving China is discussed only in the margin of big meetings, it would be worthwhile to talk about it a bit more.

Mr. Joël Lightbound: Thank you, Mr. Fadden.

Mr. Chair, I don't think I have enough time left to ask a question and get a relevant answer.

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

Mr. Bergeron, go ahead for six minutes.

Mr. Stéphane Bergeron (Montarville, BQ): Thank you, Mr. Chair.

I want to begin by thanking our witnesses for joining us this evening. I also thank them for their testimony, which is highly relevant to our study.

I will go further on the question Mr. Paul-Hus put to Mr. Fadden on the high number of Chinese diplomats on mission in Canada.

Beyond the number, it is important to know what each of those diplomats is doing. However, are you not worried that it would be difficult for us to identify those carrying out duties related to security, be it based on their title or based on their unofficial duties?

● (1855)

Mr. Richard Fadden: It is indeed sometimes very difficult to know who is doing what. There are methods for doing that type of research. However, one of the things I was taught during my time at CSIS is that methods should never be discussed. So I deeply regret not being able to answer your question in detail. That could undermine our efforts against the Chinese authorities.

Mr. Stéphane Bergeron: I completely understand.

However, I feel it is important to point out that it is not enough to consult the employee list and to read their title to find out how many of them are specifically in charge of security. Some people's title is purely consular, but we know very well that they perform functions that far exceed the consular aspect.

The committee was totally shocked to learn that VFS Global, a company in charge of visa applications in China, is not only receiving upstream Chinese funding, but that it also deals with a subcontractor downstream on the ground. You even went as far as to say that the company was an entry point for Chinese cyber spies.

The committee was also shocked to learn, after questioning various Canadian security agencies about Nuctech and VFS Global, that no security screening on those two companies had been carried out. The federal government seems to have gotten mixed up. The left hand does not seem to know what the right hand is doing. There appears to be no political will to carry out this kind of screening. As a result, no screening was done.

Is that kind of an outcome not very concerning and should it not make us tighten up the screening measures for businesses we deal with?

Mr. Richard Fadden: I think so. That is sort of what I was talking about in my opening remarks. The federal government's measures must be implemented across government and be integrated.

Honestly, this may be easier to say than do, but it is possible, especially if cabinet determined that six countries, for example, should be subject to screening. However, this does not mean that, every time the government buys a good or a service from a country, such as Belgium, it must systematically carry out a comprehensive screening of that country. Nevertheless, the screening measures must be tightened up and integrated a bit more.

For this to work properly, half a dozen countries must be designated as those we focus our efforts on. I honestly don't think that Canada's governments, both federal and provincial, particularly like carrying out those activities. However, certain countries must be monitored carefully, as the United States and France do, for instance.

I think that China poses a sufficiently serious risk to make it worth our while to tighten up the measures.

Mr. Stéphane Bergeron: Extremely sensitive equipment and services are involved. We are talking about security equipment in Canada's foreign missions, in one case, and, in the other case, access to all the personal data of people who apply for a visa to come to Canada.

You were talking about entry points for Chinese cyber spies. What do you have to say, for example, about VFS Global, a company located in Beijing?

Mr. Richard Fadden: That small centre located in Beijing and elsewhere, which gathers various people's personal data, must have access to data centres in Canada, where that data is processed and where decisions are made. It does not take a lot of imagination to assume that the Chinese agency, which comes under China's ministry of public security, will take advantage of that connection to data centres in Canada and use the opportunity to infiltrate the federal network in general.

I will give you an example. A few years ago, The New York Times published a report on a small family shop in Texas, which had a computer a certain country used to get into the data centres of half a dozen departments in Washington. The entry point does not need to be recognized as relating to national security or be in the country. An entry point is an entry point. That does not mean China will do it. However, what worried me when I heard your comments is that the possibility is there and, in my opinion, we should not have allowed that possibility to occur.

● (1900)

Mr. Stéphane Bergeron: Especially not without having carried out adequate screening. Right?

Mr. Richard Fadden: Yes.

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

[*English*]

Now we'll go to Mr. Harris for six minutes.

Mr. Jack Harris (St. John's East, NDP): Thank you, Chair.

Thank you to both of our witnesses for coming to join us tonight.

Mr. Fadden, first of all, for you, I want to follow up slightly on VFS Global. You said recently—and you're quoted as saying—that Canada should end its relationship with having the Beijing police looking after our visa centre in China and in Beijing in particular. I can't disagree with you.

As you say, you "can't think of a more promising entry point for cyberspies", and for other spies, I guess, and data entry, but we're told, Mr. Fadden, that the government didn't know about it until recently. That's not actually true, because this started in 2008, and VFS indicates that they advised the Government of Canada of who their local contractor was, which they are required to have by Chinese laws.

When you were head of CSIS, where was CSIS when all this was going on, starting in 2008? This has been going on for almost 20 years.

Mr. Richard Fadden: It's a fair question. I can say that when I was at CSIS, I never heard of this and I wouldn't have, necessarily, but I think, to repeat a little bit of what I said in French a few minutes ago, one of the challenges I think we face in Canada is to develop an understanding of what we are going to do if we accept the view that countries like China present a risk.

Among other things, it means that we have to better integrate the activities of a variety of departments. We have Ms. Anand's department, procurement, and [*Technical difficulty—Editor*] hopefully knows what's going on, and we have immigration, which is a commissioning department, and I'm not sure that every time, on every occasion, everybody understands the risks we're taking.

Until we have a national consensus on the kinds of risks that you and your colleagues are talking about, it's very hard for a single agency to [*Technical difficulty—Editor*] Chinese [*Technical difficulty—Editor*]

Mr. Jack Harris: If I may interrupt, time is short here.

We don't have a single agency. We have CSIS. We do have the RCMP. We do have the CSE. We have the bodies that are there and are supposed to be doing the job, but we seem to have—I'm hearing it from you and I'm hearing it from all sorts of people—lots of fearmongering, lots of saying that there's something going on, but there are all these grey zones. Where is the point at which they become bright lines?

You mentioned secrets being stolen by China. Well, if this is theft that's going on, surely that's a criminal activity, and either the laws are inadequate or the enforcement is. It's one or the other. We need advice from people like you, advice to say, "Okay, look, the laws are inadequate." That's fine. The laws may be inadequate. Well, which laws are inadequate and what changes need to be made?

What is it that we have to say? On foreign influence, a lot of countries like to influence other countries, and their diasporas play a role in that. Where is the line between influence and criminal activity? Someone has to define that a lot better than we have right now. What is it that we're trying to prevent and what's to be expected by any nation?

I will ask Professor Ong a question after you answer that one.

Mr. Richard Fadden: I think you're absolutely right. I think the main distinction to be drawn between what is acceptable activity—in some cases it's diplomatic—and what is not is the issue of secrecy.

If another country is, through its agents, secretly trying to influence you or public servants or others, that falls into the rubric of foreign influence and foreign interference. If the Chinese embassy or the Chinese consul general in Vancouver is doing it openly, that's not so much of a problem.

The other issue is when they try to use threats about something that's happening either in Canada or in China. The difficulty there is that is very difficult to prove, because people feel threatened. We have to find a way to make people feel more comfortable coming forward and testifying. If they have family back in China who are being threatened, it's very difficult to expect people to do that.

● (1905)

Mr. Jack Harris: Professor Ong, you wanted to make some recommendations. We have very limited time, I'm afraid, but I'd like to ask you about the United Front Work Department. It's is busy throughout the world, as we know. It's active in Canada. I think part of their activity is the Confucius Institute. Part of it is that they have been accused of trying to influence candidates in elections and that sort of thing.

Where does the fearmongering stop and where does the actual illegal activity that's targeted and ought to be prevented and exposed come in?

Ms. Lynette H. Ong: I think that needs to be studied very carefully by legal experts as well as intelligence experts.

Where my expertise comes in is that from my vantage point, I do hear a lot of fearmongering on social media. I'm not saying that there's no potential of threat. There is also the potential of threat, but I think there's also a risk of threats being exaggerated.

I think one area where the government—and I'm speaking of any party—could actually do better is in increasing mainstream government's penetration into the grassroots Chinese community. A lot of them still rely on news and information from Chinese sources because they do not read English. If our government could actually do better, we could reach out to these grassroots communities better so that they do not need to rely on Chinese-language news from China.

The Chair: Thank you very much.

Thank you, Mr. Harris.

Now we'll go on to the second round. Mr. Williamson, you have five minutes.

Mr. John Williamson (New Brunswick Southwest, CPC): Thank you.

That was very strong testimony.

Professor Ong, you've been very patient. I, for one, would love to hear your recommendations, because I liked how you opened up your remarks about the balance between civil rights in this country versus the security threat.

I have five minutes. I'll give you a couple of minutes and then I'm hoping for a little dialogue.

I'd love to hear your recommendations. I will cut you off after three and a half or four minutes, but it's over to you until then.

Ms. Lynette H. Ong: Thank you for that opportunity and the question.

For number one, I would recommend that we boost our immunity by educating relevant government agencies on the risk of foreign interference and espionage. As someone who knows and understands China, I am also quite alarmed by some of the very basic things that we could have avoided, such as working with Chinese police agencies. I think the chain may be very long, but if someone had done the work of investigating who actually owns VFS, I think we could avoided that problem earlier.

My number two recommendation is that official discussion on espionage and foreign interference should adopt country-agnostic language. That is in light of the skyrocketing anti-Asian hate crimes that have been going on since the onset of the pandemic.

For number three, I would recommend an increase in funding of Chinese language media and outreach programs to grassroots Chinese communities in order to reduce their reliance, as I mentioned, on foreign media sources for news and information coming from China.

Number four is to recognize the enormous diversity of the Asian or Chinese community in Canada. Their allegiance to either the Chinese government or the Chinese Communist Party should not be presumed.

Mr. John Williamson: I largely agree with your points, particularly the last one.

Could I ask you about the first one? You mentioned government agencies. Would you include provinces and even universities and businesses on that list, as well?

Ms. Lynette H. Ong: Absolutely.

I would reiterate my position. I think there are potential risks. From my vantage point, I am not privy to any intelligence information. I think there is the potential for risks, but we must boost our immunity by becoming more prepared—

Mr. John Williamson: Let me ask you a question as an academic.

What about charges if we were to freeze or sever relations between mainland China and universities, and the notion that it impacts academic freedom. Where does that end?

Ms. Lynette H. Ong: I think that would be a grave mistake. I think the university sector benefits greatly from exchanges and interaction with Chinese partners.

It's on a continuum. We are so naive or ignorant about all the risks, and then we expose ourselves to the risks. If we become more educated on the risks, then we are a lot more prepared and we benefit from those exchanges.

● (1910)

Mr. John Williamson: Is theft not a problem? I'm not talking about an academic exchange. We're talking about scientific research, for example.

Ms. Lynette H. Ong: Theft is potentially an issue. I'm not aware of any of those incidents. I'm a social scientist; I'm not in engineering. My research is not funded by Huawei and those politically sensitive areas.

Mr. John Williamson: That's fair enough.

You had an interesting point about an agnostic approach. That's an interesting concept, but how do you take that approach when you're dealing with a country like China? It's the 800-pound gorilla; no other country in the world compares to it in its size, ideology and at times even its aggressiveness.

Ms. Lynette H. Ong: Any informed and smart person—like anyone in this room—would know the elephant in the room.

I think by being agnostic, we can prevent a lot of finger-pointing and racial profiling.

Mr. John Williamson: And the red-baiting. I see, yes. Thank you. I appreciate that.

Mr. Fadden, you talked about the strategic adversary, a nice-sounding term. It's like a hockey team. Then you mentioned an eight out of 10. That's quite a high-alert level. I assume a 10 is conflict. Is “strategic adversary” in fact the right term? Does that really convey the threat?

Mr. Richard Fadden: It's a good question.

It's the term that I have adopted, as have others. What it's trying to do, from my perspective, is to say that it's strategic in the sense that it's global. They're after us—if I can use the vernacular—from a whole variety of perspectives. They're after us in a negative way. That's all I meant by that. There probably is a better expression.

Mr. John Williamson: Thank you.

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

We'll now go to Ms. Zann for five minutes.

Ms. Lenore Zann (Cumberland—Colchester, Lib.): Thank you, Mr. Chair.

Mr. Fadden, I wanted to ask you about a recent report by CBC on one of your current ventures, Awz Ventures, based in Toronto. The company seems to have attracted a number of former Conservative politicians to its ranks, including former Prime Minister Stephen Harper. I find it interesting that after you served for so long with the Harper administration, you're now working so closely with him.

Do you advise the former Prime Minister on any foreign policy as it relates to China?

Mr. Richard Fadden: No. As a matter of fact, I joined Awz's council of advisors before Mr. Harper [*Technical difficulty—Editor*] member. I do not advise Mr. Harper on absolutely anything whatsoever. My advice goes to Awz.

Ms. Lenore Zann: Do any of the companies that you work for do business with China or work for China?

Mr. Richard Fadden: It's one of the policies of Awz not to deal with China, among other countries. I think Russia is another one of those.

Ms. Lenore Zann: Okay. Thank you.

Regarding defence foreign policy, in your role as the national security advisor you would have engaged with the Department of National Defence and the Canadian Armed Forces. I assume matters related to China would have crossed your desk as a result.

How many of those files would have been from the former chief of the defence staff that you helped to appoint?

Mr. Richard Fadden: I really can't answer the question. You can imagine that the number of files that I dealt with over the course of the years. I just don't know the answer to that. I would say not very many, but I don't know.

Ms. Lenore Zann: Stephen Harper did appoint General Vance in July 2015. I believe Erin O'Toole was also at his cabinet table.

General Vance was under active investigation by the Canadian Forces National Investigation Service, and apparently just days after the Conservatives appointed General Vance, the police investigation was suddenly dropped. According to ATIP, the commanding officer said he was under pressure.

We know from testimony at the defence committee that Mr. Harper's former chief of staff, Ray Novak, confirmed it was you who briefed the Prime Minister, that the Prime Minister's Office had found nothing further with respect to the general's time at NATO and that the review of the matter was closed. Mr. Novak also said that operationally you had led the process at PCO for appointing Vance and that you would have been liaising with DND and CFNIS.

Can you please tell me if you were the one who helped to pressure Canada's military police to stop the sexual misconduct investigation into General Vance, because of your association with Mr. Harper?

● (1915)

Mr. Richard Fadden: Let me be clear up front: I had no association with Mr. Harper. I was a public servant, and I served him as loyally as I served Mr. Chrétien and as I tried to serve Mr. Trudeau.

I happened to be in a job that involved the appointment of Vance, and that was the end of it. I was involved in coordinating a number of candidates who were ultimately considered for the job of CDS, along with a number of others. We looked into them and interviewed them, but I would point out that appointments by the Governor in Council at that level don't involve investigations into individuals' private lives. At the time, we had no indication there was a problem with General Vance's life, except in one instance when he was stationed in Naples when I did a bit of an inquiry into what was happening with a lady who subsequently became his wife. That was the extent of the involvement.

Ms. Lenore Zann: Did you have anything to do with putting any pressure to drop that investigation?

Mr. Richard Fadden: Nothing whatsoever.

Ms. Lenore Zann: Do you believe that a well-run military is important for international relations, particularly, in Canada's case, when it comes to supporting the United Nations missions abroad?

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): I have a point of order, Mr. Chair.

Ms. Lenore Zann: This is related to Canada-China relations.

The Chair: Just a minute. I'm going to stop the clock.

Mr. Genuis, do you have a point of order?

Mr. Garnett Genuis: Ms. Zann is telling me it's relevant to the work of the committee.

Ms. Lenore Zann: It's very relevant.

Mr. Garnett Genuis: Mr. Chair, I haven't yet stated what my point of order is about.

I will note that Liberal members of the defence committee voted to shut down an inquiry into the appointment of General Vance. It's interesting that they shut down the inquiry at the defence committee, and now they're trying to bring it up at the Canada-China committee on an unrelated topic.

Ms. Lenore Zann: Mr. Chair—

Mr. Garnett Genuis: If Liberals want to adjudicate this issue, perhaps they will agree to reopen the investigation at the defence committee.

The Chair: Ms. Zann, when someone is raising a point of order, you have to wait until you're recognized by the chair.

Ms. Lenore Zann: Sorry.

The Chair: I'm not sure I heard what Mr. Genuis's point of order was about. However, I think I know where he's going with that.

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

It was about relevance, but I was trying to be constructive and give the Liberals an opportunity to adjudicate these same issues at another committee, where they had previously shut down the study of this very issue.

The Chair: Thank you, Mr. Genuis.

We are studying the national security aspects of the relationship between Canada and China. While members have a pretty broad leeway, I would ask them to bring their questions within that context.

Ms. Zann, you have about 30 seconds remaining.

Ms. Lenore Zann: Thank you, Mr. Chair.

This is extremely important. Canadians deserve to know what exactly each witness is bringing to the committee, and that includes their experience and any bias. It would seem to me that my Conservative colleague is making me think that perhaps the Conservatives are worried about the questioning and where it's leading, especially since Erin O'Toole was a member of cabinet at the time.

Mr. Garnett Genuis: Bring it up at the defence committee.

The Chair: Order.

Ms. Lenore Zann: I'm not on the defence committee.

The Chair: That concludes Ms. Zann's time. Thank you very much, Ms. Zann.

[*Translation*]

Mr. Bergeron, go ahead for two and a half minutes.

Mr. Stéphane Bergeron: Mr. Chair, let me say how uncomfortable this situation makes me concerning witnesses who are graciously testifying on topics of interest to us.

Mr. Fadden, I would like to come back to a question put to you by Mr. Paul-Hus, regarding, once again, how Canada must react to potential Chinese cyber attacks. I often use the following information because it is impressive to me. According to Greg Austin, who is in charge of the cyber, space and future conflict programme at the International Institute for Strategic Studies, China's cyber defence capacities are much lower than those of the foremost western powers, including Canada. For example, according to Mr. Austin, Canada is ranked ninth of the assessed countries—155 of them—while China is ranked 27th.

How come China is this much of a threat for Canada, and Canada cannot be a threat for China considering the rankings Mr. Austin talked about?

● (1920)

Mr. Richard Fadden: I completely disagree with Mr. Austin. I don't think China is ranked 20th among global powers with cyber attack capabilities. It may not be ranked first, but it is certainly among the top three. It has made monumental progress over the past decade, and it poses a fundamental threat, not only for us, but also for countries like the United States.

If what Mr. Austin is saying was true, former U.S. President Barack Obama would not have negotiated a quasi-agreement with China to try to reduce those attacks on the private sector. I definitely don't think China is ranked 20th.

Mr. Stéphane Bergeron: Is Mr. Austin perhaps basing his information on obsolete data? How can an organization as credible as his come up with such a ranking?

Mr. Richard Fadden: I really don't know. All I can tell you is that, based on my experience of some 10 years in the national security sector, no one—not the British, or the Australians, or the Americans, or the French, or the Germans—would say that China is ranked 19th.

Mr. Stéphane Bergeron: Despite the technological capabilities of western countries, you would say that China is well ahead of them. Is that correct?

Mr. Richard Fadden: Something of a game is being played.

China has a specific advantage that gives it access for a cyber attack. Eventually, a way would be found to stop that attack. Over the coming months and years, China would then find a way to circumvent our defensive measure.

That is basically what was happening during the Cold War. Our enemies would take a step forward, we would find a way to stop them, and they would find another way to do it.

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

Mr. Stéphane Bergeron: Thank you.

The Chair: We are continuing with questions and answers.

[*English*]

Now we'll go on to Mr. Harris for two and a half minutes.

Mr. Jack Harris: Thank you, Chair.

Mr. Fadden, I will go back to you, please, for a moment.

We were talking briefly about academic activities involving Chinese researchers. You said at one point that you can't go down the rabbit hole of suspecting every Chinese student coming to Canada. However, you go further than most people in saying that there are 10 or so areas of study with national security implications, suggesting that Chinese students would not then be able to study in Canada and that there should not be any research collaboration with them.

Could you identify those 10 areas, or some of them, if they come to mind quickly, and tell us how is it that you have such a hard line on that? How do you justify that, or how would Canada justify that?

Mr. Richard Fadden: I think it's a more generalized practice within the Five Eyes and within NATO countries in general.

I honestly agree with Ms. Ong's view that we need to have as many exchanges with the Chinese as we can possibly generate. However, I think that there are some sectors of activity—I happened to pick 10 or 12, but I don't remember the exact number—where I think that our national security, and the national security of our allies, is put at risk if we have exchanges.

No matter how well intentioned a university professor or team might be in Canada, if they receive a Chinese grant, whatever he or she discovers is going to go back to China. On most items, if you think of the breadth of our economy, I think it's absolutely fine. Do I think it's fine in the area of high-level optics, nuclear affairs and a bunch of other areas like that? I think the risk is too great.

If you accept my basic premise that China is indeed an adversary, I don't think we should be making it easy for them to acquire intelligence in areas that are pretty critical to the national security of the west.

Mr. Jack Harris: How do you enforce that?

Mr. Richard Fadden: I think you have a debate among your committee. You propose legislation, and you simply say that no foreign power, as indicated by the Governor in Council, may provide grants or contributions of any sort to a Canadian academic institution for the purposes of working in these very limited number of fields.

I think it's doable. I think it would be painful, and I think we need a debate about it. I'm articulating my view. I am not so delusional as to think everybody would agree with me, but I think it's worth talking about.

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

Mr. Jack Harris: Thank you, sir.

[*Translation*]

The Chair: Since we have a few minutes left, Mr. Paul-Hus and Mr. Dubourg will have three minutes.

Mr. Paul-Hus, go ahead for three minutes.

● (1925)

Mr. Pierre Paul-Hus: Thank you, Mr. Chair.

Mr. Fadden, we are talking about political influence today.

In 2016, the media reported on Chinese donations to Mr. Trudeau. Gifts were given to Mr. Trudeau, and 45 cheques of $1,500 were sent to his Papineau riding association. Two Chinese individuals also donated $1 million to the University of Montreal and $250,000 to the Pierre Elliot Trudeau Foundation, respectively.

Do you consider this to be some form of political influence, especially since the donations were intended for a prime minister?

Mr. Richard Fadden: There are fairly specific rules on what government members can and cannot accept.

I am admittedly not an expert. However, even if we are not talking about a violation or abuse, I think it is ill perceived for a foreign country or one of its representatives to give money to a riding association. The Pierre Elliott Trudeau Foundation's situation is a bit different. After all, that foundation was created under a Canadian piece of legislation and has very positive objectives.

I don't think a politician who is part of a government should accept donations from a foreign country or from one of its representatives.

Mr. Pierre Paul-Hus: Thank you very much.

I will ask one last question, which will be about Huawei.

Everyone says that we are still waiting for agencies' confirmations on Huawei. You understand very well how this works. Do you think that reports have already been tabled and that the government already has the necessary recommendations concerning Huawei's 5G technology file?

Mr. Richard Fadden: I will probably be more honest than I should be, but, if I were an agent with one of those two agencies and I was hearing politicians say that they were still waiting for reports, I would be very insulted.

Mr. Pierre Paul-Hus: Thank you.

Mr. Fadden, what is the best advice you could give the committee in its study on the Canada–China relations?

Mr. Richard Fadden: On some points, I agree with Professor Ong. We should be discussing these issues a lot more than we currently do in Canada.

If Canadians do not accept that Canada has a problem with China or other countries, you and your fellow parliamentarians will have a very hard time changing legislation. It will be even harder for national security agencies to be proactive. The issue has to be talked about in order to arrive at something of a national consensus.

As I was saying to Mr. Harris, whether you agree with me or not is irrelevant. What matters is having exposure to a wide range of perspectives in order for that consensus to emerge.

Mr. Pierre Paul-Hus: Thank you.

The Chair: Thank you, Mr. Paul-Hus.

Mr. Dubourg, we now go to you for three minutes.

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

I, too, want to welcome Ms. Ong and Mr. Fadden, and thank them for participating in our study. Their presentations are also appreciated.

My first questions are for Ms. Ong, the university professor.

Ms. Ong, in October 2020, you said that the Chinese Communist Party had been unsuccessful in bolstering its legitimacy and popularity through Confucius institutes. Can you tell us the extent to which China uses Confucius institutes as public relations tools?

[*English*]

Ms. Lynette H. Ong: Thank you for the question.

I think the Confucius Institute is funded by the Chinese government to promote Chinese languages and Chinese culture overseas. Its actual operation and its consequences on host countries vary from one locality to another.

Sometimes with Confucius Institutes within a certain university or education institution, people in charge may self-censor. They may not invite people to speak about Uighur issues, Taiwan issues, for the fear of offending people, people who actually fund them. I'm also aware of circumstances of Confucius Institutes actually teaching Chinese languages and cultures. Their operations differ a great deal.

When I said that the Chinese government hasn't been that successful in projecting soft power, it's because there has been so much push-back against it. We don't hear of successful cases of them educating people about Chinese language; we hear the push-back from the United States, Australia, the U.K., Africa. I think that in that sense, the negative news overwhelms the positive news.

● (1930)

[*Translation*]

Mr. Emmanuel Dubourg: Thank you.

We have seen the number of Confucius institutes rise in the past few years. Does that worry you?

[*English*]

Ms. Lynette H. Ong: As I said at the beginning, I think there is potential risk of undue influence, and that this may become foreign interference. I think we also need to understand why there is a demand for Confucius Institute programs. People want to learn the Chinese language and take Chinese programs. There is a lack of funding for these programs. If the government could increase funding, if the demand was actually met, people wouldn't go to Confucius Institutes anymore.

[*Translation*]

Mr. Emmanuel Dubourg: Thank you.

The Chair: Thank you, Mr. Dubourg.

[*English*]

Thank you very much to our witnesses. We really appreciate your being with us this evening.

We'll now excuse you to prepare for the next panel.

We'll suspend for two minutes as we arrange the microphones and so forth with the panellists.

Thank you so much.

● (1930)

(Pause)

● (1935)

The Chair: I call this meeting back to order.

For our second panel, I would now like to welcome, as individuals, Gordon Houlden, director emeritus of the China Institute, University of Alberta, and Paul Evans, professor, school of public policy and global affairs, University of British Columbia. Thank you for being here.

Mr. Houlden, let's start with you for the opening remarks. Please proceed. You have five minutes.

Professor Gordon Houlden (Director Emeritus, China Institute, University of Alberta, As an Individual): Thank you, Chair and honourable members. I am appearing in an individual capacity and not as a representative of the University of Alberta.

Altering China's behaviour, especially within China, is challenging. This does not mean that we should not try, but rather that we need to be modest in our expectations.

I'll focus instead, however, on China's activities in Canada. Here there are greater prospects of modifying Chinese behaviour or at least responding to China's conduct. As a sovereign state, we have a responsibility to protect our democratic institutions, our citizens, our economy and the results of Canadian ingenuity, but care must also be taken to ensure that Canada remains open to the world, and that includes the 20% of humanity who are Chinese.

I would include in those Chinese actions that have a direct impact on Canada the treatment of Canadian citizens in China, including the egregious cases of Michael Kovrig and Michael Spavor. China's interest in the Chinese diaspora does not necessarily end when Chinese nationals obtain foreign citizenship. We need to differentiate between legitimate and illegitimate contacts between national governments and their citizens abroad. It is normal and acceptable for governments to contact their citizens overseas and for diplomatic and consular representatives to meet with their nationals when the individual is willing to do so. This allows Canada to access our citizens when they may be experiencing difficulties, including arrest. China maintains similar contacts with their own nationals, and that will include the large number of Chinese nationals studying in Canadian educational institutions, some 200,000 pre-COVID.

However, when there is pressure on Canadian citizens, landed immigrants and even PRC nationals extending to tracking their political views, pressuring any of these persons to change their behaviour or taking actions that are illegitimate, this must be countered by Canada where detected. In some instances, a simple warning to desist conveyed by Global Affairs Canada to Chinese officials may suffice. That was part of my government experience.

However, in egregious instances more vigorous action may be required. In extreme cases it could mean that individuals in Chinese missions might be expelled or prosecution undertaken against individuals who engaged in threats or other illegal acts and who do not have diplomatic or consular status. A further complication is that knowledge of such coercion may be available only to Canadian intelligence services, who are often unwilling to openly use information gathered because of the risk that it would expose intelligence methods or sources.

I would add that maybe it would be more useful to examine some of these issues in the closed-door meetings of the House security and intelligence committee, where Government of Canada information can be more freely available.

Intelligence organizations, particularly those of large and powerful states like China, will continue to collect intelligence and carry out their mandates even if these activities may damage bilateral relations with foreign states. This does not mean that actions to curb such activities by governments cannot have any effect; it rather means that such intelligence functions will tend to reoccur and require repeated action.

China is now graduating roughly eight times the number of STEM graduates—science, technology, engineering and medicine—as the United States, while having only four times the U.S. population. While the flow of S and T has been largely from the west to China, it will be increasingly important for the west to track and absorb advances achieved in Chinese universities and its expansive network of state laboratories, although this will not be easily achieved.

A further challenge is the commercialization of scientific discoveries. A joint team of Canadian medical researchers, working with Chinese partners, is far more likely to put into production a medical device in Suzhou than in Halifax, given China's vast industrial capacity. Changing that calculus is desirable but difficult.

Effort must also be made to safeguard intellectual property, especially, but not only, when there are national security concerns. The formation of the Government of Canada-Universities Working Group that allows Canadian universities to meet regularly with federal departments and agencies is an important step. I look forward to their report later this year.

Universities and science must be cognizant of security risks in the protection of intellectual property. I'm still, however, not entirely comfortable with upending the long tradition of academic freedom and university autonomy without a strong rationale. Government intrusion into key Canadian institutions, such as universities, must be carefully calibrated and justified.

We are not in a cold war with China, at least not yet. The flow of U.S. capital to China, both foreign direct investment as well as portfolio investment, accelerated in 2020. Apple, Tesla, Microsoft, Google, Volkswagen, Toyota, Samsung and most other high-tech companies maintain extensive research laboratories in China, drawing on local talent.

While national security and political interference by China will continue to pose challenges to Canadian sovereignty, there also needs to be a sophisticated Canadian strategy to balance risk and opportunity.

● (1940)

My recommendations are, very briefly, that the Government of Canada provide greater clarity to Canadian universities regarding the federal assessment of what is and what is not problematic cooperation with Chinese universities and scientists, including dual-use technologies; that a comparative—

The Chair: Mr. Houlden, I'm sorry to interrupt, but your five minutes have concluded. I suspect and hope that one of my colleagues will ask you to give the rest of your recommendations when they are posing questions, but I am required now to go to Mr. Evans for five minutes.

Prof. Gordon Houlden: Of course, and that's fine. Thank you.

The Chair: Thank you so much.

Go ahead, Mr. Evans, please.

Professor Paul Evans (Professor, School of Public Policy and Global Affairs, University of British Columbia, As an Individual): Thank you, Chairman.

Thank you for a second opportunity to appear before the committee. Today I will focus on Canadian universities, their importance as the foundation of engagement between Canada and China, and their responses to rising concerns about new national security and safety threats.

I speak as an individual professor, not as a representative of the University of British Columbia.

The involvement of Canadian universities in and with China has expanded dramatically in the past 40 years. It is now a huge enterprise with multiple layers. Roughly 140,000 students from the PRC are registered at post-secondary institutions across Canada. Canadian universities have hundreds of MOUs with Chinese partners for faculty and student exchanges and training programs.

There are hundreds of research collaborations funded from a combination of Canadian and Chinese sources. These have shifted from capacity building to, in many cases, advanced collaborations doing cutting-edge research and work. At UBC, for example, there are about 6,500 People's Republic of China students. More than 300 professors have a significant professional interest in China. Faculty have partnerships with more than 100 different Chinese institutions.

Beyond economic impact, China connections are widely valued as integral to the global mission of our institutions, enriching the learning environment for our students, facilitating advanced research and training, and providing a meeting place for exchange.

These connections are under increasing scrutiny in Canada but in even more intense ways in the United States and Australia, as geopolitical competition and confrontation with China have intensified. Security and intelligence agencies in Ottawa have identified concerns related to cybersecurity, leakage of intellectual property, and transfer of technology and ideas that are seen as benefiting the Chinese military and other state institutions involved in violation of human rights. The media have identified risks to academic integrity and freedom generated by too heavy a reliance on Chinese tuition revenues and Chinese funding from sources, including Huawei.

Other concerns focus on instances of improper surveillance and harassment of individuals and on confrontations between student groups on contentious issues such as Hong Kong, Xianjiang and Tibet that affect student well-being and our general academic atmosphere.

Ottawa, our universities and funding agencies have established collaborative mechanisms, as Mr. Houlden just stated, that focus on sensitizing universities to risks that they face, particularly in the domains of cybersecurity and protection of intellectual property. They have produced guidelines on research hygiene and safeguarding scientific integrity that are now being rolled out across the country.

What action is needed? What we have just mentioned are necessary first steps, but much more is needed at the level of individual institutions and at the national level. For the universities, key priorities are improving awareness of risks, building mechanisms for vigilance and instituting proactive measures to monitor and maintain a respectful atmosphere on our campuses. We need to revisit and revise many existing agreements with Chinese partners, when warranted, to maximize transparency and our academic values.

One of the biggest challenges is how we make these adjustments without fanning anti-Chinese racism and stigmatizing professors and students of Chinese descent who already feel targeted by anti-China sentiment and unwarranted suspicion about their connections with China.

Nationally, the key issues are defining exactly what areas of research are considered sensitive and exactly the criteria for determining what partners are sensitive or inappropriate, which is very difficult indeed. More broadly, we need a policy statement from the government on how and why academic, business and other people-to-people engagements matter.

● (1945)

Academic connections with China are valued and deeply rooted, but to keep the doors open to a dynamic range of interactions and collaborations with China, we need to install some new screens and close some windows.

The Chair: Thank you, Professor.

Prof. Paul Evans: I look forward to your questions.

The Chair: Thank you very much. That was pretty good timing.

We will now begin our first round of questions.

Mr. Chong, go ahead for six minutes, please.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Thank you, Mr. Chair.

Welcome, Professor Evans and Professor Houlden, to our committee.

I have a question about what both of you mentioned in your opening statement, which was that universities have been telling us that they've received no directives, no advice from the federal government regarding partnerships with companies like Huawei.

Recently the University of Toronto entered into a partnership with Huawei, and the university said that the Canadian government had not advised them against collaborating with that Chinese company. They were quoted as saying, “We look to the federal government for actionable direction and guidance. There has been no change in the actions of the government with respect to Huawei Canada and its operations in this country.”

Today in the Globe, an article quotes the University of Alberta, saying that the university has " 'received no directives related to China' from the federal government to stop its engagement with Chinese institutions", and we know that the minister is looking to come forward with new risk guidelines for research projects.

My first question to you is this: Would you be comfortable if the federal government said to universities, "We are advising you against partnerships with the following companies"—such as Huawei—"and here is what we define as a partnership"? That still respects academic freedom, but it's clear advice to universities, professors and the academic community about the federal government's position. Would you be comfortable if that was what the federal government was to do?

Prof. Paul Evans: Is that directed to one of us in particular?

Hon. Michael Chong: It's directed to both of you. Yes.

Prof. Paul Evans: Perhaps if Professor Houlden will allow me, I'll take a first crack at that fundamental question.

I think that universities—not just our administrations, but our professors—don't want to see directives from the top if they are not part of the discussion. Now, if the Government of Canada decides that China is the kind of adversary that some witnesses have described, that's a blanket.... That's what the Americans have thrown over many of the collaborations that universities maintain. An example is Huawei. However, if we are going to be more selective and say that there are certain kinds of activities in certain fields—after discussion about what those are—I think there would be a great deal of acceptance. We need general political guidelines.

Once we get into the fine tuning, Mr. Chong, as we've seen in the United States and in Australia, these are very tricky domains. With no disrespect to Ottawa, the scientific knowledge that is necessary to put up a high fence around a small plot in those 11 or 12 areas that are being discussed now is not yet seen as persuasive. It might be, but we need a deep collaborative process very quickly over the next six months.

● (1950)

Hon. Michael Chong: Thank you.

Prof. Gordon Houlden: I could just jump in to add a few words. I don't want to repeat anything that Paul has said and I'm not speaking on behalf of the University of Alberta.

Universities have asked for advice, or at least have indicated that they haven't received it, so the straightforward answer to your question would be that, yes, advice would be welcome. However, that advice, I would hope, would be sophisticated. It would be technically advanced, and there would be a rationale behind it. In other words, I'm a jealous defender of the autonomy of Canadian institutions. I welcome government interference where it's warranted, but it should be soundly based. Yes, dialogue is a must.

Hon. Michael Chong: Okay.

I have a very different question that's been rattling around in my head for a while now.

To me, this wolf warrior diplomacy doesn't seem to be a very effective way for China to advance its diplomacy. Recently, one of their diplomats in Brazil referred to our Prime Minister as "a running dog" of the United States. Why are they using this type of diplomacy? Do they view this as effective, or is this intended for a domestic audience back in China? What is the rationale behind it? To me, it looks counterproductive.

Prof. Gordon Houlden: Could I take a first crack at that one?

Hon. Michael Chong: Sure.

Prof. Gordon Houlden: Okay, good.

I think China is still feeling its way as a great power. I couldn't agree more that random tweets from third countries, as in the case of the tweet from the consul general in Rio de Janeiro, are counterproductive. China will have to deal with the Government of Canada and the people within it. Criticizing the government and the opposition directly and unfairly is counterproductive.

I think there is no shortage of people in the foreign ministry and government who understand that, but there is a nationalist streak in China right now, and those kinds of replies are very popular with many Chinese.

Hon. Michael Chong: Professor Houlden, you mentioned in earlier testimony at another committee—the industry, science and technology committee—that China's foreign direct investment in Canada is much more than we realize, because investment arrives via third countries.

The Chair: Mr. Chong, I'm sorry to tell you that your six minutes has concluded—

Hon. Michael Chong: Okay.

The Chair: —and hopefully there will be another chance.

Hon. Michael Chong: Quickly, I'll just put my question out there, Mr. Chair, so he can answer in another round. Through what other third countries does China invest in Canada?

Thank you.

The Chair: Thank you, Mr. Chong.

We'll go on now to Mr. Fragiskatos for six minutes.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you, Chair, and thank you to our witnesses.

Mr. Evans, I am going to quote you. You recently said in the media that "We need to engage our China discussion in a new and more active way—even if it's dangerous and risky to be labeled as pro-China—".

What did you mean by that? Could you elaborate?

Prof. Paul Evans: The atmosphere of discussion about China now in a number of countries—the United States, Australia, and increasingly Canada—is polarized and angry. We are all reflecting the difficulties of our current bilateral problems with the People's Republic. We're angry about a number of behaviours, but the atmosphere, the vindictiveness of it, the attacks on social media on individuals, particularly those who are coming out in favour of an engagement strategy, is somewhat intense. It is an era that occasionally has elements of a McCarthy period at an earlier phase.

When the discussion is about one's views on one side of the issue or the other—engagement or adversary—that's an intellectual and policy debate, but when we get into matters of integrity and in fact the loyalty of individuals who are taking positions that try for nuance in understanding situations from a Chinese perspective even if we don't agree with that perspective, I think we are in a phase of our discussion on China that I haven't seen since we established diplomatic recognition in 1970.

● (1955)

Mr. Peter Fragiskatos: Point taken. I did listen quite intently to your whole testimony, of course, but I was particularly interested when you talked about the need for liberal democracies to ensure that policies they take towards China do not have the impact of stoking anti-Chinese sentiment in their own societies. We've heard from other witnesses in previous meetings about the importance of that.

This is a regime that is markedly different from previous Chinese regimes. The administration under President Xi, according to many.... Our Parliament recognized it and the British Parliament has recently moved in the direction, and of course I'm speaking about the genocide of the Uighur minority. It is not just politicians who have put their opinion forward; it's leading observers of international law and human rights scholars—Irwin Cotler, for example.

With all that in mind, how can we, on the one hand, stand up as a country to China in a constructive way, in a way that's meaningful, but on the other hand avoid doing what you're cautioning against, a sort of narrow-minded approach that leads to hate sentiment and racism and limits the discussion to zero-sum outcomes, if I understand your position correctly? What would be your counsel on that?

If there's time, I'll ask the same question to Professor Houlden

Prof. Paul Evans: Anti-China sentiment and anti-Chinese racism are not the same thing, but they sometimes hold hands. The danger is that extreme anti-China statements are the bellows that can fan embers.

I have Chinese colleagues who are terribly upset at a general portrayal of China as an adversary and of people connected to it as potential spies, as potential agents of influence. When we hit that part in our public discussion, we need to take a little bit of a break and calm down. We have to deal with a China that is extremely difficult, extremely challenging, but be surgical in the words we use.

Mr. Peter Fragiskatos: Thank you very much.

Professor Houlden, do you have any thoughts on this same subject?

Prof. Gordon Houlden: I'm happy to add a couple of words.

I think there is that risk. I know that many of my Canadian friends of Chinese heritage are very uncomfortable now with the tone of the dialogue. It's reflected in its crudest manner sometimes in street incidents of racism, graffiti and that sort of thing.

I think an element of maturity is needed in Parliament, among academics and in the media to provide an element of leadership such that one can, as suggested, criticize policies of the Government of China without criticizing the 20% of the world that is Chinese. It's too easy to slip into a demonization factor that might be appropriate if we were at war, but we're not at war.

We have immigrants arriving from that country. Almost two million of our fellow citizens have Chinese heritage. A certain delicacy in speech is necessary, and leadership from all—from universities, from the media and from Parliament—is needed in the language used, so as to not feed crude racism.

Mr. Peter Fragiskatos: I thank you very much for that. I don't, unfortunately, have time for another question, but I want to thank you in particular because you've presented us with a nuanced view and one that I hope all colleagues around the table take very seriously. I think they will.

Thank you.

The Chair: Thank you, Mr. Fragiskatos.

[*Translation*]

Mr. Bergeron, we now go to you for six minutes.

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

I appreciate the witnesses' apropos comments about the important distinction between criticizing the policies of the People's Republic of China and expressing anti-Chinese sentiments. They are two completely different things.

Some of the security experts the committee has heard from thus far would probably say you are speaking fairly candidly about the People's Republic of China. You warned against ruffling China's feathers and exacerbating tensions, and yet, that is precisely what Chinese authorities seem to be doing: exacerbating tensions with Canada.

Many argue that Canada's prevarication, appeasement and attempts to mollify Chinese authorities have not worked, so it's time to stand up to China, not just as a country, on our own, but also alongside other countries.

What do you say to the idea that, despite Canada's attempts to take a nuanced and co-operative approach with Chinese authorities, the efforts have been futile? China has gotten tough with Canada regardless.

● (2000)

[*English*]

Prof. Paul Evans: Well, let me, if I may, respond first.

The fundamental problem we're wrestling with, which you hinted at, is in essence the "three Ms" problem: Michael Kovrig, Michael Spavor and Madam Meng. The inextricable nature of that problem has brought out the worst in elements of Chinese behaviour: coercive economic diplomacy and hostage diplomacy.

From their perspective, we are playing a similar game. As we express our anger and as we try to find friends who want to support us, the real objective is to find a way to unravel this problem. It is going to ultimately demand a diplomatic solution to a problem, whereby we don't count our friends on the basis of who stands up to criticize China but on the basis of who helps us find some useful pathways to unravelling the Madam Meng case.

There, I think primarily the challenge is in our relationship with the United States.

[*Translation*]

Mr. Stéphane Bergeron: Would you care to comment, Mr. Houlden?

[*English*]

Prof. Gordon Houlden: I'd like to add a couple of words.

I don't expect Chinese behaviour is going to change drastically for the better. Certainly, as Paul hints, when the three Ms are dealt with, we can return, I would hope, to a somewhat more normal relationship, with exchanges, high-level visits and dialogue.

The physics of power, however, and the nature of Xi Jinping and of the top echelons of the Communist Party are such that they are prepared, more than in the past, to use that power and that Deng Xiaoping maxim to "hide your strength, bide your time".

I would argue that China's time has arrived, in their eyes, and they are prepared to be somewhat more aggressive, to throw their weight around and to act like a great power—even the superpower-in-waiting that they are. That, I fear, is the reality.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Houlden, in February, the U.S. National Counterintelligence and Security Center identified the collection of data by the Beijing Genomics Institute as an issue of concern. That is all the more concerning since we know the Chinese government collects DNA data for national security reasons.

Since the University of Alberta is working with the Beijing Genomics Institute, would you describe the situation as concerning, or have the appropriate measures been taken to keep that kind of thing from happening?

[*English*]

Prof. Gordon Houlden: These are going to be complex technical issues. Clearly, we do not want to provide Chinese databases or Chinese authorities with any personal information that could be used against either Canada or their own citizens, but there is space, I believe, for scientific collaboration that does not involve a security risk.

I take what the U.S. security authorities say very seriously, but I'd argue so should CSIS, and I'm sure they do, and we need to. This is again perhaps getting back to that question of comments from our security authorities in the Government of Canada to universities about where they may see danger. Quite frankly, university professors and even university administrators will not necessarily understand the risk of a particular subject in detail. There need to be highly technical discussions in some cases. Scientists who are pursuing pure science may not be aware of some of the potential consequences of what they're doing. That dialogue must be a regular one.

[*Translation*]

Mr. Stéphane Bergeron: Thank you.

● (2005)

The Chair: Thank you, Mr. Bergeron.

[*English*]

Now we'll go to Mr. Harris for six minutes, please.

Mr. Jack Harris: Thank you, Chair.

Thank you to both you gentlemen for coming to join us this evening on a most interesting topic.

Professor Evans, before you mentioned Michael Spavor and Michael Kovrig, I was going to say that there were two names that answer the question as to why there is so much righteous anger at China for its behaviour, because that anger is understandable. Two people are taken, clearly in retribution, who in Canada would be treated legally in relation to a treaty on extradition and under the law, as opposed to being arbitrarily detained. It has led to an awful lot of further examination, of course, and I agree with you that in many cases and for many individuals it has gone too far in terms of hatred and anti-Asian prejudice and acts, and that's deplorable as well.

We're talking about academics here. I wanted to raise a question that bedevils me to some extent and has to do with the Confucius Institutes. They began around 2004 or thereabouts. They were recognized fairly early as being a direct instrument of the Chinese Communist Party operating internationally. In 2014, the CAUT, the Canadian Association of University Teachers, of which I'm sure you're probably members, called upon the universities to not have anything to do with the Confucius Institutes, citing the closing of the Confucius Institute in Sherbrooke, Quebec. The University of Manitoba voted against hosting them out of concerns over political censorship. McMaster cancelled its contracts following an instructor's human rights complaint, etc., and yet they persist to this day in some places. Academic freedom, of course, was the big issue, and is a big issue in academia, persisting to this very day as an extremely important facet of university life.

Why have they persisted? If it's about Chinese language training and culture, as someone pointed out—I think Professor Houlden—we have two million Canadians of Chinese descent. We have 140,000 students here. We can learn about or teach Chinese languages and culture from the people we have. Why is that not happening, and why are universities relying on the Confucius Institutes?

Prof. Paul Evans: Mr. Harris, the universities aren't relying on Confucius Institutes, although some universities that don't have the resources to fund language training have used them.

At the University of British Columbia, we decided not to partner with the Confucius Institutes. This was partly because they were, as we saw, too connected to the propaganda side of the Chinese government, but it was also because we teach Chinese language in a different way.

That said, most of the studies done on the Confucius Institutes are in the United States, and most of those studies suggest that what the Confucius Institutes actually do is pretty innocuous . They don't influence people's political views.

One can dislike the Confucius Institutes. I think what we should do for those institutions that want to have them is provide complete transparency. Go in, investigate, look. There's a whole side to Han nationalism that plays through in their curriculum. We'd have to look at that carefully, but in and of themselves, they are not an evil. They are not an outreach location for deep subversion. They're just, I think, a foolishly considered Chinese way of trying to get the world to learn Chinese language and culture.

Mr. Jack Harris: Professor Houlden, do you have any views that are separate from that?

Prof. Gordon Houlden: As I see it, the problem is funding. I know it sounds like, “Yes we have Chinese Canadians who can teach Chinese”, although not all of them can. It's who funds it.

In the United States, what is the number one funder of Chinese language? It's the U.S. Department of Defense. The United States understands that China is a comprehensive competitor to the United States and that they need thousands—ideally tens of thousands—of fluent Chinese speakers.

We in Canada have not mustered the same effort. Public school boards have not done the same thing. For that reason, I would say more money for Chinese language is needed from governments.

● (2010)

Mr. Jack Harris: Thank you.

I see the chair giving me the one-minute finger here.

I'll put the question out there and I think part of it has been answered. We hear the University of Alberta, for example, declining to discuss its research activities with China other than to say it has received no directives from the federal government to stop its engagement with Chinese institutions. Meanwhile, CSIS says all the time that they're engaging academia in guidance and guidelines and all of that. There seems to be a disconnect in that story.

Prof. Paul Evans: If I were to give a one-sentence answer, it would be that the universities need to be more transparent to the media and to our politicians about what they are doing with China, whether that's about the Confucius Institutes or funding from Huawei.

“Head in the sand” is not the right way to convince Canadians that we are doing something that is in all of our interests and that we're aware of the risks.

The Chair: Thank you very much. I think I'll refer to that as the one-minute signal, Mr. Harris, if you don't mind.

We'll go on to the second round now. We have Mr. Williamson for five minutes.

Mr. John Williamson: Thank you very much. This is very interesting. You certainly sparked a good conversation.

As a point of protocol, is it Professor Houlden or Mr. Houlden?

Prof. Gordon Houlden: It's both.

Mr. John Williamson: That's what I thought, Professor Houlden. Thank you. You've earned the title, so I like to use it.

Could I ask you a question? Off the top you said you had looked at the raw numbers. Is it your belief, given the raw numbers in China—the number of scientists and research grads who are coming through—that they're going to out-think and out-produce us because of the size?

This is my question. What weight do you give to a free society to actually trigger research and innovation? If you say there's a level playing field, I would disagree with you, but I want to make sure I understood your comments.

Prof. Gordon Houlden: We're only going to know the answer to that question in the fullness of time. I do believe that free societies and free universities have an advantage with creativity. We see this especially in Chinese university-level social sciences, where they're hopelessly backward because of censorship. It's on the science side that they spend their money, and they've been leaping ahead.

Size has a quality of its own. If the Chinese now graduate eight times as many STEM graduates, that will accrue over time and be tremendously important. China's closing in on the United States for the largest economy. It's conceivable that by 2050, or even before, the Chinese economy could be twice the size.

That is a challenge to the west. Acting collectively, I think our free institutions could be their match. China will change over time, but we won't have a good answer to your question until we see the results, unfortunately.

Mr. John Williamson: We don't know the future, but we can certainly look back through history and see that free nations have out-competed those that have been closed. I'm not just talking about the 20th century; I'm talking about why China fell at its height, and then fell behind the west. It was because of its system of government.

Professor Evans, you said that person-to-person exchanges are important. Could you explain why that is? I certainly recognize that there's a difference between the citizens of that great country and the politburo in Beijing, but why is it important, when citizens in China can't vote and can't influence the government?

We've seen that when they do speak out, they could lose their job or at times disappear. Why do you think that exchange is so important, when they are in fact powerless to determine the direction of their government, unlike citizens in free countries around the world?

Prof. Paul Evans: We need exchanges with many different kinds of Chinese. They can be with cultural associations without always fearing that they're connected with the United Front. Those are real people in all of our ridings and neighbourhoods. We need discussion with top scientists and researchers, as far as we can do that, and we need to train them. We also meet up with Chinese government officials.

The most useful collaboration I've ever had on the Chinese side was with people from their ministry of foreign affairs on how we build multilateral institutions in Asia. These things have to be looked at very carefully on a screen, and what kind of information is being provided, but we need multitiered activities with Chinese colleagues.

It becomes a really difficult problem as to who we shouldn't be working with in China. Is it because they are members of the Chinese Communist Party or because they're connected to the military? Making those distinctions demands an enormous amount of discussion on our side, but also intelligence and due diligence about who those partners are. Often, we don't have it.

● (2015)

Mr. John Williamson: Could I ask you both, as I only have a minute left, if institutions need direction for fear that if you do the right thing and hold back research, your competitor in another province or city might not? We actually need standards from Ottawa to ensure that we have fairness toward the active institutions and that everyone is complying with them as well.

Prof. Gordon Houlden: I would concur with that as long as those standards are sophisticated and involve back-and-forth between the universities and are not just a diktat from the federal government to an autonomous institution. The risk is not just for another city or another university; the risk is also for another country. Most western countries are deeply engaged, university to university, with China, with all the risks and advantages that this engagement conveys. What is needed is a sophisticated balance of risk and opportunity.

The Chair: Thank you, Mr. Williamson.

We'll go to Ms. Yip for five minutes.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Thank you, Mr. Chair, and thank you to the witnesses for coming back to this committee.

My question is for Professor Evans.

How do we build multilateral institutions in China? You had just referenced that. Will that help relations with China?

Prof. Paul Evans: Getting China into multilateral institutions was a major part of Canadian policy from the time we recognized China, and helped it get into the United Nations. We have to face a whole new challenge in working with the Chinese on multilateralism now.

We don't teach them how to play the game; they are designing the rules for the game. That challenge exists in how we work with them on very difficult issues, like sovereignty over disputed islands in the Arctic. Those are the kinds of matters in which China is a multilateral player with other countries.

We may still, on occasion, have room to influence some of its thinking. I don't think it's preordained that China is on a path to overt supremacy in the world, but it does want to dominate.

Where we see something important, we must not only work with the Chinese bilaterally but also co-operate with our Australian, Singaporean and other friends in having those discussions that are so difficult and that the United States often cannot have because of its overt confrontation.

Ms. Jean Yip: Where is there room to influence or make changes or maybe even prevent certain actions from China?

Prof. Paul Evans: As an academic, I have a lot of difficulty finding ways to influence or have impact even in my own country, in Ottawa, with the people at this table, but if we look at it from the perspective of Chinese short-term and long-term advantages, if we see through their eyes what they want out of peacekeeping, we won't like some of it, but some of what they want to do in peacekeeping we can encourage. That's the thing universities can provide in a way that government-to-government engagement can't. We can spend five years talking with the Chinese group about what they want from the Arctic. Does that add up to influence? Maybe. It's hard to predict, but it's the inevitable path that we must try.

Ms. Jean Yip: Thank you.

Professor Houlden, it was mentioned that there are 140,000 international students from China here in Canada. Should we continue to open our doors to Chinese international students? Often the cultural exchange is invaluable, and they do boost our economy, but should we be wary of any political influence they may bring or have any concerns about intellectual property being taken?

● (2020)

Prof. Gordon Houlden: That's a good question. I actually think the number is closer to 200,000. The PRC embassy says 170,000-plus, and I think that's closer to the truth.

Very quickly, for students, we don't know the effect yet, but roughly a million Chinese students are abroad at any given time. We don't know what the long-term effects of that will be. It took one Chinese person, Sun Yat-sen, to help bring down the Qing dynasty. We don't know what the effect will be of the millions of Chinese who travel abroad and who come to this country. About a third of them stay here and about two-thirds go back. Buried within that are ideas they've been exposed to; young people are rather receptive to new ideas. On balance, I'd say it's a good thing.

However, we don't want our universities to be completely dependent on Chinese funding. That's a given, but on balance, that openness.... We can, I believe, protect intellectual property and protect our national security by perhaps controlling the programs in which some students are allowed to participate, and perhaps only opening them to Canadian nationals or to certain nationalities, but I think closing the door would actually in the long run serve to strengthen the hold of the Communist Party of China on its people. I think that exposure is a good thing.

Ms. Jean Yip: On the flip side, what can we do to insulate Chinese international students in Canada from pressure coming from their own consulate or embassy? Witnesses have said in the past that international student activities are heavily monitored for dissent.

Prof. Gordon Houlden: I think one of my recommendations was a web portal, run perhaps by one of our security agencies, whereby any student or any professor who felt that there was untoward or undue influence upon them by a foreign government or an individual could approach it, because they're often rather shy about reporting these things, particularly in the case of Chinese culture. There needs to be a way that they can reach out for this to be pushed back. CSIS is a key player in that regard.

The Chair: Thank you very much.

Thank you, Ms. Yip.

Ms. Jean Yip: Thank you.

[*Translation*]

The Chair: Mr. Bergeron, we now go to you for two and a half minutes.

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

Mr. Evans, when you appeared before the committee in February of last year, you had this to say:

> I think the coronavirus can be a significant plus or a significant negative in our relationship with China.

That was over a year ago. How would you say the Canada-China relationship has fared this past year?

[*English*]

Prof. Paul Evans: Mr. Bergeron, I wish I could give you a positive answer. I would say that some of us had hoped that once we get the three Ms problem solved, difficult as that might be in the time frame, we can revert and go back to where we were and the storm will subside. I've come to the view that we are now in a context not just of a storm with China but that we have entered a new season. Many of the behaviours, the strengths and the tensions that we face from China are going to be with us for a matter of years.

On my worst days, I think that not only have we entered a new season that is going to be colder and last for a while, but that we may see evidence of climate change. If the U.S.-China relationship deteriorates further, if that cold war comes, we are into an entirely new game.

Now, that's well beyond the three Ms problem, but we certainly have entered a new period and we have to scale our expectations accordingly.

[*Translation*]

Mr. Stéphane Bergeron: Do you think the west has lost the diplomacy battle, given how China has extended its influence around the world, particularly in developing countries in Africa and Asia?

[*English*]

Prof. Paul Evans: Yes, unquestionably, but it's not perfectly received. China is not seen as the great benefactor of the world, but they're seen as pretty useful.

It doesn't mean China is going to dominate, but it does mean that China is going to play a much bigger role. The balance of forces is changing. China and other non-western countries are much more important in this multi-polar world than we could have imagined even four or five years ago.

[*Translation*]

Mr. Stéphane Bergeron: Thank you.

[*English*]

The Chair: We now have Mr. Harris for two and a half minutes, please.

Mr. Jack Harris: Thank you, Mr. Chair.

First of all, with regard to concerns that have been raised about academia, CSIS and some U.S. agencies have warned that some Chinese companies and academics are being compelled by their government to share work that they've carried out with western researchers with China's military, security and industrial apparatus. That seems to be an area of potential conflict that has to be resolved.

Would that be one of the things you need to understand more, as academics, before you can accept the fact that there might be some changes?

The second question is more tantalizing.

China's diplomats tell us, as individuals, that there are things on which China and Canada can co-operate and work together, such as fighting climate change. Is that an area where we could, in fact, try to do something positive with China once we resolve the issue of the two Michaels, who need to be repatriated as quickly as possible?

● (2025)

Prof. Gordon Houlden: Could I tackle the second question very briefly, Paul?

First, I'd say that there is no solution to climate change without China. They are far and away the largest producer of greenhouse gases. The effects of mercury landing in our north from Chinese coal generation and electricity generating plants is unstoppable without Chinese collaboration and co-operation. We cannot do that on our own, but perhaps with our American and other allies we can reach a consensus internationally with the Chinese to reduce those threats.

Despite the rocky record of COVID-19 originating in China and this failed vaccine, the reality is that 70% of the medical supplies needed to fight COVID in Canada in March and April of last year were arriving from China and 40% of our medical supplies that are necessary to fight COVID are still coming from China. In medical terms, that vast number of doctors is going to be a benefit. My son's hand operates because of Chinese micro-surgery techniques. Medicine should know no boundaries. We need to be open to those collaborations.

Picking carefully, I would say that climate change, environment, health and perhaps some dimensions of culture would be the safe areas where there are good prospects for collaboration once we get beyond the three Ms.

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

Colleagues, I'm going to propose that we end this panel here. I hope Mr. Chong got the answer to his question.

Hon. Michael Chong: No, I didn't, actually, and there are still three minutes left, as far as I can see.

The Chair: We'll divide it up.

I do want to take a five-minute health break. I'll give you a minute and a half, Mr. Chong.

Hon. Michael Chong: Can I get a bit more than a minute and a half, possibly? We have three minutes left.

The Chair: I'll give you two minutes. Go ahead.

Hon. Michael Chong: Thank you, Mr. Chair.

I want to build on what some of my colleagues have raised earlier about anti-Asian racism.

My father was a Chinese immigrant who came to this country in 1952, only a few short years after the Chinese exclusion act was repealed by the Canadian Parliament. Even though the act was repealed, the sentiment behind it clearly had not been. Growing up as a half-Chinese kid in the 1970s, I know full well what discrimination and racism is all about.

I want to ensure that something else I've seen first-hand is put on the record. Many Canadians of Chinese descent who have been critical of China, such as Hong Kong pro-democracy activists and human rights groups, have been attacked and intimidated online and in person by their fellow Canadians of Chinese descent for not being sufficiently loyal to China and for not supporting the motherland.

I just wanted to make sure that this was on the record, because that community is a minority within a minority in many respects, and often they feel very isolated. I think we need to give voice to the voiceless.

Seeing that my time is limited, I have a very quick question for Mr. Houlden.

You mentioned in the industry committee that much of China's FDI, its foreign direct investment, arrives via third countries. Could you possibly elaborate on that a bit more?

Prof. Gordon Houlden: Absolutely, and the House of Commons library subscribes to the investment tracker produced by the Chinese through the University of Alberta, which can provide you with a lot of detail.

Quickly, that money flows through Hong Kong, it flows through Luxembourg, and it flows through all of the Caribbean ports where such money is transferred. It's not just China that does that—a lot of multinational corporations do the same thing, for a reason—but it leads to incredible distortion in the numbers. You can look at Stats Canada numbers, but the reporting of the volume of Chinese investment in this country is about a third to a half of what it is in fact. We at the China Institute can back that up with facts that prove the numbers to be substantively higher.

Hon. Michael Chong: Thank you.

Thank you, Chair.

Prof. Paul Evans: Mr. Chong, we'd enjoy inviting you to the University of British Columbia. We are plotting what we are going to do to try to diminish some of those intra-Chinese hostilities among our students when people resume in September.

● (2030)

Hon. Michael Chong: Thank you.

The Chair: Thank you, Professor. That's time.

I'm glad we took the time for that, Mr. Chong. Thank you.

Ms. Zann, you have two minutes.

Ms. Lenore Zann: My goodness, I thought we were taking a break.

My question is for Professor Evans. I've heard it said that words are windows or they're walls, and you asked a question of the committee last year: 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?

Could you please give us a response now to that question you posed last year? Thank you.

Prof. Paul Evans: This is strange to say, but I think I got the right question and the right answer a year and a half ago. What that means is that as we're looking at how we're going to put those fences around certain kinds of Chinese activities, etc., the challenge is that our American friends are demanding regularly that we expand those areas into biomedical work. They're demanding that it is not just dual-use military activity, but that in fact the Chinese projects that we need to be censoring are not just about military dual use but are giving China certain commercial advantages in high-tech sectors.

The attack on Huawei is a lot bigger than national security conventionally defined. It now comes into a peer competitor Chinese organization, and that's one of the places where I think Canada and the United States are going to have to differ if we move forward, and we need that professional discussion. Techno-nationalism is eating us up.

The Chair: Thank you so much to our witnesses, professors. It's much appreciated and it's been an excellent session.

Now I'm going to suspend. We're going to take a five-minute health break, but if we can get back in less than five minutes, let's try to do that, please. We'll see you shortly, colleagues.

Thank you.

● (2030)

_____(Pause)_____

● (2035)

The Chair: I call this meeting back to order.

For our third panel tonight I'd like to welcome, as individuals, Justin Li, director of the National Capital Confucius Institute for Culture, Language and Business at Carleton University, and Ward Elcock.

Thank you both for being here.

I will turn to Mr. Li for his opening remarks. Please proceed. You have five minutes.

Mr. Justin Li (Director, National Capital Confucius Institute for Culture, Language and Business, Carleton University, As an Individual): Thank you.

Good evening. I'd like to thank the chair of this special committee, distinguished vice-chairs and members of this committee and members of Parliament for your kind invitation.

I would also like to acknowledge the support and guidance of the clerk and her colleagues. I appreciated the information they provided for this process in order to prepare for our discussion.

My name is Justin Li. I'm the director of the Confucius Institute at Carleton University. I'm a Canadian citizen. I came to Canada as a landed immigrant in 1996 and I received my Canadian citizenship from then-Governor General of Canada the Right Honourable Michaëlle Jean on July 1, 2009.

I was employed by an Ottawa-based high-tech company called JetForm as the country manager to launch its operation in China in 1998. After JetForm was bought by Adobe in 2002, I became an independent consultant engaged in international marketing for Canadian firms seeking business in China.

When I applied to become the director of the Confucius Institute at Carleton in early 2011, the process included a round of interviews with faculty members from various departments, including business, public affairs, language and arts.

Our goal is to promote understanding, share knowledge and strengthen the human bonds between the people of Canada and the people of China, and I'm honoured to have the privilege of contributing to these efforts.

Our institute focuses on three areas: We support the delivery of Chinese language training, we offer some cultural programming, and we assist visiting scholars from China. Simply put, I connect Carleton with the Confucius Institute's network of Chinese language instructors from China.

The Chinese academics who are interested in coming to Canada as visiting scholars for the purpose of providing language instruction initially contact our institute either individually or through their own universities. When Carleton requires instructors, I offer a selection of candidates to the university.

These individuals are interviewed and selected through the normal Carleton process. Successful candidates must go through Canada's immigration process, which includes both health and security checks.

Our cultural programming is another area of focus. This has included workshops on traditional arts, including calligraphy, paper cutting, food and tai chi. Most of these activities are hands-on sessions for students at Carleton, providing experiential learning and immersive experiences.

We have also offered music events, and some are innovative. For example, we collaborated on an evert at which music students and alumni of Carleton performed their own fusion music works—jazz on traditional Chinese musical instruments. On another occasion, our music students were invited to the National Arts Centre in Ottawa to perform an open concert for public education purposes.

Since 2013, we have organized study tours in China. The students are responsible for covering the cost of transportation to and from China. The institute acts as a host once they arrive in China. Each tour is accompanied by a Carleton faculty or staff member as a chaperone and supervisor. The student selection is managed by the relevant Carleton departments and faculty members.

We always inform the Canadian embassy in Beijing of our China tours. In 2017 our music student group was invited to the embassy when the former Governor General, the Right Honourable David Johnston, visited China. It was a major highlight for our students.

Finally, I assist our visiting scholars while they are in Canada. This is an informal role that can include helping them to access health services or find a grocery store when they first arrive, and generally welcoming them to Canada.

To be clear, the institute at Carleton University is not involved in any elementary or high school programs. We focus solely on delivering Chinese language instruction to the students at Carleton, as well as to adult audiences for professional development purposes and their own points of interest.

I hope this offers a clear sense of our activity at Carleton.

In closing, I would like to state that I'm proud of our work at Carleton's Confucius Institute and I feel privileged to contribute to a shared understanding and closer relationship between the country of my birth and the country where I have chosen to live and raise my family.

Thank you.

● (2040)

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

Mr. Elcock, it's good to see you again. Please proceed. You have five minutes.

Mr. Ward Elcock (As an Individual): Mr. Chairman, I have not put in any written remarks, but I did want to make a few comments before the session begins.

First, let me say it's a pleasure to appear before the committee. Some of my views are public on issues such as Huawei and the Meng case, and the detention of the two Michaels, so I won't spend a lot of time dealing with those issues, but I'm happy to answer questions with respect to any of them or on my views with respect to any of them.

On the broader issue with respect to China, I think two things that happened in the last week or two are important. One is the meeting between the Americans and the Chinese on climate change. The other is the comments made today by the American Secretary of State in London, in which he essentially said that the goal of the United States was not the containment of China but rather that the competition with China, the relationship with China, needed to be conducted in an appropriate way in accordance with the multilateral system that we and in particular the Americans have spent many years trying to build since the Second World War.

I thought both of those events were important, and they suggest that there is perhaps a better way forward than under the previous American administration, but obviously that will take some time to develop.

My background, Mr. Chairman, is largely on the intelligence side. Indeed, I spent over 25 years in intelligence. I did want to make a couple of points with respect to that area.

First, let me say that there is more than one country that collects intelligence in Canada. China is by no means the only one that does so. It is, however, probably our largest counter-intelligence target, and that would have been true back as far as the late 1990s, so that isn't really a change.

The methods that China uses have not really changed either. There are some new cyber-tools that were not as advanced in the late 1990s, but those are in many respects only tools that allow agencies to do things that they did through other means in an earlier time.

The Chinese have over the years exercised a wide range of intelligence collection capabilities, including what we used to call “vacuum-cleaner collection”, which was everybody collecting all the time, so any visiting delegation would spend some of its time appearing in places where they were not supposed to be to take photographs or collect other information.

They also have very professional organizations that are dedicated to collecting intelligence in the normal ways that intelligence agencies, both in the west and in other parts of the world, collect information.

The Chinese also spend a great deal of time in developing those who they see as supporting their interests. Not all countries are so heavily engaged in that exercise as the Chinese, but certainly over the years the Chinese have emphasized developing the relationships that they see as possibly advancing the interests of China in dealing with a country like Canada or with other countries.

Finally, let me say that I think there is a tendency—or at least I have observed a tendency, because so little happens in the counter-intelligence world, or apparently so little happens in the counter-intelligence world—to believe that nothing is happening. Speaking as an intelligence professional, I guess, I would make the comment, which I hope is useful to the members of the committee, that the fact that you're not seeing anything doesn't mean that nothing is happening.

● (2045)

Counter-intelligence is not like counterterrorism, wherein the goal is to arrest a terrorist and either expel them from Canada or imprison them. Counter-intelligence is a much more long-term and much slower investigation, in which prosecution is not necessarily the aim of the game at the end of the day—

The Chair: Thank you, Mr. Elcock. I'm sorry to cut you off, but we're over the five-minute point.

Mr. Ward Elcock: Okay. Thank you.

The Chair: Now we'll go to our first round of questions.

We have Mr. Genuis, please, for six minutes.

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

Mr. Li, what kind of information about your ongoing operations do you provide to entities in China?

Mr. Justin Li: Could you repeat your question?

Mr. Garnett Genuis: What kind of information about your operations do you provide to entities in China?

Mr. Justin Li: This institute is part of Carleton. It's like many other institutes and centres. It's one of many at Carleton, so it is under Carleton's policy and procedures. The work of other centres and institutes, such as the India centre, is focused on different parts of the world. This institute focuses only on language training.

Mr. Garnett Genuis: I'm sorry, Mr. Li, if my question wasn't clear. Let me ask it again.

What kind of information about your ongoing operations do you provide to entities in China? Are you reporting back—

Mr. Justin Li: We don't report anything to China. I report only to Canada, to Carleton University.

Mr. Garnett Genuis: You provide no information on your operations—

Mr. Justin Li: No.

Mr. Garnett Genuis: —on numbers, on programming....

Mr. Justin Li: No, we don't report. I'm an employee of Carleton. I don't report to anyone else except Carleton.

Mr. Garnett Genuis: Thank you, sir.

I just want to identify as well that this committee does have the power to send for documents, and that's something we may choose to do following testimony this evening.

Mr. Li, in the interest of promoting understanding, would you recommend that Carleton University invite the Dalai Lama to come to campus? If the Dalai Lama were to visit Carleton University and you were invited to attend a reception welcoming him, would you choose to attend?

● (2050)

Mr. Justin Li: I'm not in a position to answer this question. I don't take any kind of assumption....

Mr. Garnett Genuis: Pardon me?

Mr. Justin Li: I am not in a position to answer the question. I don't have the knowledge and I cannot take a question on any kind of assumption.

Mr. Garnett Genuis: I'm not sure what kind of knowledge you're talking about here, if you're unfamiliar with the Dalai Lama, or.... I mean, if the university was considering inviting this fairly well-known person.... You mentioned that the centre's mandate is to promote understanding and exchanges in dialogue. What would your recommendation be with respect to an invitation like that?

Mr. Justin Li: I would make my decision when the time came. I cannot make the decision right now.

Mr. Garnett Genuis: Okay.

Do you believe that the Government of China is failing to adhere to its international human rights obligations? How are human rights abuses by the Government of China discussed in the context of curriculum materials or events hosted by the Confucius Institute at Carleton?

Mr. Justin Li: I'm not aware of any such allegations in the institute at Carleton University.

Mr. Garnett Genuis: You're not aware that human rights—

Mr. Justin Li: I'm not aware of these kinds of allegations in the institute at Carleton University.

Mr. Garnett Genuis: Okay. I'm not talking about allegations against the institute, though. I'm asking if discussion about Chinese government human rights abuses takes place in the Confucius Institute.

Mr. Justin Li: I heard from the news and I read in the news, but I haven't heard anything here at Carleton in this institute.

Mr. Garnett Genuis: Okay. As far as you know, there are not discussions taking place about human rights abuses in China at the Confucius Institute

Mr. Justin Li: Not that I'm aware at this institute at Carleton University.

Mr. Garnett Genuis: Where do you get your funding from? Various experts have said that you're funded by the CCP propaganda department affiliated with the United Front Work Department. Where does the funding that you get from China source from?

Mr. Justin Li: It's from the Confucius Institute head office, the Confucius Institute in Beijing.

Mr. Garnett Genuis: Okay.

Mr. Justin Li: The funds go to the university finance account.

Mr. Garnett Genuis: Okay, so you—

Mr. Justin Li: It's managed completely under the university finance.

Mr. Garnett Genuis: You receive funding from the Confucius Institute head office in Beijing but you're telling me that at the same time, you don't provide any information back to them on how those funds are used?

Mr. Justin Li: At the time, they kind of asked how the fund is managed, and I told them that it's managed by the university finance, and then there were no more questions.

Mr. Garnett Genuis: Who develops the curricular materials you use? Are they developed by head office, or are they developed by you locally?

Mr. Justin Li: We have visiting scholars from China. They express a willingness to be visiting scholars. I collect their applications, and identify them as candidates. When Carleton requires instructors, I give these candidates to the Carleton departments. The departments review their academic qualifications and arrange interviews.

When the department and faculty—

Mr. Garnett Genuis: Sorry, Mr. Li; the question is about curricular materials, not about visiting scholars.

Mr. Justin Li: We have visiting scholars from China who teach language courses at Carleton with the School of Linguistic and Language Studies. They follow the Carleton curriculum policy and content—

Mr. Garnett Genuis: Okay, thank you, sir. I have one last question. Have you ever had visiting scholars visit from Taiwan, as you consider Taiwan to be part of China, for the purposes of your objectives of building connection and understanding?

Mr. Justin Li: We have not received from the institute point of—

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

We'll move on to Ms. Yip for six minutes.

Ms. Jean Yip: Thank you for coming as witnesses during this late hour.

My first question is for Mr. Elcock.

I noticed in your bio that you were the federal coordinator for the Olympics. How do you feel about Canadian athletes participating in the upcoming Beijing Olympics?

● (2055)

Mr. Ward Elcock: My view on the subject, frankly, is that the last time we as a country decided not to participate in the Olympics—which was the boycott in the Soviet Union—was really not a success. It did nothing to further the point. Frankly, it was not a success.

That should not be taken as a comment with respect to any of the concerns that are expressed about China and China's practices. I'm not sure if the Olympics are necessarily the best venue for those matters to be discussed. I don't think a boycott of the Beijing Olympics will achieve anything.

Ms. Jean Yip: Mr. Li, from 2007 to 2012, there were 15 Confucius Institutes opened across Canada. What led to their rapid enhancement at the time? Have there been any similar increases since then?

Mr. Justin Li: The Confucius Institute at Carleton started operation in 2012. I cannot speak for the other institutes, really.

Ms. Jean Yip: In October 2014, the Toronto District School Board removed the Confucius Institute's involvement and its contribution to the public school curriculum due to not aligning with community values.

Why did that happen? Is CI present in any schools now?

Mr. Justin Li: I cannot speak for that institute, or what's happening in Toronto. Our curriculum is at Carleton. The visiting scholars are teaching Carleton curriculum content.

Ms. Jean Yip: Are your instructors free to discuss human rights? Is there open transparency at Carleton University?

Mr. Justin Li: The visiting scholars follow, and are covered under, all of Carleton's policies and procedures, just like any other scholars at Carleton. We are guided by academic freedom, human rights and freedom of expression.

Ms. Jean Yip: Thank you.

Mr. Elcock, back in December, you appeared before committee to discuss what you saw as the relatively minor procurement of Nuctech, but I want to focus on remarks that you made previously, when you said we should not be looking at one company when it comes to investments but at the Chinese government as a whole.

Before committee you discussed enhancement to security reviews, declaring that you might continue to want to buy from China if you've taken all of the security issues into review. Earlier this year, we issued revised guidelines on the national security review of investments to ensure that Canadian businesses must consider what national security review provisions mean for their business planning and supply chains, especially in the case of investments by state-owned or state-influenced investors.

What are the benefits to this approach and what else can be done?

Mr. Ward Elcock: I think, Mr. Chairman, the approach to reviewing businesses is likely to be an ongoing process. The reality is that it has moved substantially from the first cases that really became an issue with respect to the Chinese acquisition of businesses in Canada. I think it really does require a fairly careful analysis in each case: What are the benefits, what are the costs, and what are the risks to any particular acquisition?

Frankly, in some respects it is difficult to write hard and fast rules. It really does require a review of each case against all of the issues, such as risk, cost, benefits, etc.

● (2100)

Ms. Jean Yip: Mr. Li, you have given lots of lectures in order to provide an understanding that China's history must be more than a background and that it should be the framework for analyzing the present. The impact of culture and traditions is sometimes ignored, and it's not unusual for outsiders to look at China from the perspective of their own societies.

Can you expand on this?

Mr. Justin Li: Thank you.

We arranged for cultural programming mainly just for the experiential learning and immersive experiences like workshops and hands-on sessions on the traditional arts.

The Chair: Mr. Li, I'm very sorry to interrupt, but the six minutes have concluded for Ms. Yip, and I'm sorry I have to interrupt your answer. Perhaps you'll have another chance to answer the question from someone else, but we have to go on now.

[*Translation*]

Mr. Bergeron, it is now your turn for six minutes.

Mr. Stéphane Bergeron: Mr. Elcock, if you had been called upon to advise the Canadian government on whether Canada should participate in the 1936 Olympic games in Berlin, would you have recommended that Canada participate in the games or boycott them?

[*English*]

Mr. Ward Elcock: I think, Mr. Chairman, that's a rather different issue.

The Nazi Party is not quite the Communist Party of China. The situation is not entirely comparable. It is much closer to the situation with respect to the boycotting of the Olympics in the Soviet Union.

I'm not sure, Mr. Chairman, that it makes sense to make the Olympics the vehicle for objecting to issues with respect to difficulties between ourselves and China. There is no question that the relationship between China and Canada at this point is extremely difficult, but I'm not sure it's advanced on one side or the other by not participating in the Beijing Olympics.

[*Translation*]

Mr. Stéphane Bergeron: Thank you.

In 2000, so 21 years ago, when you appeared before the House of Commons Standing Committee on Citizenship and Immigration, you said CSIS was still processing visa applications from abroad manually, which was slow. You also stated that the transition to a computer-based system would speed things up but that computer links abroad gave rise to larger security concerns.

Things have changed. As you know, Canada contracted VFS Global to oversee visa applications in Beijing. The company is backed by a Chinese investment fund and subcontracts the work to a Beijing security company.

I should say right off the bat that CSIS did not even conduct any security checks on the company, which is managing people's personal information.

Do you think the situation is more secure now than it was in 2000?

[*English*]

Mr. Ward Elcock: I have seen the comments in the press by some who are responsible who have indicated that they are taking appropriate measures to ensure that no information is available from the systems in Beijing. I am frankly not sure that I would find those positions credible.

In reality, that institution or that office functions entirely within the control of the Chinese intelligence services. For the foreign intelligence service, that is potentially gold, and the reality is there's almost always a way to access material no matter what security is put in place in a situation like that. I am not convinced by the arguments that the processing of information in the facility in Beijing is secure.

● (2105)

[*Translation*]

Mr. Stéphane Bergeron: The company has already had data breaches in another country. In light of that, does it concern you—as it does us—that when we asked Canadian security agency officials what checks they had done, the answer was embarrassing silence? It seems no vetting was done. On top of that, the company's contract was renewed at least once?

Is there not reason to be extremely concerned that the personal information of people applying for Canadian visas could be shared with Chinese authorities?

[*English*]

Mr. Ward Elcock: It would seem to me that it is an important concern, although, to be frank, the reality is that any communication by anyone in China, even to a Canadian embassy or a Canadian facility, would probably come to the attention of the Chinese no matter what security you put in place.

The reality is that in this case it does not seem that the protections to ensure the security of information are credible.

[*Translation*]

Mr. Stéphane Bergeron: Thank you.

The Chair: Thank you, Mr. Bergeron.

[*English*]

Now we'll go to Mr. Harris for six minutes, please.

Mr. Jack Harris: Thank you, Chair.

Mr. Li, is your position at Carleton University as the head of the Confucius Institute an academic position or an administrative position?

Mr. Justin Li: Thank you, sir. It's administrative. It's not an academic one.

Mr. Jack Harris: You look after the administration of the institute.

We had a witness before this committee on April 19 by the name of Carolyn Bartholomew. She is the chair of the United States-China Economic and Security Review Commission. She offered the opinion that the Confucius Institutes serve as “platforms for espionage,” a tool for the Chinese Communist Party to control Chinese students on university campuses, and a means to “spread the Chinese world view.”

Have you heard of this type of criticism or comment in relation to Confucius Institutes? I presume she's talking about the United States, but have you heard of this before?

Mr. Justin Li: I've read a similar one. I don't recall. There's a specific one, but I cannot speak—

Mr. Jack Harris: Do your activities involve being a platform for espionage in Canada through your institute?

Mr. Justin Li: No.

Mr. Jack Harris: Are the students controlled by the CCP?

Mr. Justin Li: No, absolutely not.

Mr. Jack Harris: You don't do anything like that.

Mr. Justin Li: No.

Mr. Jack Harris: This has no bearing and no relation to anything you do on your campus.

Mr. Justin Li: No.

Mr. Jack Harris: You say you present these visiting scholars' resumés and applications to the university. Are you aware as to whether or not the visiting scholars who come are pre-selected or pre-screened within China before they are able to apply?

Mr. Justin Li: These Chinese academics who would like to come to Canada as a visiting scholar to teach Chinese contact our institute or they contact their own universities. I will find the candidates through the Confucius network of Chinese language instructors and then I will report to the department and faculties if they need an instructor. Then—

Mr. Jack Harris: They'd be pre-approved by the Confucius Institute community of scholars before they apply.

Mr. Justin Li: We don't know that. You'd have to ask those at their institutes and what they do there. Carleton will review their academic qualifications—

● (2110)

Mr. Jack Harris: Yes, I understand that. You said that before, but you say they come from the Confucius Institute community of scholars before they come to Carleton.

Mr. Justin Li: I cannot speak for their institution.

Mr. Jack Harris: I see. It is the Confucius community scholars within China who receive offers to come here. Is that right?

Mr. Justin Li: No, sometimes the individuals contact us. Sometimes they tell their universities, and then we contact the universities and they know, so they contact the individual. They don't—

Mr. Jack Harris: Thank you, Mr. Li. I only have a few more minutes and I do have a question for Ward Elcock.

Mr. Bergeron suggested that you testified in 2000 before the House of Commons that you didn't have any trust in computers in those days and that you'd rather have paper because you were concerned that there were security concerns. I would suspect that you probably think there are more security concerns than before.

Do you believe there's sufficient ability to mitigate those concerns in dealing with international communications between here and China, whether or not they go through networks such as those controlled by Huawei?

Mr. Ward Elcock: I'm not quite sure which communications you're referring to. If you're referring to the information at the facility in Beijing that processes visas, I think the issue there is on the ground in China.

Mr. Jack Harris: Yes, I get that. I want your understanding of how....

Communications have advanced by 20 years since then. Are you any more comfortable with the ability to mitigate communication by computers over long distances, such as between here and China or anywhere in the world?

Mr. Ward Elcock: Yes, it is possible. Encryption and computers and other things have advanced in the same time period, so it is possible.

To take the Huawei case, for example, whether or not one would want to build one's system with Huawei equipment might be a more difficult question, because then the issue becomes whether the equipment is trapped or backdoored.

Mr. Jack Harris: We hear stories about the Americans selling encryption services through a back door of a German company and reading everybody's diplomatic exchanges for 15 or 16 years. It's not unheard of to be able to interfere with this equipment, is it?

Mr. Ward Elcock: No, it's not. It is not unusual for other countries to collect intelligence. China is not the only country in the world that collects intelligence. Canada does too.

Mr. Jack Harris: Do we collect intelligence internationally as well, through your former agency?

Mr. Ward Elcock: The service does operate outside of Canada, yes.

The Chair: Thank you.

Thank you, Mr. Harris.

[*Translation*]

We will now begin our second round.

We go to Mr. Paul-Hus for five minutes.

Mr. Pierre Paul-Hus: Thank you, Mr. Chair.

Mr. Li, in 2013, CSIS released a report calling Confucius institutes Trojan horses sent to spy on Canada.

Now, eight years later, does the same view prevail?

[*English*]

Mr. Justin Li: I cannot speak to the view of others. I heard that report and I read the news, but certainly it's not the case with Carleton.

[*Translation*]

Mr. Pierre Paul-Hus: Thank you.

Mr. Elcock, we talked a bit about Huawei. In 2017, a number of experts, including yourself, warned Canada about Huawei and its 5G technology. Four years later, the Canadian government has yet to make a decision, claiming that it is waiting for reports.

What are your thoughts on that?

[*English*]

Mr. Ward Elcock: I would prefer to see a decision taken, but I would also prefer to see Michael Spavor and Michael Kovrig back in Canada. I suspect that's not going to happen for a while either. I'm not sure the fact that the government has not yet taken a decision is enormously troubling at this point in time, given all of the other extenuating issues, but I assume at some point a decision will be taken.

[*Translation*]

Mr. Pierre Paul-Hus: You think, then, that the agencies have done their work and that the decision is purely about politics. If the two Michaels were not a factor, you think Canada would have already banned Huawei. Is that right?

● (2115)

[*English*]

Mr. Ward Elcock: It is very hard for me to conceive of a situation in which the Government of Canada will decide to proceed with allowing Huawei to operate in Canada, given all of the circumstances. Frankly, I don't think that is likely to happen. Does that mean a decision has been taken? I obviously don't know the answer to that question, but it may well be that the government has taken a decision but has decided not to announce it yet.

[*Translation*]

Mr. Pierre Paul-Hus: On the whole, do you think the Government of Canada is currently failing to show leadership vis-à-vis China? I'm not talking about Huawei.

[*English*]

Mr. Ward Elcock: That's not entirely clear. The challenges for Canada in dealing with China, particularly during the previous American administration, were huge. Those challenges were only made worse by the issues around Huawei, and then by the Chinese taking Mr. Spavor and Mr. Kovrig hostage. Those, plus the main case, have all made the situation with China extremely difficult.

As I said at the beginning, the reality is that the position of the current American administration is much more supportive to a Canadian position. We'll see where we go with Mr. Spavor and Mr. Kovrig, and whether the Chinese decide at some point to release them.

[*Translation*]

Mr. Pierre Paul-Hus: When it comes to China's influence globally, taking into account activities on Canadian soil and in Canada's north, do you think Canada has shown strong enough leadership? Should Canada raise the issue more seriously with its NATO partners to create a real coalition, for example?

Obviously, the Americans are our first go-to when it comes to relationship-building. However, with the Chinese government being what it is today, do think Canada should take a tougher stand? Should the Canadian government raise the issue with its partners to better protect itself?

[*English*]

Mr. Ward Elcock: It's easier to have a strong position when we have the partnerships. When we are completely exposed, the challenges are considerably greater. As I was saying a second ago, given the current American position, it is beginning to become clear that there is an opening to a partnership with the United States, and possibly with other NATO partners and other partners around the world, that will take us in the direction we would like to go, or many would like go. The position of the government will then become clearer.

Mr. Pierre Paul-Hus: Thank you.

[*Translation*]

The Chair: Thank you, Mr. Paul-Hus.

Mr. Dubourg, we now go to you for five minutes.

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

Good evening, Mr. Elcock and Mr. Li.

Mr. Li, we are very glad to have you with us. You are now the director of the National Capital Confucius Institute for Culture, Language and Business. You said you applied for the position in 2011. You talked about the institute's three areas of focus: language, culture and assistance.

As I'm sure you know, a number of witnesses have talked to the committee about foreign interference and threats. We have asked you about that. A witness in the previous panel, Paul Evans, likened Confucius institutes to a Chinese propaganda machine.

When you hear comments like that about Confucius institutes, how do you respond?

● (2120)

[*English*]

Mr. Justin Li: Thank you, sir.

I haven't read news and media outlet stories, but the Confucius Institute at Carleton strictly follows the policies and procedures of Carleton University. All the business scholars coming to the institute are also covered under the same policies and procedures, so they teach the Carleton curriculum content. Everything is under Carleton's policies and procedures.

[*Translation*]

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

I represent a Montreal riding. In Montreal, Quebec, we have a Confucius Institute that is open to students and the public.

Would you agree with that statement?

[*English*]

Mr. Justin Li: I cannot speak for the other institutes, but at Carleton the Confucius Institute provides support to the School of Linguistics and Language Studies, which offers a credit course to students registered at Carleton University.

[*Translation*]

Mr. Emmanuel Dubourg: I see. Thank you.

I have one last question for you, Mr. Li, a quick one.

The Confucius Institute at Carleton University hosts students and teachers from China—I am not referring to other Confucius institutes. As we know, those people are prepared before they come here.

According to media reports, Falun Gong practitioners are not allowed to work for Confucius institutes. Is that right?

[*English*]

Mr. Justin Li: Thank you, sir.

Can you hear me?

[*Translation*]

Mr. Emmanuel Dubourg: Yes, I can hear you.

[*English*]

Mr. Justin Li: We receive visiting scholars from China. Their academic qualifications are reviewed by our faculty members in the departments. Once they have been accepted academically, we'll issue an invitation, and there's a very complete internal process.

The Confucius Institute at Carleton initializes an internal process. Then processing is carried out through the approval of the chair and director of the department, then the dean of the faculty, and then, ultimately, the vice-president of research and international or the provost and vice-president academic.

[*Translation*]

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

Can anyone register at the Confucius Institute, just as Falun Gong practitioners can register at Carleton University?

[*English*]

Mr. Justin Li: The credit course run by the School of Linguistics and Language Studies is open to everyone.

The Chair: Thank you very much.

[*Translation*]

Thank you, Mr. Dubourg.

Mr. Bergeron, you have the floor for two and a half minutes.

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

I would like to follow up on the questions Mr. Paul-Hus asked about Huawei.

Mr. Elcock, other than the current situation involving the two Michaels, why has Canada not made a decision about Huawei? The other Five Eyes members have already announced that they would not allow the use of Huawei technology in their respective 5G networks.

[*English*]

Mr. Ward Elcock: Mr. Chair, I can't answer that question. I don't sit in government councils anymore, so I don't know precisely why the government has not taken action. I suspect that it is certainly conceivable that the detention of the two Michaels in China would have an impact on their decision and that a decision on Huawei might have potential consequences on their detention.

[*Translation*]

Mr. Stéphane Bergeron: In your view, the government has already made its decision, and it's a no. Is that correct?

[*English*]

Mr. Ward Elcock: I would be extremely surprised if the decision were to be yes; in other words, I think the decision is no.

● (2125)

[*Translation*]

Mr. Stéphane Bergeron: Okay.

What makes other 5G technology providers more trustworthy, since some of them rely in part on business from the People's Republic of China?

[*English*]

Mr. Ward Elcock: The issue of 5G and Huawei is not simply an issue of Huawei. The reality of the new 5G system is that it is potentially attackable by a wide variety of intelligence agencies and others around the world. If Huawei is not part of the system, it does not mean that there is no potential for an attack on your 5G system. That goes without saying. No matter what system is put in place or who manages it, it will require care, it will require inspection and it will require certainty as to the suppliers.

The issue with Huawei is simply the question of having a company that is a Chinese company, and while it's not directly controlled by the Chinese state, it is a company within the control of the Chinese state—

The Chair: Thank you.

[*Translation*]

Thank you, Mr. Bergeron.

[*English*]

We'll now go to Mr. Harris for two and a half minutes, please.

Mr. Jack Harris: Thank you, Chair.

Mr. Elcock, you have a background as a lawyer, and I'm told by biographical notes that you worked also in the Privy Council Office and as a special adviser to the minister for the Department of Energy, Mines and Resources.

We know that China is very interested in resources in Canada, particularly rare minerals, and is interested in other specialty activities. Do you see that as a potential issue and does the Canada-China Foreign Investment Promotion and Protection Agreement present a barrier for us in having some say over what the nature of the Chinese activity in Canada might be for minerals that are very desirable but perhaps in very short supply?

Mr. Ward Elcock: No. My understanding of the law is that it would not prevent Canada from preventing such an acquisition from being made.

Obviously, on the issue of the nature of the mineral product, if it is rare earths, for example, it would obviously be of much more concern than if it is something more innocuous like, say, tin or whatever. Obviously, all of those issues are important in looking at any acquisition by the Chinese and any takeover by the Chinese. In the event that there were to be such a takeover or an acquisition, the government could take action if it believed that it was a national security risk.

Mr. Jack Harris: I just saw an opinion piece a couple of days ago talking about the future of our relationship with China, and there was an argument being made that the EU should abandon ratification of its comprehensive agreement on investment with China to help forge a different approach in terms of what kinds of investment and support for Chinese enterprise should be permitted as we move forward.

Do you have any views on what kinds of investment relations Canada should have with China, and vice versa?

Mr. Ward Elcock: I think that is something, frankly, on which we should proceed very carefully. The reality is that there are risks to some acquisitions and some takeovers, but not necessarily all of them.

I, for example, have—

The Chair: I'm sorry. I have to conclude, but I want to thank the witnesses very much. We appreciate very much your appearance this evening and your testimony. That concludes our—

Mr. Garnett Genuis: Mr. Chair, could we not take some additional time?

The Chair: We have about 30 seconds before the time scheduled for the meeting is over. If it's the will of members to continue.... I don't know how long we can have interpreters. I don't think we have them for very long.

Mr. Garnett Genuis: What if we extend for eight minutes and give each party equal time? We did start late.

The Chair: Let me see if there's agreement to extend. Mr. Genuis is asking for eight minutes.

By the way, on starting late, I was on at 6:15 to do my sound check. If members would all come before 6:30 to do that, it would be very helpful and appreciated and we would start on time as we should. I'm not going to be taking responsibility for the fact that we didn't start at 6:30. The meeting is scheduled 6:30 to 9:30.

Go ahead, Monsieur Lightbound.

● (2130)

[*Translation*]

Mr. Joël Lightbound: Excuse me, Mr. Chair. I have a point of order.

I was disconnected from the meeting, so I'm not sure whether I'm jumping in at the wrong time. I just want to set the record straight in relation to a question Pierre Paul-Hus asked. He claimed that—

[*English*]

Mr. Garnett Genuis: Mr. Chair, on a point of order, this sounds substantive, but if Mr. Lightbound will agree to my proposal for two minutes each, then he will have two minutes to do precisely what he seeks to do.

Mr. Joël Lightbound: That sounds good. I will get back to it. Sorry.

The Chair: Is anyone opposed on an additional eight minutes? I don't see anyone.

Did you say two minutes each? All right.

Mr. Genuis, you have two minutes.

Mr. Garnett Genuis: Mr. Li, my colleagues have raised the fact that many witnesses have told us that Confucius Institutes are a front for espionage. You have told us that at least the Confucius Institute at Carleton is not, but you have also been unwilling to contradict the party line on any issues in response to my questions about human rights abuses or the Dalai Lama. This makes me wonder if your employment status would be at risk if you criticized the Chinese government, so I want to put this to the test here.

Mr. Li, based on your bio, you were living in China during the Tiananmen Square massacre in 1989. The Chinese Red Cross estimates that over 2,500 peacefully protesting students were shot in cold blood. As someone who today works with students at a university, do you believe these figures are accurate, and do you think the Chinese State was wrong to sanction opening fire on peaceful protestors?

Mr. Justin Li: Thank you, sir.

I am employed by Carleton University. My employment is with Carleton, and I don't think this has anything to do with China.

Mr. Garnett Genuis: Mr. Li, would you like to respond to my question about the Tiananmen Square massacre?

Mr. Justin Li: I'm sorry. What's the question again?

Mr. Garnett Genuis: In 1989 over 2,500 student protesters were massacred in cold blood. As someone who works with students, do you believe that those figures are accurate as reported by the Chinese Red Cross, and do you believe that the Chinese state was wrong to sanction opening fire on peaceful protesters?

Mr. Justin Li: I don't have the expertise and knowledge to validate the numbers in that incident.

Mr. Garnett Genuis: You were living in China at the time, Mr. Li.

Mr. Justin Li: Yes.

Mr. Garnett Genuis: Do you believe it was wrong for the Chinese government to sanction opening fire on peaceful protesters in Tiananmen Square?

Mr. Justin Li: I was in China, I was in Beijing, and none of my friends or acquaintances have been a victim so far. It's an unfortunate event, of course.

The Chair: Thank you, Mr. Genuis.

[*Translation*]

Mr. Lightbound, you may go ahead. You have two minutes.

Mr. Joël Lightbound: Thank you, Mr. Chair.

Before I get to my question for Mr. Li, I would like to address some incorrect information shared by Pierre Paul-Hus. In one of his questions, he claimed that a report entitled “The Security Dimensions of an Influential China” was written by CSIS.

That is not true. The preamble to the report clearly states that it was not authored by CSIS. Rather, the report reflects the views of independent scholars and analysts presented during a conference hosted by CSIS. It is not a CSIS report.

I just wanted to make that clear so there is no confusion among the committee members or in the committee's eventual report.

My question is for Mr. Li. I want to come back to the question Mr. Dubourg asked.

Mr. Li, as the director of the Confucius Institute at Carleton University, would you agree to higher someone who practises Falun Gong?

[*English*]

Mr. Justin Li: Thank you, sir.

I'm the only employee on the staff of the Confucius Institute at Carleton University, and we don't hire anyone else. I'm the only one, and we work with business scholars from China. Then we teach at the School of Linguistics and Language Studies.

[*Translation*]

Mr. Joël Lightbound: Thank you, Mr. Li.

Mr. Chair, I have no further questions.

● (2135)

The Chair: Thank you, Mr. Lightbound.

Mr. Bergeron, you may go ahead. You have two minutes.

Mr. Stéphane Bergeron: I would like to piggyback on Mr. Lightbound's question.

Mr. Li, if you are the only employee, are you the only person who teaches classes? From your answer, I gather that teachers are hired to give language classes.

[*English*]

Mr. Justin Li: I don't hire, and Carleton does not hire, Chinese business scholars. Business scholars pay by themselves, and Carleton reviews their academic qualifications. These business scholars are responsible for their own funding coming to Canada.

[*Translation*]

Mr. Stéphane Bergeron: What is the institute's role if Carleton University hires the language teachers itself?

[*English*]

Mr. Justin Li: Carleton is free to hire Canadian local instructors. The mandate of the institute is to work with the visiting scholars from China. We provide the selection of candidates for the department to review, interview and select. Then they teach these courses at the school, the linguistic and language courses and the language studies.

[*Translation*]

Mr. Stéphane Bergeron: All the teachers come from the People's Republic of China. Is that correct?

[*English*]

Mr. Justin Li: There are only one or two. We have about two at a time for each semester a year, in that kind of range, but now we don't have anyone. They all returned to China at the end of December of last year.

[*Translation*]

Mr. Stéphane Bergeron: Who selects the candidates whose applications are submitted to Carleton University?

[*English*]

Mr. Justin Li: It is the language department or faculty at Carleton University. Carleton has the right to decide or decline their application—

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

Now we will go to Mr. Harris for two minutes, please.

Mr. Jack Harris: Thank you, Mr. Chair.

I'll go back to you, Mr. Elcock. Perhaps you can take the opportunity now to elaborate on what you were saying. I hope you haven't lost your train of thought. We were talking about investment and concerns about the future in terms of relations with China on that score. Would you care to carry on?

Mr. Ward Elcock: Mr. Chairman, China is a reality. It is a major economic power in the world. It is likely that Canada will have to deal with China on some level. Just as the Americans have now indicated that they will deal with China on climate change, we will likely have to deal with China on climate change and other issues.

The reality is that if we are to be a participant in the Chinese market, at some level we will have to find accommodations if—

Mr. Jack Harris: Should we be selective, from a strategic point of view?

Mr. Ward Elcock: I think we have to be very careful about how we.... Yes, I think we should be selective—that is, from a strategic point of view—but the reality for Canada even today is that a lot of canola farmers would like to sell their canola to China and a lot of pork farmers would like to sell their pork to China.

The issue of relationships with China already exists. It is something that we will have to manage, but it is obviously something we should manage very carefully, given the nature of China and given its practices, which are not entirely in accord with our view of multinational institutions in many ways.

I do think that Canada has to exercise oversight over much of what we do with China and how we do it.

Mr. Jack Harris: Thank you, sir. I think our time is up.

The Chair: Yes, our time is up, but thank you very much, Mr. Li and Mr. Elcock. We appreciate your appearance this evening. Colleagues, thank you.

The meeting is adjourned.