

SUMMARY OF THE SPECIAL COMMITTEE'S MEETINGS IN WASHINGTON, D.C.

Interim Report of the Special Committee on the Canada-People's Republic Of China Relationship

Ken Hardie, Chair



APRIL 2024 44th PARLIAMENT, 1st SESSION Published under the authority of the Speaker of the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Standing Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: www.ourcommons.ca

SUMMARY OF THE SPECIAL COMMITTEE'S MEETINGS IN WASHINGTON, D.C.

Interim Report of the Special Committee on the Canada–People's Republic Of China Relationship

Ken Hardie Chair

APRIL 2024
44th PARLIAMENT, 1st SESSION

NOTICE TO READER Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Reports from committees presented to the House of Commons Presenting a report to the House is the way a committee makes public its findings and recommendations
Presenting a report to the House is the way a committee makes public its findings and recommendations
on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

SPECIAL COMMITTEE ON THE CANADA-PEOPLE'S REPUBLIC OF CHINA RELATIONSHIP

CHAIR

Ken Hardie

VICE-CHAIRS

Tom Kmiec

Stéphane Bergeron

Heather McPherson

MEMBERS

Hon. Michael D. Chong

Nathaniel Erskine-Smith

Peter Fragiskatos

Marie-France Lalonde

Melissa Lantsman

Hon. Robert Oliphant

Kyle Seeback

Jean Yip

OTHER MEMBERS OF PARLIAMENT WHO PARTICIPATED

Alexandre Boulerice

Serge Cormier

Hon. Ed Fast

Sameer Zuberi

CLERK OF THE COMMITTEE

Christine Holke

LIBRARY OF PARLIAMENT

Research and Education

Valérie Chevrier-Marineau, Analyst

Marie Dumont, Analyst

THE SPECIAL COMMITTEE ON THE CANADA-PEOPLE'S REPUBLIC OF CHINA RELATIONSHIP

has the honour to present its

SIXTH REPORT

Pursuant to the Order of Reference of Monday, May 16, 2022, the committee has studied the Canada—People's Republic of China Relations and has agreed to report the following:

TABLE OF CONTENTS

SUMMARY OF THE SPECIAL COMMITTEE'S MEETINGS IN WASHINGTON, D.C	1
Introduction	1
American Measures	2
Foreign Interference	2
Forced Labour	4
National Security	5
Fentanyl Crisis	6
American and Canadian Strategies for the Indo-Pacific Region	7
Coordinating Approaches for the Indo-Pacific	7
Economic Partnerships in the Indo-Pacific	7
The Taiwan Situation	8
Similar Approaches	9
Potential Invasion	9
Elections	9
Issues Concerning Human Rights Violations	10
The Human Rights Situation in Hong Kong	10
The Human Rights Situation of the Uyghurs	11
Effect on Chinese Diaspora Communities	12
Effect on University Campuses	12
Rising Anti-China Sentiment	13
Opportunities for Canada	14
Artificial Intelligence	14
Critical Minerals	15
Conclusion	16
REQUEST FOR GOVERNMENT RESPONSE	19



SUMMARY OF THE SPECIAL COMMITTEE'S MEETINGS IN WASHINGTON, D.C.

INTRODUCTION

For decades, the People's Republic of China (PRC) has been a rising global power with a growing influence on other countries in Asia and beyond. While the PRC has valuable economic relations with developed democratic countries, including Canada and the United States, we also are witnessing the deepening of global great power competition, which gives rise to various economic, security-related and other challenges. In this context, Canada and the United States share some common interests regarding their relations with the PRC.

In 2023, the Special Committee on the Canada–People's Republic of China Relationship (the Special Committee) agreed to travel to Washington, D.C. A delegation of seven members of the Special Committee¹ travelled to Washington, D.C., from 13 to 16 November 2023 and met with some members of the United States House Select Committee on Strategic Competition between the United States and the Chinese Communist Party (the Select Committee), six other members of Congress individually;² commissioners of the U.S.—China Economic and Security Review Commission (the Commission); and various academics, experts and stakeholders from research institutes based in Washington, D.C.³

The trip coincided with the 15 November 2023 meeting between U.S. President Joe Biden and his Chinese counterpart, President Xi Jinping, held on the margins of the Asia—Pacific Economic Cooperation Leaders' Meeting in San Francisco, which provided greater insight into U.S.—Chinese relations and was a topic of discussion for some of the delegation's meetings. One of the underlying goals of this trip was to help the Special

The delegation's members were Ken Hardie, Chair; Tom Kmiec, Vice-Chair; Stéphane Bergeron, Vice-Chair; Heather McPherson, Vice-Chair; the Hon. Michael D. Chong; the Hon. Robert Oliphant; and Jean Yip.

Senator Mike Rounds, Senator Tammy Duckworth, Representative Henry C. "Hank" Johnson, Representative Ami Bera, Representative Dina Titus and Representative Bill Huizenga.

Dr. David Shambaugh (Distinguished Fellow, Kissinger Institute on China and the United States); Dr. Sophie Richardson (former Director for China, Human Rights Watch); Rui Zhong (Associate, Kissinger Institute on China and the United States), Dr. Laura Silver (Associate Director, Pew Research Center), Pamela Kennedy (Deputy Director China, East Asia); Jude Blanchette (Freeman Chair in China Studies at the Center for Strategic and International Studies (CSIS); Lily McElwee (Deputy Director and fellow, Freeman Chair in China Studies, CSIS) and Brian Hart (Fellow with the China Power Project, CSIS).



Committee better understand how the United States addresses various matters involving the PRC and how Canada and the United States could learn from each other on various topics of common interest, such as legislative measures, particularly regarding forced labour and foreign interference, the vision for the Indo-Pacific region, opportunities involving critical minerals and artificial intelligence, the situations involving Taiwan, Hong Kong and the Uyghurs, as well as the effect on Chinese diaspora communities living in the United States and Canada.

When the Special Committee travelled to Washington, D.C, there was no published transcript of its work. All of the meetings were considered informal, with the expectation that they would be held under Chatham House rules to increase the openness of the discussion. Accordingly, in this report, observations are not attributed to individuals. This report is a compilation of key insights shared with the members of the Special Committee. It details the discussions that were held and the information that was learned by the Special Committee delegation following its meetings with certain American legislators and experts.

AMERICAN MEASURES

One of the primary goals of the delegation's visit to Washington, D.C. was to learn more about U.S. legislative and political measures and agreements involving the PRC, including tools to address foreign interference, forced labour, national security and the fentanyl crisis.

Foreign Interference

A number of stakeholders who met with the delegation discussed certain American legislative tools to respond to foreign interference in the United States, such as the Foreign Agents Registration Act (FARA).⁴ These discussions took place at the request of the delegation, since questions are currently being asked in Canada about the possibility

⁴ United States, Chapter 11: Foreign Agents and Propaganda, 22 U.S.C. ch. 11, § 611 to 618.

of parliamentarians passing legislation to create a foreign influence registry in Canada.⁵ FARA was enacted in 1938 to promote transparency for foreign influence on American soil. It has been used to help fight influence and transnational repression by the PRC in the United States.⁶ According to several experts who met with the delegation, passing legislation to create a registry of foreign agents has value beyond situations involving foreign interference orchestrated specifically by the Chinese Communist Party (CCP), because it could help address interference from various other nations as well.

While recognizing that FARA is applied with regard to registering "foreign agents," some American experts and legislators who met with the delegation raised issues involving FARA's implementation. They mentioned that the provisions involving FARA violations are enforced only rarely. A member of Congress, who believes that FARA has a number of weaknesses, informed the Special Committee that legislative measures had been introduced in 2023 in the United States House of Representatives and the Senate in an attempt to address these shortcomings.⁷ The proposed amendments could retroactively extend the period covered by FARA during which a person acts as a "foreign agent."

Similarly, several stakeholders shared their insights with the Special Committee delegation about Recommendation 13 in the Commission's 2023 annual report to

House of Commons Special Committee on the Canada—People's Republic of China Relationship (CACN), <u>A Threat to Canadian Sovereignty: National Security Dimensions of the Canada—People's Republic of China Relationship</u>, Interim Report, May 2023, pp. 49–53; CACN, <u>Evidence</u>, 20 March 2023. Similarly, in the previous Parliament (43rd Parliament), the matter of creating a foreign agent registry in Canada was also brought to the Special Committee. See CACN, <u>Evidence</u>, the Honourable John McCallum (former Ambassador of Canada to the People's Republic of China), and CACN, <u>Evidence</u>, Mr. Robert G. Wright (former Ambassador of Canada to the People's Republic of China). See also Public Safety Canada, <u>Foreign Interference—Foreign Agent Registry</u>; Public Safety Canada, <u>Government of Canada launches public consultations on a Foreign Influence Transparency Registry in Canada</u>, News release, 10 March 2023; and House of Commons, Standing Committee on Access to Information, Privacy and Ethics (ETHI), <u>Foreign Interference and the Threats to the Integrity of Democratic Institutions, Intellectual Property and the Canadian State</u>, Tenth Report, October 2023, pp. 52–54.

For two examples of recent FARA cases before the American courts involving the PRC, see the 2020 case of <u>Elliott Broidy</u> who pleaded guilty to one count of conspiracy to violate FARA, particularly for having played a role in a covert campaign to influence the U.S. government on behalf of Chinese and Malaysian interests, and the 2023 case of Prakazrel "Pras" Michel, who was found guilty violations under FARA, particularly for having lobbied the Trump Administration on behalf of Chinese government officials in order to have the United States extradite Chinese dissident Guo Wengui.

⁷ United States, <u>H.R.4545—Retroactive Foreign Agents Registration Act</u>, 118th Congress, 1st Session; United States, <u>S.2229—Retroactive Foreign Agents Registration Act</u>, 118th Congress, 1st Session.

For more information, see The Select Committee on the Chinese Communist Party, <u>Gallagher Leads</u>

<u>Bipartisan, Bicameral Coalition to Introduce the Retroactive Foreign Agents Registration Act</u>, 11 July 2023.



Congress (Commission`s 2023 Report). It recommends that Congress establish a legal framework with disclosure requirements for certain companies to ensure that they publicly share certain information, such as the influence of any company personnel associated with the CCP in corporate decision-making. This framework, according to the Commission's 2023 Report, would provide greater transparency regarding risks from publicly traded companies' exposure to the PRC. Furthermore, some stakeholders mentioned that this legislative measure was needed to ensure that the public has access to information about who could attempt to influence certain American circles, as FARA seeks to do, for example.

Forced Labour

An interest of the Select Committee is the issue of the Uyghur forced labour, outlined in its June 2023 report, Fast Fashion and the Uyghur Genocide: Interim Findings. The key legislative tool to address this issue in the U.S. is the Uyghur Forced Labour Prevention Act (UFLPA), which many American experts and legislators raised with the delegation. The UFLPA, passed in late 2021, seeks to put an end to the importation to the United States of goods made with forced or compulsory labour, preventing these goods from entering the American supply chain. The U.S. Customs and Border Protection reports that, from the UFLPA's implementation on 21 June 2022 to 22 December 2023, 2,547 out of 6,315 shipments subject to review from Malaysia, Vietnam, the PRC, Thailand, Mexico and other countries that import production inputs from the Xinjiang region have been denied entry to the U.S. Despite the prohibitions on these imports, the Select Committee has found that certain products made by Uyghur forced labour continue to enter the United States through a provision that allows importers to avoid customs duties, and scrutiny, when products are valued at less than US\$800.10 Accordingly, the Select Committee has recommended that the U.S. strengthen its import prohibitions on goods made by Uyghur forced labour. 11

Some American legislators told the delegation that they were not aware of any major action taken in other jurisdictions outside of the United States on matters in the Xinjiang region, and they subsequently had the opportunity to learn about Canada's intention to act and the steps already taken to that end. In Canada, 2020 amendments to the

⁹ U.S.-China Economic and Security Review Commission (USCC), <u>2023 Report to Congress</u>, 14 November 2023, pp. 341 and 342.

The *de minimus* provision under <u>Section 321 of the *Tariff Act* of 1930</u> administratively exempts goods valued at less than US\$800 from duties and shipment taxes.

The Select Committee on the Chinese Communist Party, <u>The Chinese Communist Party's Ongoing Uyghur Genocide: Policy Recommendations</u>, 24 May 2023.

<u>Customs Tariff</u>¹² prohibit the importation of goods into Canada that have been produced using forced labour. However, reports indicate that the one publicly reported shipment from the Xinjiang region that was blocked by Canada Border Services Agency under this legislation was released following a challenge from the importer.¹³ Canada's Bill S-211, <u>An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff</u>, entered into force on 1 January 2024. Unlike the U.S. UFLPA, which has a rebuttable presumption that goods from the Xinjiang region are made with forced labour, and accordingly shall not enter the U.S. without proof to the contrary, the measures introduced through Canada's Bill S-211 aim to increase transparency through reporting obligations.¹⁴ In addition, Canada's <u>Minister of Labour Mandate Letter</u> requires the minister to take the lead on legislation to eradicate forced labour from Canadian supply chains. As of 29 February 2024, this bill had not been tabled in Parliament.

National Security

In the United States, an executive order was issued in August 2023 about United States investment in certain national security technologies and products in countries of concern, including the PRC.¹⁵ This executive order is one of several initiatives that highlight a new concept implemented by the Biden Administration to address national security, which many stakeholders cited in their various discussions with the Special Committee—the concept of "small yard, high fence." It builds on the concept of "derisking," which focuses on "mitigating specific risks associated with economic engagement with a particular country. It involves diversifying supply chains, identifying alternative sources of goods and services, and implementing measures to reduce

The 2020 amendments to the *Customs Tariff* implement Article 23.6 of the *Canada–United States–Mexico Agreement*, which prohibits a signatory's "importation of goods into its territory from other sources produced in whole or in part by forced or compulsory labor, including forced or compulsory child labor," and requires signatories to cooperate "for the identification and movement of goods produced by forced labor."

Zena Olijnyk, Efforts to remove forced labour from Canadian supply chain expected to ramp up, Canadian Lawyer, 19 July 2022.

In addition, legislation to further amend the *Customs Tariff*, <u>Bill S-204</u>, the Xinjiang Manufactured Goods Importation Prohibition Act, introduced by Senator Leo Housakos, is at second reading in the Senate.

The White House, Executive Order on Addressing United States Investments in Certain National Security

Technologies and Products in Countries of Concern, 9 August 2023.



exposure to potential disruptions." ¹⁶ According to several experts who met with the delegation, the Biden Administration's policy of "small yard, high fence," which was implemented in part through the executive order of August 2023, is in line with the concept of "de-risking," as it involves protecting a small number of strategic technologies essential to the national security of the United States against the PRC, among others.

Fentanyl Crisis

Lastly, throughout the delegation's visit, several American experts and legislators made direct links between the fentanyl crisis, which results in tens of thousands of deaths in the United States each year, and the PRC. The signing of an agreement between the PRC and the United States during the meeting between presidents Biden and Xi in San Francisco on 15 November 2023 to actively cooperate in the fight against fentanyl trafficking is a noteworthy example of these direct links that were raised by various stakeholders who met with the delegation.¹⁷

However, some stakeholders explained to the delegation that this agreement will likely be difficult to implement. Some of the experts who met with the delegation implied that, although the United States government had gotten a commitment from Beijing to fight against illegal fentanyl exports, the implementation of this commitment will have to be monitored, because it is likely to be laborious given the lack of success around efforts to address this issue between these two countries in the past.

Several experts who met with the delegation informed the delegation that, in the United States, the concept of "de-risking" is now preferred to the term "decoupling," which was previously the common term used by the United States to describe its relationship with the PRC, as it entailed "a complete economic disentanglement." In other words, "[d]ecoupling refers to a complete separation of ties between two or more economies. It involves dismantling existing trade and investment relationships, severing supply chains, and establishing new economic partnerships elsewhere," while the concept of "de-risking" is a more nuanced and gradual approach, because "unlike decoupling, de-risking seeks to continue basic trade and investment activities — once the risks have been dealt with," but "[l]ike decoupling, de-risking is motivated by a desire to reduce reliance on a single supplier or to protect against potential economic or geopolitical events." For more on this topic, see Alex Capri, "China decoupling versus de-risking: What's the difference?," Hinrich Foundation, 12 December 2023; Emily Benson and Gloria Sicilia, "A Closer Look at Derisking," CSIS, 20 December 2023; Damien Cave, "How 'Decoupling' From China Became 'De-risking," The New York Times, 22 May 2023.

¹⁷ The White House, <u>FACT SHEET: Biden-Harris Administration Continues Progress on Fight Against Global Illicit</u>
<u>Drug Trafficking</u>, 16 November 2023.

AMERICAN AND CANADIAN STRATEGIES FOR THE INDO-PACIFIC REGION

During the delegation's visit to Washington, D.C., the American and Canadian strategies for the Indo-Pacific—adopted in February 2022 and November 2022, respectively—were a common topic of conversation. For instance, during these discussions, several members of Congress informed the delegation that the American strategy put in place the necessary safeguards to govern future relations between the PRC and the United States, which would curb the risk of growing tensions between the two countries.

Coordinating Approaches for the Indo-Pacific

One observation worth noting about the delegation's trip, with regards to the Indo-Pacific, was that several of the members of Congress who met with the delegation were not aware of Canada's role in the region. Nevertheless, some of them emphasized the need to promote stronger collaboration between the United States and Canada in the Indo-Pacific region, and the need to coordinate the Canadian and American approaches involving their naval presence in the Indo-Pacific, particularly in the South China Sea and in the Taiwan Strait.

Furthermore, some researchers informed the Special Committee delegation that one of the Biden Administration's priorities that they had identified in the wake of the meeting between Xi Jinping and Joe Biden in San Francisco was the need for a strong diplomatic coalition in the Indo-Pacific. These experts said that the idea of strengthening the diplomatic presence in the region, which was a component of both the Canadian and the American strategies, could be an opportunity for Canada and the United States to take a joint approach, or at least to collaborate within the framework of their respective Indo-Pacific approaches.

Economic Partnerships in the Indo-Pacific

Another topic that came up several times in the meetings held by the Special Committee delegation was the economic aspect of the two countries' Indo-Pacific strategies, particularly the existing economic partnerships in the region, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which

Government of Canada, <u>Canada's Indo-Pacific Strategy</u>, November 2022; and The White House, <u>Indo-Pacific Strategy of the United States</u>, February 2022.



came into force in Canada on 30 December 2018,¹⁹ and the <u>Indo-Pacific Economic</u> <u>Framework for Prosperity</u> (IPEF), launched by the United States in May 2022.²⁰

Firstly, some members of Congress told the delegation that in their view the CPTPP represented a missed opportunity for the United States. One representative mentioned to the delegation that he thought that the CPTPP was an excellent economic strategy and that it would certainly be useful to strengthen economic ties between Canada and the member countries of the Association of Southeast Asian Nations (ASEAN),²¹ especially given that Canada is chairing the CPTPP Commission in 2024.

Secondly, regarding the IPEF, some experts raised the "danger" of moving toward the IPEF type of agreement, rather than formal trade agreements with strict conditions for joining and higher economic standards, such as the CPTPP. In fact, according to one expert who met with the delegation, there is a significant risk that trade rules would become too flexible, which would create more economic and political instability in the region.

Furthermore, given the flexibility of the IPEF, some stakeholders told the delegation that the launch of this economic framework by the United States is essentially the American response to the economic actions of the PRC, in an effort to remain competitive with the PRC in the Indo-Pacific region, since Beijing does not impose much in the way of conditions for its economic partners.

THE TAIWAN SITUATION

Taiwan was a subject of significant interest for many of the stakeholders who met the delegation, particularly the American legislators. The situation involving Taiwan, its security and its future was brought up many times during the delegation's visit to Washington, D.C.

On 30 January 2017, the United States announced to the other members that it would not be ratifying the Agreement in the end. See Government of Canada, <u>View the timeline</u>.

Launching the *Indo-Pacific Economic Framework for Prosperity* (IPEF) is one of the 10 core lines of effort outlined in the Indo-Pacific Strategy of the United States. See The White House, *Indo-Pacific Strategy of the United States*, February 2022, p. 15. In its Indo-Pacific Strategy, Canada indicated that it would seek to join the IPEF. See Government of Canada, *Canada's Indo-Pacific Strategy*, November 2022, p. 18.

Four of the 10 member states of the Association of Southeast Asian Nations are members of the CPTPP: Brunei, Malaysia, Singapore and Vietnam. See Government of Canada, <u>About CPTPP</u>.

Similar Approaches

Some of the members of Congress who met with the delegation recognized that the Canadian and American perspectives on Taiwan were largely in line with each other: the Canadian and American one-China policies are similar, as are the parliamentary committee reports published by both countries on the Taiwan situation. Some members of Congress informed the delegation of the Select Committee's report on the situation in Taiwan published in May 2023, <u>Ten for Taiwan: Policy Recommendations to Preserve Peace and Stability in the Taiwan Strait</u>, and were aware of the Special Committee's report on Taiwan published earlier, in March 2023: <u>Canada and Taiwan: A Strong Relationship in Turbulent Times</u>.

Potential Invasion

In addition, the hypothetical situation of the PRC invading Taiwan was raised by several stakeholders. For example, discussions took place on Recommendation 23 of the Commission's 2023 Report, which suggests that Congress direct the U.S. Government to engage in discussion with European allies on plans and preparations to impose economic sanctions on the PRC in the event of a confrontation over Taiwan.²² Some stakeholders mentioned to the delegation that this recommendation could also be applied to discussions with Canadian allies. According to some experts, Canada should also give serious consideration to the matter of sanctions it would impose on the PRC in the event of an attack on Taiwan.

This recommendation is in line with what was said by an expert in conversation with the delegation during its trip. He mentioned that Canada should maintain a dialogue with the United States at the same level as the ongoing dialogue between American and European authorities on issues that relate to the PRC.

Elections

Similarly, in discussing the presidential and legislative elections in Taiwan of January 2024, some experts reported that in November 2023, Taiwan was dealing with an intense partisan debate. The delegation heard that the Kuomintang, the party that is in favour of reunification with mainland China, was sharing propaganda in Taiwan that said if Taiwanese residents voted for the Democratic Progressive Party again, the party that has been in power since 2016 and rejected Beijing's one-China principle, they were

²² USCC, <u>2023 Report to Congress</u>, 14 November 2023, p. 522.



voting for war. These experts emphasized the need for nations with a presence in the region to pay close attention to Beijing's response to the Taiwanese election results.²³

ISSUES CONCERNING HUMAN RIGHTS VIOLATIONS

Human rights violations committed by PRC authorities in mainland China and elsewhere in the world were a common topic of conversation during the discussions held by the delegation during its trip to Washington, D.C.

The Human Rights Situation in Hong Kong

Members of the Special Committee raised the importance of Hong Kong to Canada and highlighted that an estimated 300,000 Canadians live in Hong Kong, a higher number than the approximately 70,000 U.S. citizens living in Hong Kong. In noting this importance during meetings, members raised the issue of the many repressive political and legislative measures put in place by the PRC in Hong Kong that affect human rights, particularly under According to several members of Congress and experts who met with the delegation, the principle of "one country, two systems" outlined in The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China and the <a href="Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Question of Hong Kong has "exploded," in the sense that there will be only one system going forward—the one controlled by the CCP.

Although one expert who met with the delegation acknowledged that it was still possible to conduct public opinion polls in Hong Kong, whereas it is impossible to do so in mainland China, most, if not all, of the people who met with the Special Committee were very concerned about the fate of dissidents of Xi Jinping's regime on Hong Kong soil.

For example, several of the experts who met with the delegation expressed their concern about the fate of Hong Kong academics who fear that their academic freedoms will be violated and ultimately revoked. Two stakeholders mentioned the October 2023

Since the Special Committee's delegation visited Washington, D.C., in mid-January 2024, the Democratic Progressive Party (DPP) was elected for a third consecutive mandate, but this time with a minority in the legislative assembly. Following this DPP victory and the election of new President Lai Ching-te, the PRC has maintained its firm position opposing potential "separatist" activities in Taiwan. See, for example, Ministry of Foreign Affairs of the People's Republic of China, Foreign Ministry Spokesperson's Remarks on the Election in Taiwan, 13 January 2024; Christian Shepherd and Vic Chiang, "Taiwan elects Lai Ching-te as president.China calls it a dangerous choice," The Washington Post, 13 January 2024.

dismissal of Rowena Xiaoqing He, Canadian scholar and Associate Professor at the Chinese University of Hong Kong's Faculty of History and author of the book *Tiananmen Exiles: Voices of the Struggle for Democracy in China*.²⁴ In their view, many other prodemocracy academics could suffer the same fate, so they suggested that countries such as Canada and the United States create funds to hire university professors from Hong Kong.

The Human Rights Situation of the Uyghurs

Another situation of concern in terms of personal freedoms and, more generally, human rights in the PRC discussed during the delegation's visit to Washington, D.C. was the situation involving the Uyghurs.

One stakeholder who met with the Special Committee mentioned the book <u>Great Wall of Steel: China's Global Campaign to Suppress the Uyahurs</u>, written by Bradley Jardine and published in 2022 by the Wilson Center's Kissinger Institute on China and the United States. This book calls the international community's response to human rights violations committed by the CCP against the Uyghurs "too narrow." According to Mr. Jardine, the response, while appreciated, is largely focused on how they are treated within China itself, when the CCP's repressive campaign against the Uyghurs extends far beyond China's borders.

In a similar vein to Mr. Jardine's book, several American experts and legislators who met with the delegation reported that the fate of the Uyghurs and other ethnic and religious minorities in the Xinjiang region at the hands of the CCP beyond PRC territory should be publicized more widely. In fact, that was one of the findings of the Select Committee's May 2023 report, *The Chinese Communist Party's Ongoing Uyghur Genocide: Policy Recommendations*, which stated that "Uyghurs and others who escape CCP repression continue to be subject of CCP harassment and intimidation in the United States and elsewhere internationally." The Select Committee recommended that the U.S. government "[w]ork with allies and partners to protect Uyghurs in third countries and provide refugee status and asylum for eligible Uyghurs."

²⁴ James Griffiths, "Canadian scholar of Tiananmen massacre denied visa to continue working in Hong Kong," The Globe and Mail, 30 October 2023.

²⁵ Bradley Jardine, Great Wall of Steel: China's Global Campaign to Suppress the Uyghurs, 2022, p. ix.

The House of Commons also recognized this situation in a motion adopted on 1 February 2023. See House of Commons, "Private Members' Business M-62 (Uyghurs and other Turkic Muslims (main motion as amended))," *Journals*, 1 February 2023.



On that topic, while one expert who met with the delegation said she was very pleased that the Canadian House of Commons had passed a motion in February 2023 to welcome 10,000 Uyghurs and other Turkic Muslims in need of protection over two years starting in 2024,²⁷ she criticized the fact that issues involving human rights violations in the PRC were discussed only rarely at the various international summits involving heads of state and/or government. As an example, some experts pointed out that this issue was barely mentioned at the meeting between President Biden and President Xi in San Francisco. She said that human rights should not be part of the strategy to manage the competition between the United States and the PRC, because in her view it is not enough to want to manage human rights violations; they must be eradicated.

In addition, she informed the delegation that, in her opinion, the fundamental problem is that the international community is not making an effort to hold the PRC accountable for its repeated violations of international law, even though human rights conditions have gotten significantly worse in recent years under the Xi Jinping regime. She shared her view that one of the ways to increase leverage in this area would be by creating international forums on the issue—multilateral initiatives launched by nations other than the United States in order to maximize the support of the international community.

EFFECT ON CHINESE DIASPORA COMMUNITIES

One unfortunate reality shared by Canada and the United States is that the effect of the CCP's repressive measures overseas is felt not only by its dissidents abroad, but also by the wider Chinese community living in Canada and the United States.

Effect on University Campuses

During the delegation's meetings in Washington, D.C., a common topic of discussion was that universities are a major gateway for the CCP's transnational repression strategy. Various stakeholders criticized the alarming situation on university campuses, where the CCP is using students from within the Chinese Students and Scholars Association (CSSA) to threaten other students, who are often dissidents of the PRC's political regime. According to several experts who met with the delegation, the same situation has also been observed within Confucius Institutes on American and Canadian campuses.

One expert even reported that the CCP's influence on Chinese national students abroad can be even more insidious than repression within the CSSA and the Confucius Institutes, because monitoring occurs during academic classes taken by these students.

27 Ibid.

She said that some individuals on site seek to shape how these students view the Chinese regime so that they see it in a positive light, and these individuals do so by infiltrating classes and other academic activities.

Some experts also informed the delegation of reports published by major American research institutes on this matter. For instance, one expert mentioned a report published by the Hoover Institution in 2018: <u>China's Influence & American Interests: Promoting Constructive Vigilance</u>. It dedicates an entire section of its findings to the situation in American universities, noting that, although "the primary mission of [Confucius Institutes] is to teach Chinese language and culture abroad [...], faculty and other watchdogs have warned that they may present risks to intellectual freedom by using American universities as vehicles through which to advance Chinese Communist Party propaganda."²⁸

Furthermore, during the delegation's trip to Washington, D.C., it learned about Recommendation 10 of the Commission's 2023 Rapport, which suggested that Congress require the U.S. Department of State to amend the applicable legislation to add an additional ground to revoke student visas for an instance "where a foreign student surveils on behalf of or reports to any foreign-state intelligence, security, law enforcement, or political party authority the civil or political speech of any other student, or threatens to do so."²⁹

Rising Anti-China Sentiment

Some stakeholders noted that the public's awareness of transnational repression techniques orchestrated by the CCP, and a negative view held more generally across the United States of the PRC's authoritarian regime, were having even more insidious repercussions on the Chinese-American diaspora, who experience racism and xenophobia as victims of anti-Chinese sentiment in American public opinion. A number of stakeholders expressed serious concern about this trend. One person even told the delegation that all nations must ensure that they shut down efforts to demonize an entire country and its citizens. He said that nations should never resort to excluding communities, which often occurs due to disinformation and misinformation.

Similarly, a member of Congress who met with the delegation mentioned that it was important to address this negative perspective of China in public opinion by making a

Larry Diamond and Orville Schell, "China's Influence & American Interests: Promoting Constructive Vigilance," Hoover Institution Press, 2019, p. 54.

²⁹ USCC, <u>2023 Report to Congress</u>, 14 November 2023, p. 227.



conscious effort to separate the CCP's actions from the wider Chinese population, whether on Chinese soil or abroad. During meetings with the delegation, some research institute experts also highlighted the importance of using more precise terms in their publications, such as "the CCP" or "the Xi Administration" rather than "China" or "the Chinese regime," to ensure that readers could distinguish between the general population and the CCP's actions.

OPPORTUNITIES FOR CANADA

During the delegation's meetings, interlocuters raised areas of common interest between Canada and the United States as well as opportunities for Canada. In particular, discussions were related to artificial intelligence (AI) and critical minerals.

Artificial Intelligence

During its meetings with several members of Congress, the Special Committee delegation learned that AI was of great interest to American legislators. Some members of Congress even suggested to the Special Committee delegation that AI could be a future topic of study.

According to several U.S. legislators who met with the delegation, the United States should be at the forefront of legislative and policy measures when it comes to Al.³⁰ In fact, several experts informed the Special Committee that this approach is key to the strategic competition between the United States and the PRC, as demonstrated by the meeting between President Biden and President Xi on 15 November 2023, where they agreed to hold discussions on the risks surrounding the use of Al.³¹

Several stakeholders referred to the CHIPS and Science Act, which provides for significant investment in this area. For more information on how this legislation will affect the development of artificial intelligence in the United States, see Stanford University Human-Centered Artificial Intelligence, What The CHIPS and Science Act Means for AI, August 2022. See also the Intelligence issued by President Biden on 30 October 2023 that "establishes new standards for AI safety and security, protects Americans' privacy, advances equity and civil rights, stands up for consumers and workers, promotes innovation and competition, advances American leadership around the world, and more."

The White House, Readout of President Joe Biden's Meeting with President Xi Jinping of the People's Republic of China, 15 November 2023; and The State Council The People's Republic of China, Xi, Biden talk on strategic issues critical to China-U.S. relations, world, 16 November 2023. See also Frédéric Lemaître and Corine Lesnes, "À San Francisco, Joe Biden et Xi Jinping renouent un prudent dialogue" [AVAILABLE IN FRENCH], Le Monde, 16 November 2023; and Gerrit De Vynck, "U.S. and China agree on pandas but not computer chips," The Washington Post, 17 November 2023.

In addition, given the commitment to manage the strategic competition between the United States and the PRC to prevent it from turning into a conflict, members of Congress stressed the importance of developing a more global approach to AI. In other words, an approach involving opportunities for collaboration on a larger scale, both multilateral and bilateral opportunities, particularly between Canada and the United States.

In the same vein, several experts told the delegation that, given Canada's expertise in the field, AI could ultimately represent an opportunity for Canada to develop partnerships, particularly in the Indo-Pacific. In this context, Pillar 2 of the trilateral security partnership between Australia, the United Kingdom and the United States (AUKUS), which focuses on "expediting cooperation in critical technologies, including cyber capabilities, artificial intelligence, quantum technologies, additional undersea capabilities, hypersonic and counter-hypersonic, and a range of other initiatives," was widely discussed during the delegation's meetings.³²

According to some stakeholders, Canada has much more to offer under Pillar 2 of the AUKUS partnership than Pillar 1, since Pillar 1 focuses on acquiring nuclear-powered submarines. Some experts informed the delegation that joining under Pillar 2 could be an opportunity for Canada to collaborate on developing and regulating AI. This opportunity would be part of a "minilateralism" approach that promotes smaller alliances, which has been a growing trend in recent years, as mentioned by several stakeholders who participated in the delegation's visit.³³

Critical Minerals

Another point that was raised by several stakeholders as a topic of common interest for Canada and the United States was critical minerals, since both countries are already collaborating in this area.³⁴ However, several people mentioned the need to strengthen this collaboration, since the PRC controls a considerable share of the market, in the

Charles Edel, "The United States, Britain, and Australia Announce the Path Forward for AUKUS," CSIS, 16 March 2023; Christopher Hernandez-Roy, Vincent Rigby and Henry Ziemer, "Canadian Membership in AUKUS: A Time for Action," CSIS, 9 May 2023.

[&]quot;Minilateralism" is a term used to designate cooperation agreements involving between 2 and 10 nations that are available to a restricted number of participants and that does not require permanent dedicated institutions. Alice Pannier, "'Minilateralism': A New Form of Defense Cooperation," *Politique étrangère*, 2015, p. 38 [FULL ARTICLE IN FRENCH ONLY].

The United States and Canada collaborate through the Joint Action Plan on Critical Minerals Collaboration, the Minerals Security Partnership, and the Sustainable Critical Minerals Alliance. See also Natural Resources Canada, Canada and U.S. Finalize Joint Action Plan on Critical Minerals Collaboration, 9 January 2020; and Natural Resources Canada, Minister Wilkinson Strengthens Energy and Resource Partnerships With the United States, 12 May 2022.



sense that it plays a major, even dominant, role in global supply chains for critical minerals.³⁵

Critical minerals are needed to produce many products that are essential to the global energy transition, including semiconductors.³⁶ However, several stakeholders who met with the delegation discussed the need to secure semiconductor supply chains, which the U.S. Congress has sought to do under the <u>Chips and Science Act</u>, which was passed in August 2022.³⁷

Further to this security lens that was raised in many discussions, some U.S. legislators suggested to the delegation that Canada push to develop its expertise in extracting and transforming critical minerals, in the sense that Canada and the United States should have a guaranteed capacity to extract and refine minerals.

In addition, several experts who met with the delegation pointed out that Canada has a wealth of critical minerals, which is certainly an advantage for Canada on the international stage.³⁸ One of the experts who met with the delegation mentioned that Canada could bring these resources into play in a "minilateral" context. He suggested that Canada could establish a partnership modelled on the "minilateral" tripartite AUKUS alliance that would set out how Canada, and a few ally nations, would together address the strategic issue of critical minerals, including production, extraction and transformation.

CONCLUSION

The Special Committee would like to express its sincere appreciation to each person who met with the delegation, as well as to the staff at the Embassy of Canada to the United States, who worked hard to support the delegation's work. This visit not only opened doors and opportunities for the Special Committee to work more closely with its American counterparts, but also provided an opportunity to learn many useful lessons.

For example, according to a July 2022 report published by the Brookings Institution, the PRC refines 68% of nickel globally, 40% of copper, 58% of lithium and 73% of cobalt. See Rodrigo Castillo and Caitlin Purdy, "China's Role in Supplying Critical Minerals for the Global Energy Transition: What Could the Future Hold?," Brookings Institution, July 2022, p. 6.

³⁶ Government of Canada, *The Canadian Critical Minerals Strategy*, 2022, p. 3.

³⁷ Matthew Schleich, <u>Securing Semiconductors: How to Scale-up Global Semiconductor Production and Protect</u>
U.S. National Security at the Same Time, State Department DipNote, 15 May 2023.

The Canadian industry already produces 21 of the 31 minerals considered to be critical under the *Canadian Critical Minerals Strategy*. See Government of Canada, *Critical minerals: an opportunity for Canada*.

For example, one key takeaway for the Special Committee was the importance of defining the relationship that Canada wishes to have with the PRC. During the meetings, one legislator asked what type of relationship Canada envisions having with the PRC within five years. Through its work, the Special Committee will aim to help define this ever important relationship, by continuing to study such topics as human rights, preventing foreign interference, impacts on the Chinese diaspora in Canada and forming prosperous economic relationships with both the PRC and the rest of the Indo-Pacific.

In addition, a lesson that is key to the Special Committee's future work and, more broadly, the work of Canadian parliamentarians, is the need to maintain a dialogue, even with those who do not always share our ideals and values. The world is changing quickly, but it is more and more interconnected, which means that the PRC cannot be left out of discussions if the goal is to maintain a rules-based and truly global international order.

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant Minutes of Proceedings (Meetings Nos. 34) is tabled.

Respectfully submitted,

Ken Hardie Chair