

# CANADA AND CHINA: AN AGENDA FOR THE TWENTY-FIRST CENTURY: A REJOINDER TO CHARLES BURTON

JEREMY PALTIEL \*

Professor Charles Burton's report to the Canadian International Council (CIC) (Burton, 2009) provides a welcome focus on the state of Sino-Canadian relations and a much-needed attempt to place this relationship on a new footing. The formulation of fifteen specific recommendations is a step towards a new strategy that can capture the attention of a government still searching to put its own stamp on Canada's international presence. The Burton report attempts to formulate the policy signals of the Harper government into a distinctive policy of engagement. Nevertheless, any renewed effort in that direction should take into consideration a broader sample of expertise, and I would like to open up a debate on the future of our China policy by identifying concerns about Professor Burton's policy recommendations that are widely shared with other academics and policy makers with expertise on China.<sup>1</sup>

## The Burton Critique

Professor Burton offers both a critique of the past and a set of recommendations. Burton's critique centres on Canada's declining market share in China's imports, alleged shortcomings in relation to other western countries, such as Australia and Italy, and as well the shortcomings of our efforts to promote democracy and human rights. In addition, Charles Burton laments the inadequacy of cultural and linguistic skills by our diplomats, as well as their over-reliance on locally engaged staff. Burton links the reliance on locally engaged staff to a more general warning about efforts by the Chinese security and intelligence to breach Canadian security, spy on diaspora communities, and steal our trade secrets. So far, Burton's warnings about Chinese spying and his criticism of the language skills of diplomats have received the most media coverage,<sup>2</sup> overwhelming—even obscuring—Burton's policy recommendations, which are more worthy of debate and consideration by Canada's foreign policy community.

Professor Burton identifies the goals of Canada's China policy as "to promote Canada's prosperity through trade and investment and by the intake of high quality immigrants." A further goal he identifies is "to seek China's full compliance with its international obligations to Canada [through diplomatic means]." The report overlooks what is centrally at stake for Canadians in the relationship and to prioritize what we might hope to achieve through it and for whom. By exposing the shortcomings of past policies while playing to ideological stereotypes of China's government the overall direction of policy tilts away from deeper engagement towards an attitude of vigilance, the result of which would be to restrict Canada's economic opportunities and diminish Canada's status in the world. China's importance to Canada is portrayed more as a threat than an opportunity,

---

\* Jeremy Paltiel is a professor in the department of political science at Carleton University.

<sup>1</sup> A draft of this rejoinder was circulated to former and current diplomats and officials active in the making of Canadian policy towards China, the Canada-China Business Council, senior officials of the Asia-Pacific Foundation of Canada and leading academics with long-term interest in China policy. Most of the concerns of the author were widely shared and all urged the publication of a rejoinder to provide balance in the policy debate. The draft rejoinder was also made available to the Canadian International Council to post on its own Web site.

<sup>2</sup> See, for example, "Embassy employees..." (2009, April 13).

with engagement predicated on a mission to transform China in accordance with our democratic norms and values along with a vaguely formulated effort to promote more sales.

Burton rightly urges better coordination among our trade and diplomatic staff, the Canada-China Business Council, and the Export Development Corporation in carrying out a trade policy. These are the only recommendations directly relevant to our trade performance. Paul Evans of the Asia-Pacific Foundation has pointed out our generally myopic business culture as a key factor in the problem of our trade performance. As I argue below, better coordination of policy will do little to improve our performance without a strategic orientation endorsed by our federal and provincial governments. Burton recommends that we diversify our engagement away from the Ministry of Foreign Affairs with specific focus on the Communist Party. I agree, but with important caveats. He urges greater focus on Chinese espionage activities by our security and intelligence institutions, with less attention to general assessment of China. I question his tone and emphasis. He recommends that our diplomats and trade officers constitute a dedicated cadre of specialized staff whose linguistic skills would be periodically reassessed; in complementary fashion, he urges Canada to reduce its reliance on locally employed staff. In the areas of democracy, good governance, and human rights, he recommends that we rely on an arm's-length institution funded by parliament rather than the bilateral aid program administered by the Canadian International Development Agency (CIDA). Furthermore, he recommends giving exiled diaspora organizations a direct say in programs carried out in their homeland.

While the report points to declining share in the Chinese market, and compares our relative success against that of some major friends and allies, such as Australia, it does not compare our diplomacy against the attention and salience given to China by our major allies and G7 partners, including most notably, the US, the UK, and the EU as a whole. Barack Obama may have made his first visit abroad to Canada, but his appointments tell a different story: he appointed Chinese-Americans as Secretaries of Energy and of Commerce, and a Chinese-speaking Secretary of the Treasury is the point man for solving the financial crisis. To top this off, he sent the Secretary of State to China on her first trip abroad.

We stand alone among our allies in the absence of a head-of-state or head-of-government bilateral visit since 2005.<sup>3</sup> Sidestepping this issue, the report substance highlights its importance and necessity. Burton writes of the relative weakness of the Ministry of Foreign Affairs in China's State Council. Nevertheless, he dismisses the significance of reviving or renewing a strategic partnership that will engage the interest of the Chinese government at the level of the deputy minister. Nowhere does Burton address *how* to engage the interest of the Chinese government. Instead, Dr. Burton waves off the issue by claiming that we don't rate the attention of the Chinese at the vice-ministerial level (Recommendation #6). Given that "strategic partnership" was an idea put forward at the Chinese initiative offering to engage us, it seems short-sighted and counterproductive to refuse the opportunity to engage on issues of interest to ourselves.<sup>4</sup>

Professor Burton highlights deficiencies of Chinese linguistic and cultural expertise within our diplomatic service. We could surely use more diplomats equipped with better skills, but we do

<sup>3</sup> Editor's note: Prime Minister Harper made an official visit to China in early December 2009. At time of publication no return visit had been announced.

<sup>4</sup> Avery Goldstein has catalogued strategic partnerships with some two dozen countries established since the 1990s. He sees this as a trademark diplomatic strategy by China to enhance the status of bilateral relations with favoured partners. See Goldstein (2001) and (2005). Canada's strategic partnership established in September 2009 on the occasion of Chinese President Hu Jintao's visit to Canada grew out of the initial "Cross-century comprehensive partnership" achieved during President Jiang Zemin's visit in November 1997. Former Director General of the North Asia Division of the Department of Foreign Affairs and now Canada's Ambassador to the Republic of Korea (South) and the Democratic People's Republic of Korea (North) confirmed to the author that this was a Chinese idea.

boast a remarkable cadre of diplomats with linguistic and cultural skills and, in many cases, graduate and post-graduate degrees with expertise in China. No doubt, their skills should be re-evaluated periodically and continuously upgraded. The real issue is not the scope of our diplomatic engagement, which, given our limited diplomatic resources and the relative size of our countries, will never be as comprehensive as we might like, but rather the degree and focus of our attention, together with the absence of a well-articulated agenda based on clearly identified priorities in our national interest. Professor Burton is right to seek better coordination of the efforts among our trade commissioners, the Canada-China Business Council, and the Export Development Bank of Canada (EDC). However, coordination requires a common strategy and a shared mission.

### **The Stakes in Our China Policy**

Charles Burton's discussion of our trade and investment relationship does not set out the stakes for Canada for which we must tend and nurture our economic ties. We are no longer the largest trading partner of the United States—China is. China represents an economic opportunity at least equal to the United States under almost any scenario. To forego that opportunity poses an unacceptable risk to the well-being of current and future generations of Canadians. China is not, as Professor Burton states, the fourth largest economy in the world; as of the end of 2007 it is the world's third largest national economy, rapidly gaining on the world's second (and shrinking) economy, Japan. Even if the United States should pull out of its current economic slump relatively rapidly and resume its historic growth trajectory (and that is a big if) using trends over the past decade, China's growth over the next decade is likely to nearly match that of the United States in volume. An example of how intimately China figures in our present and future is Chinalco, a Chinese state-owned corporation set to become the largest stakeholder in Rio Tinto, the Australian mining conglomerate that bought Canada's Alcan in 2007. China's interest in Rio Tinto stems specifically from Rio Tinto's interests in Australian iron ore, the largest supplier to China's steelmakers. (China steelmaking capacity now dwarfs that of any other country.) Nevertheless, investment decisions of vital interest to Canadians, such as the Chinalco investment in the parent company of Alcan, Rio Tinto, are subject to Beijing's initiative. We should not comfort ourselves that we can dictate the terms of Chinese investment, because virtually alone among the major economies China is still today awash in cash as the world's largest creditor country. Alone in this crisis, China is actively encouraging overseas investment alongside a massive CA\$800 billion domestic stimulus plan. China's export-led economy is suffering badly in the current global slump, but with its huge cash hoard and vast internal market it is in a far better condition than *any* other country to recover. China is not only vital to our own economic future, but is, like it or not, key to the restructuring of the global economic system. It factors not only in our lunch-pails, but in the environment in which our businesses will operate globally. To refuse to recognize this reality and to adapt our foreign policy to its significance is, in the current global climate, akin to the catastrophically inward-looking orientation of the dynastic dictatorship of the Kim family in Pyongyang.

### **Renewing Our Human Rights Policy**

Professor Burton's suggestions about restructuring our human rights and good governance programs in China bear further discussion. His 2006 report on the shortcomings of our official human rights dialogue is a fair-minded point of departure (Burton, 2006). A human rights focus in our foreign policy is an expression of our identity as a nation and a value premise on which we

---

build relationships of trust with other nations. China has outgrown the premise on which our initial aid policy was based, when our trade was in chronic surplus and China was a much poorer country. The Chinese government no longer needs our aid to stimulate its social transformation. Burton's approach and focus to the human rights dimensions of our relationship draw on and echo some of the themes articulated by Bruce Gilley in the pages of this journal (Gilley, 2008). Rather, we still need to express our concern and shape the direction towards which China is moving. Our desire to engage and nurture China's growing and evolving civil society and to transfer our knowledge of accountability systems based on the rule of law to Chinese officials involved in day-to-day governance through our CIDA programs has found willing partners for a quarter century. Chinese officials and civil society actors welcome our expertise in grappling with new issues that they encounter in the course of their economic transition. While supporting China's reform we engage the society with which we hope to nourish future relationships. I share his approval of the low-key role played by the programs of the International Centre for Human Rights and Democratic Development. I am not sure that the establishment by parliament of an arm's length "Foundation for Democracy" with a program of activities in China (Recommendation #2) will be better received by the Chinese government than our CIDA programming with which the Chinese government engages as part of our overall bilateral relationship. There is a danger that the entire mission of such an institute will be regarded with suspicion and its activities proscribed on Chinese soil. Our hopes for Chinese democracy must not become a foreign policy mission. In that case, Chinese civil society actors who currently benefit from Canadian programs and funding will be deprived of support and will lose a valuable conduit to the outside world.

How to conduct a respectful human rights dialogue, formal or informal, with the Chinese state and the Chinese people remains a vexing problem. With or without formal Chinese government endorsement, we will be engaged because we are a human rights actor on the international stage. The sheer magnitude of our interactions at the level of migration, business, and education predetermine that the stark differences in the governance systems of our two countries will occasionally erupt in controversy. Moreover, the sheer scale of social change in China guarantees media exposure (notwithstanding the best efforts of the Chinese government) likely to provoke widespread sympathy in Canada, especially in sensitively plugged-in diaspora communities. The tactics employed by the Chinese state to ensure social stability frequently offend our values and breach international norms. These concerns must be conveyed to our Chinese counterparts. A healthy bilateral relationship improves the chances that our concerns will be listened to and acted upon. A properly organized human rights dialogue can give us a channel to convey our concerns to the Chinese authorities, while reaching out to the Chinese civil society. We should resume a human rights dialogue when we can ensure regular engagement by judicial and law enforcement authorities in both countries and the participation of non-governmental organizations on both sides. Our low-profile capacity building projects in the area of human rights, civil society, and good governance may not yield immediate outcomes that overshadow sensational stories of human rights abuses, but every effort that sustains the building of Chinese civil society promotes the conditions under which the Chinese state can be held accountable. A globalized China has to make peace with diversity, for which we can offer a ready model. As China is still developing and its institutions are evolving, we should craft our policy to take account of this, and position ourselves to engage both state institutions undergoing reform and China's evolving civil society. The close

consultation with NGOs that is a hallmark of our foreign and development policies must continue, and our policy should involve fostering trans-national and bilateral NGO networks.

### **The Prerequisites of Effective Engagement**

Questioning “one China” in the context of empowering diaspora communities over Canadian programs in China fills me with misgiving. To engage the organized representatives of minority groups directly challenging the legitimacy of Chinese rule and to give them a formal role in the policy process (Recommendation 8) has catastrophic implications for bilateral relations. The Chinese state views sovereignty and territorial integrity as its core interests. Diplomacy can only occur in the context of mutual respect among states in the spirit of reciprocity. For any party in a diplomatic relationship to actively question the legitimacy of the other party to the relationship obviates the basis of reciprocity. We should not depart from any obligations undertaken when we agreed to establish diplomatic relations. The fundamental principle that “agreements will be kept” is the bedrock of diplomacy and international law. We include human rights in the scope of these obligations, and for us to insist on them requires scrupulous adherence to our mutual obligations. The “one China” policy cannot be casually flung aside without endangering the very basis of bilateral relations. I agree wholeheartedly with Professor Paul Evans on this point (Evans, 2008). Engaging China means first of all engaging the Chinese state. This is not some idle or theoretical concern. China’s purposive downgrading of relations with France over President Sarkozy’s ill-timed defiance of Chinese sensitivities towards the Dalai Lama forcefully made this point. Rather than mobilize our diaspora communities as a check on our diplomacy, we should empower our citizens of Chinese origin to forge closer links to China and enhance Canada’s image. We would like them both to engage Chinese society on the opportunities we represent and to promote Canada as a country that respects and promotes the rule of law, rather than a haven for escaped criminals and corrupt Chinese officials. Given the incompatibilities of our legal systems, we are unlikely to agree on an extradition treaty any time soon. However we can signal intolerance of criminality through cooperation in vigorous prosecution of money laundering and the confiscation of the proceeds of crime. Rather than publicly shaming the Chinese state for its surveillance of diaspora activists, we should ensure that Chinese officials posted to Canada strictly conform to our laws while firmly insisting on the priority role that these communities play in bridging our differences. Law enforcement on Canadian soil is not properly a foreign policy issue, unless Professor Burton wishes to signal that China is our enemy, a conclusion with which I firmly disagree, as do the vast majority of Chinese-Canadians.

### **Engaging the Communist Party**

A proposal for renewed engagement ought to eschew inflammatory insinuations. Dr. Burton refers to the Chinese “Ministry of Propaganda” when surely he knows that no such ministry exists. To invoke Orwell in advising our future relations with China is chilling. I see no need to refer to the Propaganda Department of the Central Committee of the Communist Party as the self-styled “Publicity Department” either, but Professor Burton’s report (Recommendation #4) inflates the role of Communist Party institutions in the making of policies of interest to Canada and seriously distorts the professional orientation of China’s policy process in the areas of most interest to Canadians. Economic policy is forged in

---

China's State Council, by professionals recruited and promoted on the basis of expertise rather than ideology. These are the officials our diplomats and statesmen must engage. We do maintain official and unofficial contacts with the Central Party School and other think tanks, but the central focus of our policy engagement must be on the State Council. As for the role of the Communist Party, the concentration of power in its top ranks means that our best hope for influence is by directly engaging General-Secretary Hu Jintao, who is simultaneously the President of the People's Republic of China (PRC). He heads the Foreign Affairs Leading Group and is China's commander-in-chief by virtue of his position as chair of both the Party and State Central Military Commission. If we wish to engage the Party effectively, we must engage its head. In the face of the current global financial crisis, our conservative prime minister can find common values with his Chinese counterpart. They can jointly celebrate the virtues of family, prudence, and hard work.

### **Engagement Based on Common Interests and Unique Assets**

Instead of looking upon Chinese investment with suspicion we should view the opportunities provided by China's "going out" strategy and appetite for resources as a way to build up our investment community at a time of shrinking global credit and trade. Not only can we use the investment funds that Chinese companies are anxious to spend, we also have an opportunity to use our multicultural workforce and open immigration policy as a means to attract Chinese companies here as a headquarters to coordinate the management of far-flung global assets. We have the management, financial, and cultural skills to create unique synergies that can attract both private and state-owned Chinese investment vehicles. Welcoming them here will reduce our dependence on the market to the south and speed the recovery not just of our resource sector but our financial sector also.

We bring assets to our relationship with China that outshine those of our Commonwealth cousins and competitors in Australia. We can do better than look nostalgically at the putative "special relationship" forged through wheat sales under Prime Minister John Diefenbaker and diplomatic relations established by Prime Minister Pierre Trudeau. We are less dependent than Australia on resource exports and less dependent on the Chinese market as a whole. Our financial and investment infrastructure is more solid and more focused on global markets. Our NAFTA ties to the United States and our historic ties to Europe, not to mention our G8 status, make partnership with us attractive. The high value of the "Canadian brand" in the Chinese market is underexploited by our business community and often appropriated by local entrepreneurs with little or no connection to Canada.

The former "Team Canada" approach was not backed up by a sustained trade strategy based on close public-private partnership. We require a better balance between high profile media events and low profile network building. Charles Burton rightly emphasizes low-profile capacity building, but the efforts he mentions are not enough. The Chinese market is risky to enter, but foolhardy to ignore. It is now the world's largest automobile market and in sector after sector is likely to dictate the technical standards of the future. In addition to better coordination between our trade commissioners, the Canada-China Business Council and the



EDC, we should bring in the research capacity of the Asia-Pacific Foundation to foster a climate where Canadian businesses, especially small and medium industries in the manufacturing sector can forge risk-sharing alliances and industry clusters that can synergistically tap into the Chinese market. Better research and coordination should identify if wholly owned foreign investment or joint ventures provides the best balance of market access and protection of proprietary technology, trademark brands, or trade secrets. The EDC should coordinate its efforts with the Canadian banking and financial sector to leverage Canadian investment as a way to gain greater share in the Chinese financial services market. Sustained networking should be punctuated by high profile events that focus attention on breaking through bureaucratic bottlenecks.

Our highly skilled immigrants from across the globe, especially China, and our open immigration policy give us unparalleled advantages in human resources for global management. Instead of looking at our immigrants as objects of “adaptation” and “absorption” we should look upon them as human capital for global engagement. Overseas experience should be viewed as an asset, not a problem. Instead of looking at Canada merely as a “gateway” to NAFTA we should promote Canada as a platform for global investment and management and as a secure, law-bound environment for multinational management and multicultural business practice. We should re-frame open immigration as a springboard for global engagement. Instead of fear-mongering about Chinese “penetration” we should celebrate Canada as a place for people of diverse outlooks to work together under the protection of the rule of law. We should look upon our relationship with China as a two-way bridge to what Evans aptly calls “Global China,” (Evans, 2008) where we keep the tolls low to realize the maximum traffic.

Right now, the world has entered the worst international economic crisis since the Second World War. This crisis is reshaping the relationships among Europe, the United States, and China, with the centre stage shifting dramatically towards the Sino-American relationship. The G20 meeting in London bravely tried to forge an international framework to lift us out of the deepening slump. In the forging of the post-war world, Canada’s relationship with both the United States and Great Britain afforded us a unique and privileged position to design the framework that sustained international peace and prosperity for sixty years. When the leaders of the world gathered in London to address the global economy, Canada found itself on the sidelines. The three blocs at this conference were the US, the EU, and the emerging economies led by China. Great Britain positioned itself as the senior partner of the United States and its bridge to the EU. All the major players courted China, including France. We alone proceeded without close consultation with China. This is deeply ironic, since it is Canada that pushed the concept of the G20 with China as our closest partner. Not only do we enter these discussions virtually without close partners and no visible followers, the same is true of the adjacent discussions on Afghanistan, where again, China has a major role to play. Unnoticed by Canada, all of Afghanistan’s neighbours and *Afghanistan* are either members or observers of the Shanghai Cooperation Organization, a Chinese-founded organization that is pledged to combat terrorism, extremism, and separatism. Once more, despite the blood and treasure we have expended in Afghanistan in the hope of raising our international leverage, we are not a

---

key player. We have only to look at the next in the series of conferences—the NATO summit—and our repeated failure to find willing partners there, to confirm our limited leverage. Our efforts are as futile as moving the globe by leaning against a hockey stick.

Our failure to find an Archimedean point to balance our asymmetric relationship with the United States has bedevilled Canadian foreign policy for nearly half a century. Our commitment to multilateral engagement was intended to address that problem but effective multilateralism requires dependable coalition partners. Prosperity and peace in the twenty-first century demand enduring trans-Pacific ties. The historic relationship that has made China our largest source of immigrants and Chinese as our third major linguistic group should contribute to planning the scaffolding for a new and enduring structure of prosperity and peace. Instead, Chinese officials complain that the Canadian government is cold and unfriendly. I am told that unless there is a signal *at the highest level* that Canada values China and is ready to promote a positive relationship, there is little prospect of forward momentum in the bilateral level and close collaboration in multilateral discussions is unthinkable. The recent visit to China by Trade Minister Stockwell Day was a welcome sign of thaw, but just getting our relationship back to room temperature isn't good enough. While China's President Hu Jintao immediately endorsed President Obama's desire to visit China before the end of the year, China has yet to respond to the Harper government's overture.<sup>5</sup> Canada is frozen in a Cold War time warp at a time of melting icecaps. Our diplomacy is adrift. Unmoored from our traditional North-Atlantic orientation, our shrinking iceberg floats above shifting tectonic plates while our allies and all the major powers of the world tunnel furiously to China. Even if our current government eschews global ambitions for Canada, can we ignore the fate of Alcan workers in Chicoutimi, Quebec, or Kitimat, British Columbia? Our government has to look beyond bartering access to resources if we are to safeguard our standard of living in the future.

Rather than focus on tinkering with the mechanics of our human rights outreach, or revamping our language policy for diplomats, we should empower them by giving them something to say. Deepening our ties with China is not a partisan issue. Our government should begin by stating forthrightly that our relationship with China is of strategic importance to our future and that managing this relationship successfully is of vital interest to the future of the globe. Anything less will reduce our diplomacy to irrelevance and renders us passive in the face of momentous historical change. To ensure that our bilateral relations do not get hijacked by shifting partisan sympathies or driven by media-fed current events, we should institutionalize high-level contacts. If we return to a framework of strategic partnership, with bi-annual ministerial visits, and summits on a head-of-government or head-of-state level scheduled on an annual basis, we can ensure that sensitive issues will be addressed within a robust bilateral agenda. Officials at all levels in both countries will then act on the understanding that this is a valuable relationship to be sustained and nurtured. The good will built over diplomatic and trade relations that stretch half a century, as well as the weight of the Chinese-Canadian community in our public life, should provide us with a solid platform on which to forge an enduring trans-Pacific relationship that is the envy of our competitors and a model for our allies. To do less would squander an opportunity to position Canada to take advantage of the historic power shift that marks the twenty-first century.

---

<sup>5</sup> See footnote 3.

## References

- Burton, Charles. (2009). A reassessment of Canada's interests in China and options for renewal of Canada's China policy. At <http://www.canadianinternationalcouncil.org/research/canadianfo/areassessm>
- . (2006). Assessment of the Canada-China bilateral human rights dialogue. At <http://spartan.ac.brocku.ca/~cburton/Assessment%20of%20the%20Canada-China%20Bilateral%20Human%20Rights%20Dialogue%2019APR06.pdf>
- Embassy employees in Beijing inadequate in Chinese, expert says. (2009, April 13). *The Globe and Mail*, p. 1.
- Evans, Paul. (2008). Responding to global China: Getting the balance right. *Canadian Foreign Policy*, 14(2), 131-139.
- Gilley, Bruce. (2008). Reawakening Canada's China policy. *Canadian Foreign Policy*, 14(2), 121-129.
- Goldstein, Avery. (2001, December). The diplomatic face of China's grand strategy: A Rising power's emerging choice. *The China Quarterly*, 168, 835-864.
- . (2005). *Rising to the challenge: Canada's grand strategy and international security*. Stanford, CA: Stanford University Press.
-