

## **Open Letter to Prime Minister Harper**

*In anticipation of the forthcoming visit by Prime Minister Stephen Harper to China next month, I offer this open letter that I hope will be helpful in preparing the Prime Minister and informing broader communities of Canadians interested in strengthening Canada-China relations.*

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November 27, 2009

Dear Prime Minister:

As a long-time observer of developments on law and policy in China, I am delighted that you have accepted the invitation of President Hu Jintao to visit China. Following the important visits by your Ministers of Foreign Affairs, Finance and International Trade, your forthcoming visit heralds an important opportunity for engagement with China on a range of issues important to Canada's national interest. Three specific items are particularly relevant to your visit, namely sustainable economic well-being, social capital and multilateralism.

### **Sustainable Economic Well-Being**

Canada's sustainable economic well-being depends on a vibrant environment for bilateral trade and investment. Recurring trade deficits with China are problematic, but need to be kept in perspective. Disparities in economic diversity, value-added export capacity and patterns of consumption are structural impediments to balanced trade and are unlikely to be resolved in the near term. Of greater importance is building complementarity so that Canada's export profile can be better matched with China's needs -- particularly in areas of natural resources, engineering and environmental services, and advanced technology. For Canada to realize its comparative advantage in these areas, China's compliance with disciplines of the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO) is essential -- particularly in areas of intellectual property protection, non-tariff barriers and market access. On the investment front, a bilateral Foreign Investment Promotion and Protection Agreement (FIPA) with China will be important to expand opportunities for two-way investment. Chinese investments in Canada create welcome opportunities for capital imports, but should be balanced with China's commitment to reciprocity in investment regulation and full compliance by Chinese companies operating in Canada with Canadian standards on corporate governance and competition policy.

### **Social Capital**

Social capital contributes to goals of sustainable economic well-being, and is an important component of Canada's national interest. Canada has a strong interest in building our social capital by providing training, education and employment opportunities for current and future generations of Canadians. Encouraging expanded exchanges between Canadian and Chinese academic institutions can expand education and training opportunities in both countries, ultimately to the benefit of Canada's social capital base. As well, immigration policy on China should give attention to encouraging migration of trained professionals as well as outstanding students, artists and entrepreneurs who are capable in at least one of Canada's official languages. While PRC nationals should not be given preferential treatment in the granting of Canadian citizenship, more flexible visa and residence programs for Chinese and Canadian citizens working in each others' countries would be beneficial.

### Multilateralism

Canada's historical commitment to multilateralism should remain an essential component of our bilateral diplomacy with China. Your visit offers important possibilities for cooperation on a range of global questions such as environmental sustainability, prevention and management of infectious disease, and cross-border crime and security challenges. Your visit also presents opportunities to plan cooperation at multilateral bodies such as the G8/G20 (which Canada will host in June 2010), the UN Human Rights Council and APEC. While we should harbour no illusions about our ability to move China's leaders away from firmly held positions, your visit can be extremely helpful in building confidence and cooperation around issues of existing and potential mutual interest.

### Approach – Preparation, Balance, Prudence

As you work to build cooperation with China on issues important to Canada's national interests, I would suggest that a general operational approach of preparation, balance and prudence will make your meetings more productive.

*Preparation* for engagement with China requires understanding China's national interests and goals that have particular relevance to Canada. China's economic growth policies focus heavily on sustaining high employment levels in order to ward off social unrest. Employment-centred growth policies evident in China's financial stimulus package and in China's export-oriented trade policy will affect the range and character of business opportunities for Canadian firms. China's national interest goals also include securing advanced technology, which raises potential conflicts in the enforcement of intellectual property rights commitments under the WTO. China's search for energy security provides obvious opportunities for Canadian firms, as does China's need for continued infrastructure development and clean environmental initiatives. Finally, China's national interest goal of diversifying its international investment relations has significant implications for Canada. Preparation around these issues will contribute to successful engagement in ways that further Canada's interests.

*Balancing* pursuit of Canadian national interests on the economy, social capital and multilateralism with adherence to our core principles and values remains important. Cooperation with China on economic issues should also give attention to such values as labor rights for workers, corporate social responsibility and environmental sustainability. Cooperation in building social capital should be tempered by principled approaches to issues of Canadian nationals detained in China and the repatriation of refugee claimants in Canada -- recent crackdowns in China against lawyers and proponents of minority rights, as well as continued politicization of criminal procedure are particular areas of concern. Pursuing China's participation in multilateral cooperation should include attention to Canadian values around good governance. For example, multilateral efforts against terrorism should be balanced with attention to the rights of China's minority nationalities, while multilateral efforts on health and the environment should encourage China to offer information and cooperation more broadly to a range of multilateral partners.

*Prudence* invites careful appreciation of the style and content of engagement with China; we should adopt styles and mechanisms for communication that are likely to be effective. We cannot hope to compel China's leaders to accept positions that run fundamentally counter to their national interests or their historical and cultural value systems. We should not expect to change China, but we can be prudent in managing our responses to China's conditions and behaviour. While public criticism of policies and practices with which we may disagree is seldom, if ever, effective in changing Chinese behaviour, we should avoid appearing to endorse policies or conduct that run counter to our own principles and values.

With these interests and approaches in mind, I wish you and your team the very best in good fortune on your visit. I am confident that all Canadians will benefit from your efforts to build a relationship with China that furthers Canada's interests.

Respectfully,

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