



CANADA-ASIA AGENDA

Canada and China at Forty: Surviving the Midlife Crisis

By Jack Austin

October 13 marks the anniversary of Canada-China relations. While many important historic victories celebrate the bond between both countries, an abrupt distancing in recent years has left what was once a budding special relationship, no more. As a rising China moves to further foreign relations with others, is it possible for Canada to regain status as a close working partner or will Canada be an onlooker of a passing parade?

Back in 1969, a small group of advisors around Prime Minister Pierre Trudeau were excited by the news that China had made an informal approach to a Canadian Ambassador in a European posting to enquire, hypothetically, whether Canada might be interested in an off-the-record discussion on mutual diplomatic recognition. This was no accident.

Prime Minister Trudeau had been fishing for such an opening both before and after taking office as Prime Minister in April, 1968. He had made statements on the need to engage the Chinese authorities on their entry into the global system, both through formal diplomatic steps and through their participation in multilateral organizations including the United Nations. Now the Chinese seemed to be responding.

No one around Mr. Trudeau thought it would be easy. Since taking power in 1949, the Chinese Communist Party had led China through a process of rejecting western powers and

their capitalism. China in its own terms had "closed the door" to the liberal market system and western ideas of democracy. China would create a new society through socialism leading to communism as the final goal of social organization. Yet somehow in the middle of the "Great Cultural Revolution" which was Chairman Mao's last attempt to "destroy the old" and put a new social paradigm in place, there was this startling initiative. Was China now ready to "open its own door?"

Early in 1970, I joined the federal government as Deputy Minister of Energy, Mines and Resources. This placed me on a senior committee of Deputy Ministers, the Interdepartmental Committee on External Relations, which provided an overview of negotiations with China and made recommendations to Secretary of State for External Affairs, the Hon. Mitchell Sharp. Mr. Sharp and his senior officials were the front line in the negotiations. The Department had an impor-



About The Author

The Hon. Jack Austin, PC, QC, served in the Senate of Canada from 1975-2007, representing British Columbia. During that time, he served in the Trudeau Cabinet of 1981-84 and the Martin Cabinet of 2003-2006, in various ministerial positions including senior minister and Leader of the Government in the Senate. As Deputy Minister of Energy, Mines, and Resources between 1970-1974, he accompanied the first official mission to China in June 1971. He was president of the Canada-China Business Council from 1993-2000, and established the Team Canada missions to China under Prime Minister Chretien. He is currently Honorary Professor and Senior Fellow at the Institute of Asian Research, University of British Columbia.



tant capacity in understanding China thanks to the membership of old China hands who had been the children of Christian missionaries and could speak the language. Among them were Canada's early Ambassadors to China including Ralph Collins and Arthur Menzies.



Canadian ambassador Arthur Menzies attends a Beijing technology exhibition in 1978. Department of Foreign Affairs and International Trade Canada. July 20, 2010.

Not surprising, the determinative issue in the negotiations was Taiwan. In 1969 Taiwan, known at the time as the Republic of China, claimed to be the de jure representative of China and was so recognized by a substantial number of nations including most western European nations, the United States and Canada. Removing recognition from Taiwan and giving formal diplomatic recognition to the People's Republic of China would cause major upheaval in the diplomatic system and not be accepted, or so we thought, to the United States which was Taiwan's most important defender.

Seeking to put the People's Republic in the China seat at the Security Council and the General Assembly was a major commitment for Canada, implied by Canada's recognition, and might put us in a major conflict with the United States which would certainly not be in our interest. However these concerns, while considered, were set aside in the belief that Canada was on the right side of history.

China, if it was kept outside the global system could become a hostile presence and undermine the peaceful global rise of the world community. As illustrated by its support of the North Korean invasion of South Korea, there were many opportunities for China to play a negative role. Yet China's initiative to Canada was unlikely to come again for many years. It was an initiative that had to succeed.

In the early phase of talks, China insisted Canada recognize China's claim that Taiwan was a part of China and that

the government in Taiwan was an illegitimate one. A breakthrough solution was reached with Canada agreeing to "take note" of China's claim to Taiwan, in effect neither agreeing nor disagreeing to the position of China. In Chinese eyes, by entering into diplomatic relations with China and discontinuing such relations with Taiwan, Canada was doing more than simply "taking note." It was this that was required to effect the exchange of diplomatic recognition on October 13th, 1970. While a small celebration took place in Ottawa that day, the real celebration took place when knowledge of "take note" had done the job.

Even before the exchange of recognition, Canada had earned points with the new Chinese government. Canada had never been a colonial power and had played no role in the subjugation of feudal China. The Canadian government had allowed Dr. Sun Yat Sen to raise money in Vancouver in 1910 for his revolution, in that they had not interfered. Dr. Norman Bethune became an icon of the revolution after being described by Chairman Mao as a selfless supporter and his deeds were taught to generations of students. In 1960, in the middle of a great famine in China, the Diefenbaker government undertook to make sales of wheat on a deferred payment basis. And there were Canadians like Professor Paul Lin, who served the Chinese government in the 1950's and 1960's and spoke strongly of the positive attitude of the Canadian people for the Chinese people. Along with visits to China by Pierre Trudeau in its first ten years, and his positive signals, there was a basis for China selecting Canada among the developed countries.

The Honeymoon Period

Three decades since recognition, the relationship developed smoothly. In June, 1971, Canada sent its first official delegation to China headed by Canada's Minister of Industry, Jean Luc Pepin. I accompanied the Minister to initiate technical exchange agreements in the mining and oil and gas sectors. In the following year, China sent its first groups to look at Canadian technologies and purchase equipment. Over the years Canada and China have exchanged missions in a vast variety of subjects including education, social policy and governance. In 1998 the Parliament of Canada and the National People's Congress established a permanent bilateral relationship in which their respective members exchanged study visits and information on a great variety of subjects including the values of their respective systems. All of these activities built upon the initial good will and extended into the bilateral relationship.

Prime Minister Trudeau made the first official visit to China by a Canadian Prime Minister in 1973, holding talks with Chairman Mao, Prime Minister Zhou Enlai and (then) private citizen Deng Xiaopeng. In December 1983, Chinese

Premier Zhao Ziyang made the first official visit to Canada. Prime Minister Brian Mulroney led a small business group to China in 1986. In 1978 Paul Desmarais of Power Corporation started the Canada-China Business Council which was the first foreign business group to be established with China.

When Prime Minister Jean Chretien took office in 1993 he made a special effort to build a relationship between Canada and China including the heightening of business interaction. He led the Team Canada missions organized by the Canada China Business Council, and composed of the Premiers and Territorial leaders, and several hundred business executives to China in 1994, 1996, 1998 and 2001. Chinese Premier Li Peng visited Montreal in 1995, President Jiang Zemin visited Toronto in 1997 and Premier Zhu Rongji also visited Toronto in 1999.

Canada supported Beijing's succession in 1971 in taking the official seat for China in the United Nations General Assembly and Security Council. In 2000 Canada was effective in assisting China to join the World Trade Organization. China in turn gave Canada a special opportunity to design and supply to the Three Gorges project and entered into a \$1.5 billion agreement for Atomic Energy of Canada to build a 1000 megawatt nuclear facility near Shanghai. Private sector relations grew throughout the period with Canadian companies such as Manulife and Sun Insurance along with Canadian banks receiving early registration to open their operations.

At a banquet held in Beijing in November 1998 attended by Prime Minister Chretien and Premier Zhu Rongji, the Chinese Premier departed from his text to declare that "Canada was China's best friend". It was a signal mark of the relationship. Canada was in the leading place with China in its bilateral and global relations.

In January 2005, Prime Minister Martin made an official visit to Beijing and it was clear that Canada had not lost its standing with China. In September 2005, President Hu Jintao made an official visit to Ottawa and suggested to Prime Minister Martin that Canada and China enter into a "strategic partnership". Deputy Foreign Ministers were designated to design the specific categories but generally it was understood that Canada and China would more closely cooperate in multilateral organizations and would set up trade and investment conditions to develop their commercial interests and cooperation in fields of education, governance, judicial development and social and cultural relations.

Amid a Mid-Life Crisis?

Soon after the Conservative government of Prime Minister



Beijing, China

Stephen Harper took office in February 2006, it became clear that relations between Canada and China were to take a very different course. Mr. Harper and his government downgraded China to a minor status in their foreign policy interests. The then Foreign Minister, Peter Mackay, did not respond to several requests over a number of months by the Chinese Ambassador for a meeting to discuss the reason for the change in the relationship.

Annual bilateral meetings between Canada and China on human rights and other issues were cancelled by the Harper government. When Prime Minister Harper declined the Chinese government's invitation to attend the 2008 Olympics, it was seen as a further signal of contempt for China and a lack of comprehension of China's role in global affairs and possible impact on Canadian interests.

At the time of writing the Conservative government has changed course and is seeking a more pragmatic relationship with China. Ministerial visits to China were recommenced in 2007 and Prime Minister Harper visited China for the first time in December 2009. Mr. Harper's famous statement in November 2006 that he would not sacrifice his views on human rights in China "for the almighty dollar" was seen by the Chinese as a rejection of the offer of "strategic partnership" or of any relationship beyond normal trade which in any event greatly favoured the Chinese. In Canada it was seen as a repudiation of 35 years of non-partisan Canadian policy. In summary, today Canada has no special relationship with China. It remains purely on a pragmatic level.

The 40th anniversary of Canada-China diplomatic relations is in a mid-life crisis. The partners have come to a period of distancing. Does the Chinese side care much? It seems that they are not much troubled by the status quo and there is no sign that they have anything special in mind to propose. In fact with the growth in the Chinese economy and China's

vast extension of its foreign relations, trade and investment throughout the globe, Canada's relative position was likely to decline in any event. Mr. Harper may have relieved the Chinese of the burdens of the "strategic relationship". We'll never know what might have been.



Prime Minister Harper and wife Laureen are greeted by Premier Wen Jiabao during his December 2009 visit to China. Office of the Prime Minister of Canada. December 3, 2010.

Where should creative Canadian policy take us now in the second decade of the 21st century? Do we have a picture of mutual values and mutual interests to propose to China? We know that China is an increasingly important player in the global community, not just because of the significance of its economy but because of its emerging role as a governor of a secure, stable, and growing global society. Can we work closely with China, as once we did, or are we to be onlookers of the passing parade?

Re-invigorating Distant Relations

In the current status of the relationship, Canada must take the initiative to define and develop the basis for the renewal. Having caused the distance, Canada must therefore initiate the rapprochement. To begin with, Canada has no standing to take the high moral line with China. Yes, we are concerned with the human rights of the Chinese people as we are concerned with those rights denied to Canadians. There are abuses and in the past Canadian political leaders were quite effective in their representations on behalf of individu-

als. Canada should ask the Chinese to resume the dialogue on international human rights standards and on individual situations and to do so in an atmosphere of mutual respect. Even if the freedom does not meet Canadian standards as is now practiced, it is important to acknowledge that in all Chinese history, the Chinese people have not been so free as they are today.

Canada has withdrawn much of its participation in the Asian regional multilateral process under the Harper government. This is a theatre of significance to China. It is significant to the United States. There is no bilateral relationship on the globe that can have a more profound effect on the global environment and therefore on Canada's interests. We should be there as a full participating member of the Pacific community, knowing the players, knowing the events, and helping where we can with Canada's good offices.

We must increase dramatically our exchanges with the Chinese academic community, faculty and students. These relationships are the foundation of the events of the future. Canada must invest in bilateral research and cooperative development. The Chinese have several groups that study Canada in a comprehensive way. Canada must put more resources into our knowledge of China in order to develop useful initiatives in the relationship.

China is interested in our natural resources, in our environmental technologies, in our strategic relationship with the developed world and our ability to act fairly in situations of global crisis in the developing world. These are areas where dialogue will find common ground for cooperation, if we but open the opportunity.

Today we have no special relationship with China. There exists, however, many special relationships. Over one million "overseas" Chinese live in Canada and they comprise over 20% of the Chinese diaspora outside Asia. If the government to government relationship is not so special, these people-to-people relations can be an enormous factor in the future of the Canada-China relationship. They are a reason China will pay attention to Canada. They are a reason Canada should pay attention to China.

The government of Canada has the means and the reason for a new beginning, so do the people of Canada.

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