

Burton - Human Rights and the West's Engagement with China - Speaking Notes

Defining the direction and priorities for Canada's engagement of China is arguably the most complex and contentious foreign policy issue faced by Canada's political leadership.

How Canada should best respond to the challenge of the rise of China is a controversial and high profile domestic political issue that receives considerable attention in the Canadian media.

Canadian political parties struggle to strike the right balance between economic concerns and human rights in formulation of their statements on China policy.

China inspires a high degree of passion among diverse elements of the Canadian population.

An unusual political consensus on how to further Canada's interests in China between the right-wing and left-wing of the Canadian political spectrum has formed.

Rob Anders and Jason Kenney, Elizabeth May and Maude Barlow

all equally strongly condemn the Chinese state's human rights violations,

and are highly negative about the impact of China's political and economic activities in the developing world.

So Canadian political leftists and rightists are allied in urging that the Government of Canada adopt strong measures to counter the threat to Canada's economic and political security of Chinese state investment in Canada,

and of Chinese state-sponsored economic and political espionage activities directed at Canada.

Political discourse on these aspects of Canada-China relations tends to assume a highly polarized and polemical nature.

Charged denunciations of alleged Chinese Government duplicity in its domestic human rights violations, foreign investment policies and foreign espionage activities by supporters of the Canadian right-wing and left-wing political perspectives

typically elicit a strongly dismissive response from those who identify with and speak for Canada's business and "centrist" political interests.

The centrists hold that harshly worded criticism of Chinese Government domestic and foreign policy are informed by irrational ideological biases and not based in verifiable facts.

This centrist view enjoys support of moderate elements within the Conservative Party and has been consistently affirmed by the policy statements of the Liberal Party of Canada

This centrist policy perspective asserts that the Government of the People's Republic of China should be treated with due respect

because that Government represents a friendly nation with whom Canada should establish a strong "strategic partnership" to achieve high levels of mutually beneficial trade and investment.

the proponents of this perspective on the Canada-China relationship strongly caution that Canada's future economic prosperity is critically dependent on getting our relations with the Government of China "right."

They urge that the Government of Canada should take vigorous action to develop an action plan for greatly enhanced engagement of China as a matter of high national priority. Failing to do so will have significant negative consequences for Canada's economic future.

Outside of government, organizations funded by monied interests who are active in the China trade such as the Canada-China Business Council, the Canadian International Council, and the Asia Pacific Foundation as well as large Canadian corporations such as the Power Corporation, Bombardier, and SNC Lavalin, exert substantial pressure on governments to put more priority on engendering friendly relations with the Chinese Communist regime to mutual economic benefit.

On the other hand, public advocacy organizations such as Amnesty International, Chinese-Canadian expatriate pro-democracy groups, the Falun Gong, or and Tibetan and Uyghur diaspora organizations in Canada urge that the Government of Canada engage the Government of China more vigorously on human rights concerns.

They also demand that allegations that Chinese diplomats and Chinese cyber-hackers illegally harass expatriate Chinese citizens in Canada be more actively pursued by the RCMP and the Department of Foreign Affairs

Moreover, within the Government of Canada there are tensions over where Canada's priorities with regard to relations with China should lie

between agencies and departments whose mandate is to further Canada's trade and economic interests abroad, particularly the Department of Foreign Affairs and International Trade,

and those agencies and departments whose mandate is to ensure Canada's national security, such as the RCMP, CSIS and CSEC.

Canada's China policy is also a prominent issue in mainstream partisan political posturing.

Governments are criticized by political opposition parties for sacrificing Canada's commitment to social justice and human rights and Canada's

national security to curry favor with China's Communist regime and thereby promote trade and investment between Canada and China.

But Governments are also denounced for vocally raising Canada's concerns over human rights and allegations of Chinese state espionage in Canada thereby putatively inhibiting the expansion of Canada's economic interests in China, considered critically important to Canada's sustained future prosperity.

Canada's China policy is thereby highly politicized and tends to be the subject of simplistic partisan rhetoric at the level of popular political debate.

But beyond the use of China policy as a device to score partisan political advantage,

once in power, Canadian political leaders of whichever political stripe has been elected get pulled this way and that way over how to engage China in a way that serves Canada's economic interests without sacrificing the liberal democratic values that legitimate the political authority of governments in Canada's parliamentary system.

Despite the domestic political contention over how Canada should define Canada's national priorities in the complicated dynamic of Canada's relations with China detailed above, there is in fact in the larger frame strong cross-partisan consensus on the overall aspects that Canada should engage in relations with the PRC.

Over the years Canada has adopted a highly consistent approach to relations with China.

It is highly resonant with the Canadian foreign policy doctrine articulated by the Department of Foreign Affairs' 1995 foreign policy statement "Canada and the World."

This document sees Canada's foreign policy as based in "three pillars of diplomacy."

These three pillars are: the promotion of prosperity and employment; the protection of Canada's national security, within a stable global framework; and the projection of Canadian values and culture abroad (Government of Canada, 1995).

As to the first pillar, Canada wants fair and reciprocal trading agreements with China.

Canada welcomes Chinese investment, but as the Prime Minister Harper made clear in his 2012 press conference announcing Canadian Government approval of the Chinese state enterprise, the Chinese National Offshore Oil Corporation's, 15 billion dollar acquisition of the Canadian energy firm, Nexen,

Canada will not allow the Chinese state to gain dominant control of Canadian economic resources through full acquisition of Canadian resource companies by Chinese state firms.

But Canada does very much encourage Chinese state firms to invest in Canadian enterprises as minority share holders .

As to the security aspect, Canada continues to investigate Chinese state espionage, including cyber-espionage, directed at Canadian economic, political and military targets.

Canada collaborates with like-minded nations in multi-lateral fora to encourage the Chinese regime to follow the norms of responsible global citizenship.

Finally with regard to the third pillar on projection of Canadian values and culture abroad, as the 1995 statement puts it:

"Canada is not an island: if the rights of people abroad are not protected, Canadians will ultimately feel the effects at home. They understand that our economic and security interests are served by the widest possible respect for the environment, human rights, participatory

government, free markets and the rule of law. Where these are observed, there is a greater prospect of stability and prosperity . . . Their observance, therefore, is both an end in itself and a means to achieving other priority objectives." This 1995 statement has stood the test of time and still informs Canada's engagement with China today.

Adding a sense of urgency to Government to come up with politically viable ways to greatly enhance Canadian engagement with China as a rising power is the popular perception that the rise of China is concomitant with the U.S.'s economic decline and the gradual winding down of the U.S.'s role as the preeminent global superpower.

There is a related anticipation that the United States may reduce its imports of Canadian oil due to U.S. economic decline and due to expansion of domestic production of shale oil and natural gas engendered by the increasing development of hydraulic fracturing (fracking) extraction technology.

Moreover, U.S. buyers at present can negotiate purchase of Canadian energy products at prices lower than global commodity prices because the U.S. is virtually a monopoly buyer of Canadian oil.

Therefore the only way to stave off a decline in sales of Canadian oil and natural gas and to get the proper value for oil exports to the U.S. is for Canada to diversify Canada's energy export markets primarily by dramatically expanding sales to China.

According to the proponents of this view, it is therefore imperative that Canada should build infrastructure to allow for the export of Canadian gas and oilsands oil via the laying of a Northern Gateway pipeline from Alberta to the coast of northern B.C. for onward transshipment to Asia, primarily to China.

Ideally the massive investment necessary to make this happen including construction of port facilities in northern B.C. and other related infrastructure would involve large inputs of capital from Chinese sources.

Environmentalists and indigenous aboriginal bands through whose territory the pipeline would pass are mounting court challenges to this pipeline project which could significantly delay or even kill it, though.

Barriers to Engagement Between Canada and China

The nature of the relationship between Canada and China is fraught with complications due to incompatibilities between Canada's liberal democratic system and China's one-party authoritarian regime.

i. The Origins and Character of the Current Chinese Regime

The current Chinese regime is the People's Republic of China which was established in 1949 after the Communist Party's army's victory over the Chinese Nationalist Party (KMT) forces in the Civil War in China which followed the defeat of the Japanese in the Second World War.

The People's Republic of China is a one-Party state whose political legitimacy is based on the ideology of achieving Communism through Marxist revolution as the ultimate purpose of the regime.

China's current political system is categorized as a Leninist system. It remains patterned on the political norms of the Soviet Union under the totalitarian dictatorship of Josef Stalin.

All organized political opposition to the rule of the Chinese Communist Party is strictly prohibited.

All forms of media in China --- radio, TV, newspapers, magazines, books and the internet are strictly controlled by the Department of Propaganda of the Central Committee of Chinese Communist Party.

The Chinese judiciary is not independent.

Chinese courts at all levels are subordinate to corresponding political and legal affairs commissions which answer to their corresponding Communist Party Committee.

All judges and lawyers in China ultimately are answerable to the authority of the Politics and Law Commission of the Central Committee of the Communist Party of China.

In the 1950s, all Chinese commercial enterprises of any size were nationalized and became functions of Chinese government ministries in a socialist comprehensively planned and integrated state economic system.

The intention of the post-1949 Chinese regime was that the socialist planned economy would to a just and equitable distribution of the nation's wealth.

And that the planning would lead to more rational economic development and higher growth rates than a market regulated economy.

Furthermore, the promise of the Marxist ideology promulgated by the Chinese Communist Party was that China would inevitably develop towards the achievement of Communist utopia, even as early as 1966.

But instead, throughout the 1960s and 1970s, the utopian proletarian revolutionary policies of the Chinese Communist Party led to disappointing economic results.

China's socialist planned economy stifled individual initiative and was inefficient in allocation of production leading to chronic problems of shortages of critical economic inputs.

The expansion of the economy fell short of high rates of population growth over those years.

This was in sharp contrast to the very high growth rates of market economies in Japan, Taiwan, Hong Kong, and South Korea over the same period.

Furthermore most Chinese people found China's "socialist" culture dispiriting.

Food, clothing, and most consumer goods and were subject to strict rationing.

Religious observance and much of classical Chinese high culture and popular culture was banned as “remnants of feudalism.”

Modern fashion, foreign pop music and movies were banned as “decadent bourgeois trash.”

For most Chinese people life in Mao’s “revolutionary” China life was impoverished both materially and as well as spiritually.

Despite the comprehensive police and security apparatus designed to suppress all forms of political dissidence, pervasive popular dissatisfaction with the Communist Party's political program intensified through the 1970s.

By 1976, public demonstrations against the Party’s failing political program of revolution and socialism began to break out in Beijing and elsewhere in the country.

Many felt that the Party’s harsh rule was under threat of being overthrown by popular demand.

The death of the regime’s founding supreme leader, Chairman Mao Zedong, in October 1976 eventually led to political factional struggle.

The Maoist “leftists” were removed from power.

Under the new supreme leader, Deng Xiaoping, just over two years after Mao’s death the Chinese Communist Party implementing a program of "opening and reform"and demand for political change abated.

China’s Marxist ideology was gradually phased out, and a market economy system to stimulate economic growth to improve the living standards of China’s citizens gradually phased in.

High rates of sustained economic growth far exceeding expectations rapidly followed. China's historic and dramatic comprehensive rise to power has been the consequence.

But the Chinese State did not re-privatize the national state enterprises.

They continue to be functions of the Chinese state under the overall coordination of the Chinese Communist Party leadership.

And there is still no independent rule of law in China. Politically China remains a one-Party Leninist regime.

There is no social space for true civil society outside of the authority of the Party-State.

It has no democratic political institutions.

The political authority of the unelected Standing Committee of the Political Bureau of the Central Committee of the Chinese Communist Party is paramount and unchallengeable.

Implications of Regime Incompatibility for Canada's Engagement of China

The fundamental incompatibilities between the Chinese and Canadian political systems present a significant challenge to Canada's realization of its foreign policy interests agenda in relations with China.

This impacts in all of the three dimensions of Canada's foreign policy doctrine identified above: promotion of Canada's prosperity, protection of Canada's national security, and the projection of Canadian values abroad.

China is able to exercise a high degree of coordination between its economic engagement and its political engagement with foreign powers.

Of course the members of the Chinese Communist Party committees that direct Chinese state enterprises hope to maximize profit in their foreign investments.

They have some advantage in this regard because Chinese state enterprises as functions of the Chinese state are able to comprehensively draw on all Chinese state resources to enhance their enterprise's business competitiveness abroad.

This would include Chinese state espionage agencies which can provide state enterprises with covertly obtained economic data and purloined intellectual property, technologies, and proprietary production processes that gives Chinese state enterprises a business advantage over their foreign competitors.

These state benefits are of course not readily available to the smaller non-state Canadian commercial enterprise counterparts of Chinese businesses.

But at the same time, the Chinese Communist Party's control and direction of Chinese state enterprise gives the Chinese state economic leverage to strengthen the Chinese state's furtherance of China's national political goals in China's strategic engagement with foreign nations.

For example, nations that resist Chinese Government pressure to refuse to meet with His Holiness the Dalai Lama are consistently threatened by Chinese diplomats with the spectre of economic retaliation by Chinese state firms because, they are warned, these firms prefer to engage in business with nations that are deemed "friendly" to China

These threats have not been realized in the case of Canada. But they have actually gone beyond rhetoric and actually had significant economic impact on other nations' trade and investment projects in China.

And the Chinese government has similarly expressed its discontent with the government of Norway over the Nobel Peace Prize being awarded

to an imprisoned Chinese political dissident in 2010, Liu Xiaobo, and took retaliatory action by way of economic sanctions through Chinese state firms being banned from pursuing contracts with Norwegian firms.

In 2012, the bid by the Chinese state enterprise the Chinese National Offshore Oil Corporation (CNOOC) to acquire a Canadian oil firm, Nexen, was the subject of considerable controversy and debate. CNOOC went to considerable lengths to satisfy the terms of Canada's Foreign Investment Review Act

The key for CNOOC to gain approval for the acquisition was to demonstrate that Nexen becoming a Chinese state-owned firm would be of net benefit to Canada.

To this end CNOOC promised to locate their head office for overseas operations to Calgary. And to maintain Nexen's programs of corporate responsibility. In addition CNOOC offered a significant financial incentive for Nexen shareholders.

Their \$15,000,000,000 offer was some 60% over the value of Nexen shares.

Nevertheless, this acquisition inspired a very high profile public debate over a period of months.

Opposition came from both the right and left wing of Canada's political spectrum

Questions were raised about CNOOC's environmental record in Burma,

about the proclivity of Chinese state firms to flout foreign laws with regard to bribery, tax evasion, labour standards, and about the use of imported Chinese labor in Chinese state firms' operations abroad.

There were further concerns about whether the Chinese state would take advantage of CNOOC's presence in Canada to engage in economic espionage, and the transfer of Canadian technologies to other Chinese state firms without payment of licensing fees.

And speculation that if the Chinese state got its foot in the door through this \$15,000,000,000 investment, that other Chinese state firms would invest much larger sums in the acquisition of other Canadian companies.

If the Chinese State obtained a significant degree of control over critical Canadian economic assets, it was felt that this would give a foreign power undue political and economic leverage over decisions of the government of Canada.

These could include Canada's ability to respond to Chinese human rights abuses domestically and the Chinese government's support for the regimes of undemocratic political dictators in the third world.

But there was also very strong lobbying by some Canadian business interests for the Government of Canada to approve this deal and in general have a welcoming attitude to further extensive Chinese state investment in Canada.

These business elements indicated that there is no basis for thinking that CNOOC has any intentions with regard to Nexen except to gain a foothold in to Canada's oil sands highly profitable export potential.

Canadian policy on this matter was clarified by an extraordinary press conference by the prime minister in December 2012 at which he said that while the Government of Canada would approved CNOOC's acquisition of Nexen that it represented "not the beginning of a trend but rather the end of a trend. When we say Canada is open for business, we do not mean that Canada is for sale to foreign governments. To be blunt, Canadians have not spent years reducing the ownership of sectors of the economy by our

own governments, only to see them bought and controlled by foreign governments instead."

Of course due to the integrated nature of the Chinese political/economic/social regime it stands to reason that Canadian companies who have been able to successfully participate in Chinese Communist business networks would also support all aspects of the Chinese regime in its engagement with Canada including the Chinese regime's interest in not having the human rights issue raised as part and parcel of the Canada-China relationship

including, consciously or unawares, providing "fronts" for facilitating Chinese state espionage.

As the Director of the Canadian Security Intelligence Service, Richard Fadden has indicated: "Certain state-owned enterprises and private firms with close ties to their home governments have pursued opaque agendas or received clandestine intelligence support for their pursuits here.

When foreign companies with ties to foreign intelligence agencies or hostile governments seek to acquire control over strategic sectors of the Canadian economy, it can represent a threat to Canadian security interests."

Human Rights as a Constraint in the Development of Canada-China Relations

China is a permanent member of the United Nations Security Council.

There have been a number of occasions where the Government of Canada has urged Security Council condemnation of UN member-state behaviour deemed by Canada as inconsistent with U.N. norms, where China has opposed condemnation or sought to water down UN resolutions.

These often involve states with which China has close trade arrangements including Sudan, Iran, Zimbabwe, and North Korea.

In general, Canada, encourages the Government of the People's Republic of China to become fully compliant with international political and economic regimes

But there have been statements by officials of the Chinese government suggesting that China does not feel bound by international regimes that were established without the consent of the PRC because they predate the People's Republic of China's involvement in larger matters of global governments and transnational relations

Nevertheless, the Government of the People's Republic of China did sign the UN's International Covenant on Civil and Political Rights in 1998. And indeed China has ratified most of the major UN human rights covenants

Canada did engage in a government to government bilateral human rights dialogue coordinated by the International Organizations Department of the Ministry of Foreign Affairs of the People's Republic of China, from 1998 to 2005.

The Government of China suggested this form of confidential government-to-government bilateral engagement on human rights issues in exchange for Canada ceasing to support a resolution against China in the UN Human Rights Commission annual meetings.

Under Foreign Affairs Minister, Lloyd Axworthy, there was a expectation that if the Government of China understood the Canadian perspective on the benefits of framing domestic and international policy mindful of human rights norms,

that the Government of China would better appreciate the importance of a free civil society to good governance and stable democratic development.

And therefore move to make the appropriate political reforms in China's political institu

tions to strengthen the rule of law through an independent judiciary. Along these lines, CIDA approached the Chinese authorities proposing to offer training for Chinese foreign ministry officials on how to do reporting to the UN on compliance with the ICCPR after China ratified.

Canada also initiated a major CIDA program to train Chinese judges at about this time.

But Canada ceased the bilateral human rights dialogues mode of engagement with the Government of China in 2006 when it became apparent that it was having no impact on Chinese state behavior with regard to international human rights.

Canada's "quiet diplomacy" approach to continuous allegations of Chinese state sanctioned flaunting of international human rights norms had the effect of tacit sanction for Chinese state behaviours

which violate the language, cultural, and religious rights of Uyghurs, Tibetans and other minority ethnic groups

as well as pervasive violations of universal human entitlements to freedom of expression, freedom of association, and fundamental political rights of citizenship.

China inserted a statement in the National Constitution of the People's Republic of China promising to "uphold human rights" in 2004

. But Chinese officials have argued that cultural, historical, and developmental factors have prevailed against implementation of universal human rights norms for the time being until conditions allow.

But more recently, the government of China under the new leadership of Communist Party Chairman. Xi Jinping has adopted a harder line banning discourse on "universal values," "civil society," "civil rights," judicial independence," etc. in the Chinese media and in universities and think tanks.

Nevertheless the Prime Minister and senior ministers continue to engage the Chinese leadership on China's human rights record at all bilateral meetings and stress this point in post-summit press briefings.

But Chinese media reports on visits to China by senior Canadian officials or visits by senior Chinese officials typically do not mention that human rights issues were among those discussed.

It is difficult to assess the effectiveness of Canadian Government programming in promoting the Canadian “values agenda” in China.

Conclusion

On the face of it, the prospects for intensification of Canada's bilateral engagement with China should be very strong.

In recent years, the Chinese state has suffered some significant losses of property and investment after violent non-democratic regime change in third world dictatorships.

. Therefore, Chinese state enterprises increasingly favour investment in stable democracies with comprehensive rule of law. Canada clearly fits the bill.

And Canada's oil and and natural gas and other mineral resources including potash are very much in demand by the Chinese regime to sustain China's continuing economic growth.

China also represents a rapidly expanding market not only for Canadian commodities but also services, including banking and insurance in which Canada is a world leader.

Getting into the Chinese market would do much to promote Canada's future prosperity.

Moreover, Chinese is the third most spoken language in Canada after English and French. Canadians of Chinese origin comprise more than 4% of Canada's population so this should give Canada a natural advantage in interaction with China.

So Canada and China are very evidently a good fit for each other for comprehensive development of mutually beneficial relations. But as discussed above issues of incompatibility between the political economic systems of Canada and China continue to pose a significant challenge to meaningful broadening and deepening of relations between our two countries.

And aside from economic areas,

even the increasing problem of corrupt Chinese officials seeking refuge in Canada with their ill gotten gains along with Chinese organized criminal gang elements fleeing to Canada one step ahead of the Chinese police, has not been able to be addressed by the logical solution of a Canada-China Extradition Treaty

. Aside from the problem that China imposes the death penalty for a broad range of crimes including white collar crimes,

Canadian courts are reluctant to send people back to China to face charges because Canadian judicial authorities feel anyone accused of a crime in China cannot obtain fair and impartial justice and due process of law. Chinese people alleged to have committed serious crimes in China, even murder, have not been made accountable for what they've done once they touch base in Canada.

Indeed, many are suspected of working for the overseas operations of Chinese triad gangs after fleeing to Canada.

And Canada has not been able to repatriate Chinese nationals alleged to have committed serious crimes in Canada who have fled to China before arrest by the Canadian police

There are many issues of this nature that could be addressed if there was mutual trust and compatible institutions that would allow productive cooperation between Canada and China.

But both trust and compatible institutional mechanisms for bilateral collaboration are severely lacking.

And the understandable lack of rapport between the current Prime Minister of Canada and his Chinese Communist counterparts due to differences over human rights is a soft factor that reflects this regrettable reality.

And from the perspective of Beijing, Canada is just one of dozens of middle powers with whom China seeks markets for its exports and investment in sectors critical to China's economic needs, but with whom China have little interest in meaningful political relations

Genuine strategic partnerships are sought by China with other permanent members of the U. Security Council or with surrounding nations, particularly Japan and South Korea, and possibly India in future years,

but Canada simply does not matter that much to China. We offer little that can not be obtained by China elsewhere.

Canada needs China more than China needs Canada.

Major intensification of relations between Canada and China could be facilitated if China makes the transition to a democratic system akin to that of the political democratization of Taiwan, South Korea, or Japan (all of whom share with China a Confucian political legacy) in the latter part of the last century.

Thanks to the spread of alternative political discourse in China at odds with the Chinese state media that has facilitated by the enthusiastic adoption of social media by the hundreds of millions of users of smart 'phones, tablets and networked computers in China in recent years, at odds

with China's official political norms, Chinese young people more and more identify themselves as citizens with inherent entitlement to human rights.

But despite this, objectively speaking, the current regime shows no sign of imminent collapse. China has no charismatic political opposition leaders along the lines of Lech Walesa or Vaclav Havel, who oversaw the transition from Leninist systems in Poland and Czechoslovakia respectively, that might inspire a 21st century "Beijing spring."

But that is not to say that Canada should not continue to support progressive agents of political and legal change through Government-funded development programming in "good governance, democratic development and human rights."

A balanced policy of combining the "hard" aspects of economic and security factors in Canada's relations with China with the "softer" aspect of promotion of Canadian values in China is in Canada's national political interest.

This not only because liberal democracies promote stable economic regimes.

It is also because political systemic reform in China would go a long way to breaking down the systemic incompatibilities that so inhibit the natural intensification of bilateral engagement between Canada and China in all spheres of international relations.