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EXECUTIVE SUMMARY

This paper examines the role of Canadian values and national interests in Canada's relations with China.^a The challenge of honouring Canadian values while also protecting Canadian interests is a matter of key policy importance, which has been brought to light most recently by the final report of Canada's Foreign Interference Commission and by suggestions from China that Canada deepen its economic ties with the People's Republic of China (PRC) in the face of threats from Donald Trump's administration. This paper adopts the principle of "complementarity" that looks beyond contradictions and trade-offs among values and interests to focus instead on interdependence and mutual reinforcement. The paper begins with an examination of the policy context for Canada-China relations, where ongoing debates over how to balance the relative priority of values and interests in Canada-China relations continue to divide analysts and decision-makers. Acknowledging the attention given to Canadian values and national interests in Canada's Indo-Pacific Strategy (IPS), the paper offers three case studies, on interference by the PRC in Canada, the detention of Canadians in China, and Canadian restrictions on goods produced with forced labour in China, to illustrate complementarity among Canadian values and national interests. The paper suggests that complementarity analysis can help build policy resilience for pragmatic diplomacy with China in response to current and future challenges.

The paper concludes with policy recommendations supporting complementarity among values and interests in managing Canada's relations with China. These include:

- Acknowledge complementarity among Canadian values and national interests to build resilience in Canada's China policies;
- 2. Pursue pragmatic engagement with China that protects Canadian interests while also honouring Canadian values;
- 3. Pursue collaboration with China on bilateral matters such as resource development, and academic and community exchanges as well as on issues of global concern such as environmental protection, climate change, and trade, where complementarity among Canadian values and national interests supports principled co-operation;
- Make use of Canadian and international assets and clarify the content and application of Canadian values and national interests and their complementarity in relations with China;
- 5. Uphold through advocacy and example the norms and institutions of the rules-based international order as standards to which Canada and China should adhere.

INTRODUCTION

Protecting Canadian values and national interests is a high priority in managing Canada's relations with China. The practice of foreign policy and international relations often <u>involves</u> tensions between national interests and community values, more often than not generating trade-offs that privilege one over the other. This paper presents an <u>alternative approach</u>, focused on the principle of "complementarity" of Canadian values and national interests in our relations with China that looks beyond contradictions and trade-offs to focus instead on interdependence and mutual reinforcement. It examines the policy context for Canada-China relations in which debates over how to balance the relative



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priority of values and interests in Canada-China relations continue to divide communities of analysts and decision-makers and acknowledges the attention given to Canadian values and national interests in Canada's Indo-Pacific Strategy (IPS). Updating discussion in my recent book, Exporting Virtue? China's International Human Rights Activism in the Age of Xi Jinping, the paper offers three case studies, on PRC interference in Canada, the detentions of Canadians in China, and Canadian restrictions on goods produced with forced labour in China, to illustrate complementarity among Canadian values and national interests. The paper suggests that complementarity analysis can help build policy resilience for pragmatic diplomacy with China in response to current and future challenges.

CHALLENGES IN CANADA'S RELATIONS WITH CHINA

Perhaps the most poignant example of potential conflicts between Canadian values and national interests in Canada-China relations involves the overarching question of whether to improve relations with the PRC at all. PRC ideology and governance stand in marked contrast with Canadian values, most notably on the rule of law, democracy, and human rights. As well, Canada's national interests in sovereignty, security, and prosperity are challenged by inter alia China's interference activities in Canada, the detention of Canadians in China, and predatory trade behaviour. Yet, China is still the second-largest economy in the world and a critical participant in international climate strategies, and it wields considerable political influence globally. Canada cannot simply turn away but must instead find a way to build an effective and professional relationship with China that safeguards Canadian national interests while honouring Canadian values. This calls for an approach clarifying that Canadian values and interests are interdependent and mutually reinforcing and need not be traded off against each other or collectively in the face of pressures to maintain good relations with China.

Relations between Canada and China have faced many challenges in the aftermath of the COVID-19 crisis and the detention of Michael Kovrig and Michael Spavor (the Two Michaels). High-level contacts all but ceased while academic and civil society collaborations have been diminished. On the one hand, the belligerence of the PRC government expressed internationally through so-called 'wolf-warrior' diplomacy, aggressive actions in the South China Sea, suppression of freedoms in Hong Kong, and military threats against Taiwan, together with crackdowns on dissent, human rights lawyers, religious practitioners, feminist advocates, and other perceived domestic threats militates against a warming of relations. On the other hand, rekindling the relationship would potentially <u>further co-operation</u> on global issues of mutual concern such as international governance, climate change, and trade reform. Closer cooperation with China may also help counterbalance the challenges posed by the incoming Trump administration in the U.S.

As is the case with most <u>foreign policy decision-making</u>, debates over Canada-China relations reflect interrelationships between foreign and domestic policy

goals and contending interventions from professional policy specialists and politicians. Academic and policy discourses around Canada's relations with China reveal conflicting views over the relative importance of Canadian values and national interests. While not denying China's abusive behaviour internationally and domestically, some observers contend that Canada's national interests, particularly in economic matters, should take precedence. Experienced observers have noted that the pursuit of a "values-based" foreign policy threatens to neglect Canada's interests:

"As we pursued a 'principled foreign policy,' later internally re-phrased as 'values-based diplomacy,' trying to reshape the world in our image, we stopped listening to what other nations actually wanted — and stopped considering what was in our best interest."

Critics of a values-centred approach to Canadian foreign policy have also <u>noted</u> that liberal values are not universally shared and can impede the achievement of Canadian interests:

"Of course, Canada has a natural interest in defending a predictable and rules-based international system, as this is beneficial for trade and security. However, this approach — on its own — avoids reckoning with some of the trade-offs that Canada now faces. When the normative substance of an international order is contested, values promotion can be more of a source of global instability than stability."

Yet the Canada-China relationship unavoidably involves questions about Canadian values. Canada's IPS labels China "an increasingly disruptive global power," while outlining broad ambitions for engagement consistent with Canada's values and interests. The IPS avers,

"Every issue that matters to Canadians—including our national security, economic prosperity, respect for international law, democratic values, public health, protecting our environment, the rights of women and girls and human rights—will be shaped by the relationships Canada and its allies and partners have with Indo-Pacific countries."

This extends to China, whose authoritarian political system, state-managed economy, and tightly controlled society evince political and policy priorities quite at variance from Canadian values and national interests. Canada's ability to manage relations with China effectively will require attention to both Canadian values and national interests despite conflicts with PRC policy and practice.

Recognition of Canadian values and national interests is a key component of Foreign Minister Mélanie Joly's support for "pragmatic diplomacy." Pragmatic diplomacy involves:

"Keeping allies close, while also being open to different perspectives as we encourage others to take a chance on peace. We will always defend our national interests. We will always defend our values. But we cannot afford to close ourselves off from those with whom we do not agree. For engagement does not mean that we support or condone the policies and actions of others."

In essence 'pragmatic diplomacy' combines a commitment to Canadian values and national interests with a call for engagement with states like the PRC that do not share them."

In essence "pragmatic diplomacy" combines a commitment to Canadian values and national interests with a call for engagement with states like the PRC that do not share them. Perhaps in an effort to insulate "pragmatic diplomacy" from China's disregard for Canadian values and national interests, Joly affirmed to

PRC Foreign Minister Wang Yi that defending the "rulesbased international order" is a key aim to be pursued in parallel with "pragmatic diplomacy":

"Minister Joly highlighted that amidst an international security crisis, Canada will pursue pragmatic diplomacy. She reiterated that Canada will continue to uphold its interests and values, as described in Canada's Indo-Pacific Strategy, and defend the international rules-based order."

Despite institutional and operational challenges, the international rules-based order <u>aims</u> nonetheless to restrain efforts by dominant states to impose their will on others. No less is true for Canada-China relations, where treaties that China has already agreed to on matters such as state sovereignty, consular relations, and trade aim to restrain China from imposing PRC policy preferences on Canada. To the extent that Canadian values and national interests are broadly consistent with the international rules-based order, references to international law in Canada's pragmatic diplomacy offer a bulwark against PRC efforts to diminish their importance.

Nonetheless, Wang Yi's review of conditions for improved relations with Canada, made in the course of his meeting with Joly on the sidelines of the Munich international security conference in February 2024, <u>marginalized</u> Canada's concerns:

"Wang Yi clarified China's position on bringing China-Canada relations back to a sound and stable track, expressing the hope that Canada could establish a correct understanding of China, take a long-term view of bilateral relations, and provide positive anticipation for practical cooperation; stop hyping up the "China threat" theory, stop spreading false information about the so-called "Chinese interference in Canada's internal affairs", and stop overstretching the concept of national security regarding exchanges in economy and trade as well as science and technology. The two sides should earnestly respect each other's core interests, and take concrete actions to safeguard the political foundation of bilateral relations."

Observations:

- By requiring Canada to establish a "correct understanding of China," Wang's remarks in effect require Canada to accept the PRC regime's depictions of itself and its policy priorities, permitting no contrary analysis of China's international and domestic behaviour.
- Requirements that Canada "stop hyping up the 'China threat' theory, stop spreading false information about the so-called 'Chinese interference in Canada's internal affairs', and stop overstretching the concept of national security regarding exchanges in economy and trade as well as science and technology" essentially require Canada to conform to PRC policy claims that, despite overwhelming evidence to the contrary, China poses no threats to others, does not interfere in Canadian affairs, does not attempt to secure outsized access to Canadian raw materials, and does not engage in intellectual property theft.
- The reference to respecting "core interests" requires in effect that Canada accept PRC positions on matters such as governance in Tibet and Xinjiang, control of the South China Sea, and non-peaceful reunification with Taiwan. China's use of "core interests" rhetoric aims to remove virtually any PRC policy position from scrutiny or challenge. PRC reporting on the Wang-Joly meeting also stressed that perceived national interests in building functional relations with China should outweigh value differences, requiring Canada to suspend its allegiance to liberal values in order to restore "stabilize" relations with China:

"Wang Yi said, ... [i]t is in the fundamental interests of both countries to promote the stabilization of China-Canada relations from further deterioration and achieve the improvement and development of bilateral relations. The economies of China and Canada are highly complementary and there is no conflict of fundamental interests between

the two sides. The two sides are not rivals, let alone enemies, and should be partners of cooperation. As China and Canada differ in system, history and culture, the two sides should respect and learn from each other to expand consensus and rebuild trust to achieve win-win cooperation."

Observations:

- Consistent with Wang Yi's remarks, China depicts
 Canada's national interests almost exclusively in
 terms of "complementary" trade that prioritizes
 China's access to Canada's raw materials with little
 if any attention to Canadian domestic value-add
 in their development. Aside from the presumption
 of China defining what are Canadian interests,
 Wang's remarks underscore the lack of reciprocity in
 China's foreign investment law and policy limiting
 foreign investment in mining and other resource
 extraction projects.
- Wang's emphasis on fundamental interests in economic relations narrows if not eliminates the application of Canadian values around the rule of law, democracy, and human rights, which as I have suggested previously are essential components of sustainable economic development. Rule of law supports reciprocal standards for contracts, property, and trade regulation; democracy supports processes for limiting corruption and promoting sustainability in economic policy, and human rights standards on labour, health, and environmental protection improve economic productivity.
- By calling for the two sides to "respect and learn from each other," the report suggests that Canada's interests require disregard for China's abusive international behaviour and egregious domestic human rights violations. This in effect requires Canada to suspend its values in favour of perceived national interests defined by China.

PRC conditions on high-level dialogue marginalize interests that conflict with China's and elide values that contradict PRC policy positions. "

PRC reporting on the Wang-Joly meeting underscored how China uses high-level dialogue to impose conditions for building co-operative relations, exposing Canada to situations where concessions to PRC demands or refusals to concede affect future ties. Power asymmetries between Canada and China come into sharp relief in high-level dialogues, where China's demands dominate the narrative. As indicated by Wang's February 2024 remarks, PRC conditions on high-level dialogue marginalize interests that conflict with China's and elide values that contradict PRC policy positions. Narrowing Canada's interests to matters of bilateral economic relations while also asserting claims about China's "core interests" serve to deny any scope for other Canadian interests in sovereignty, security, and prosperity. Denial of Canadian values reflects awareness that many of these such as labour rights, environmental protection, and public health (not to mention human rights and democracy) resonate with people in China and pose a challenge to the legitimacy of the regime. As a result, the regime is compelled to claim it satisfies these standards and seeks foreign affirmation, either by indicators of direct approval or by expressions of willingness to set values conflicts aside in pursuit of narrowly defined national interests.

Nonetheless, Joly's emphasis on pragmatic diplomacy persisted. During her official bilateral meeting with Wang in July 2024, Joly <u>reiterated</u> the importance of protecting Canadian values and national interests:

"Minister Joly's visit reaffirms the Minister's commitment to pragmatic engagement with China and the development of sound and stable bilateral relations that advance and protect Canadian interests, contribute to security and stability, and enhance deep and historic people-to-people ties. . . . Minister Joly stated that Canada would continue to defend our democracy and the values it has always stood for, including human rights, the rule of law, and the principles enshrined in the UN Charter, as Canada does consistently in its international engagement."

Yet Wang's <u>comments</u> at his July 2024 meeting with Joly underscored a continuing disregard for Canadian values and national interests. Claiming "[t]here is no conflict of fundamental interests between China and Canada," Wang held that "China and Canada … share

extensive common interests and complementary advantages." Wang added that "[t]he two sides should view each other in an objective and rational light, treat each other with mutual respect, handle differences in the spirit of seeking common ground while shelving differences, and strengthen co-operation through the principles of equality and mutual benefits ..." As with his remarks in February, Wang's comments in

July, while tempered somewhat in tone, echoed a theme that Canada must adapt to China's policy preferences in order to improve relations.

While the PRC has often adopted a posture of indifference to Canadian contributions to China's development (note the reporting on the February 2024 Wang-Joly meeting as occurring "at the latter's request"), in fact, China needs international trade and investment to bolster its flagging economy, advanced technologies to support its stagnant innovation system, and social service models to respond to its demographic challenges. Improved relations with Canada can help China address each of these. Yet China's problematic international behaviour and deplorable human rights record mandate caution in Canada's efforts to maintain a functional professional relationship in ways that do not compromise Canadian values or national interests. This calls for an approach that integrates Canadian values and national interests in managing relations with China going forward.

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COMPLEMENTARITY OF CANADIAN VALUES AND NATIONAL INTERESTS

Integration of values and interests calls to mind the concept of "complementarity" articulated in Niels Bohr's work on sub-atomic physics, on which I have relied in explaining China's domestic law responses to international law. For just as Bohr posited that apparently contradictory properties of different subatomic particles can be understood better through recognition of their mutually reinforcing features, so too can apparently contradictory provisions of international and PRC law be reconciled through analysis of their complementarity. Christian Tomuschat's work on human rights echoes the notion of complementarity in calling for efforts to appreciate realism and liberalism as mutually reinforcing perspectives. Complementarity analysis offers a useful approach to assessing the importance and co-ordinated application of Canadian values and national interests in managing relations with China.

Complementarity in pursuit of Canadian values and national interests requires clarity and consensus as to their content and scope. Canadian values around rule of law, human rights, and democracy are <u>widely accepted</u>, particularly in relation to China. Popular values around fairness and inclusion, diversity, economic security (including labour rights), and sustainability (including

environmental and health protection) are also widely held. As expressed in the 2021 G7 communique, Canada embraces values around democracy, freedom, equality, the rule of law, and respect for human rights. Canadian national interests can usefully be summarized as defending Canadian sovereignty in foreign and domestic affairs; protecting security at home and abroad; and furthering Canada's economic prosperity. Reciprocity in economic and political relations is also key. While Canadian policy priorities often conjoin Canadian values and national interests on such issues as independence, international co-operation, promoting democracy and human rights, and advancing economic prosperity, this still involves treating values and interests as separate and distinct ideals subject to prioritization and trade-offs against each other. Complementarity offers an alternative approach.

A complementarity approach calls for integrating a fulsome embrace of Canadian values with maintaining a keen eye on our national interests. Complementarity suggests that the supposed antipoles of values and interests should instead be viewed as interdependent and mutually reinforcing, such as when support for values around the rule of law intersects with national

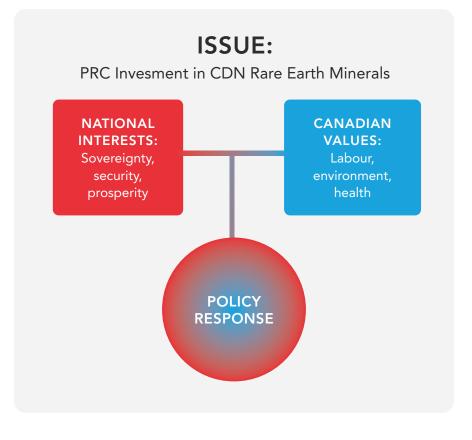
interest perspectives on supporting the rules-based international order. Thus, complementarity recognizes that international legal agreements supporting principles such as state autonomy, consular matters, and trade relations entail both interests and values as interdependent and mutually reinforcing influences. Values around the rule of law impart predictability and security to interests in trade and investment relations while human rights values intersect with Canadian interests in public health, sustainability, migration, and labour relations. By integrating rather than separating values and interests, complementarity strengthens the potential for both to be realized.

Complementarity analysis also furthers practical efforts to integrate Canadian values and national interests. My work on <u>integrating trade and human rights standards</u> suggests that in many cases complementarity analysis can provide a basis for "co-ordination" of policy and practice on trade and human rights. This involves a process of identifying complementary elements of trade policy and human rights on issues such as labour relations, environmental protection

and gender rights, and then co-ordinating their achievement through negotiation and regulation. This approach can apply as well to managing integration of Canadian values and national interests. For example, opportunities to co-ordinate Canadian values and national interests arise in the context of PRC investments in the development of Canada's rare earth resources. Canadian regulatory efforts on foreign investment tend to focus on protecting national interests through "net benefit" analysis. Yet assessing PRC investments in Canada only on the basis of balancing various contending Canadian interests can easily leave out consideration of Canadian values.

Complementarity analysis, by contrast, supports the co-ordination of national interests in sovereignty (including permanent <u>sovereignty over natural resources</u>), security (including regulatory provisions that protect Canadians from the potentially harmful effects of rare-earth mining) and prosperity (including corporate governance and competition provisions supporting efficiency and productivity in business operations) with Canadian values around matters such as labour, environmental protection, and public health. By attending to both Canadian values and national interests, complementarity analysis supports policy responses to the changing complexities and challenges of managing PRC investments in Canada.

The examples discussed below reveal the extent of complementarity among Canadian values and national interests in relations with China. Complementarity in Canada's responses to PRC interference in Canada, PRC detentions of Canadians, and PRC forced labour exports can support policy effectiveness in Canada-China relations more broadly.



CASE STUDIES ON COMPLEMENTARITY

As discussed in Annex A, Canada's IPS exemplifies efforts to combine Canadian values and national interests in relations with the Indo-Pacific region, providing context for the examination of case studies on complementarity among values and interests in Canada's relations with China. Updating examples in my recent book, Exporting Virtue?, case studies on PRC interference in Canada, PRC detentions of Canadians, and Canadian trade restrictions on forced labour exports from China provide useful insights on the complementarity of Canadian values and national interests in relations with China.



Photo by Getty Images

1. PRC INTERFERENCE IN CANADA

A salient example of the complementarity of Canadian values and national interests in managing relations with China involves responses to PRC interference in Canada. The Canadian Security Intelligence Service (CSIS) has termed foreign interference one of the "greatest strategic national security threats facing Canada," and assessed China as "the foremost perpetrator of foreign influence activity targeting Canada." Yet until recently, CSIS warnings about interference from China seemed to elicit little in the way of public attention. The following discussion of PRC interference in Canada focuses on three issues, namely political interference involving elections and democratic institutions; interference in Canadian society, with particular attention to diasporic communities; and interference in Canadian research and innovation aimed at securing sensitive and proprietary information.

A. Political Interference

Paralleling activities in other countries, Chinese political interference in Canada has involved efforts to influence elections and other democratic processes and institutions. In a recently declassified briefing, CSIS reviewed its reporting on PRC political interference since 2021. Its reporting alleged Chinese interference in the 2019 and 2021 federal elections, in part by channelling funds to prospective candidates. CSIS also noted Chinese interference in Vancouver's 2022 municipal election, an assessment denied by local politicians. Federal election candidates in Vancouver faced similar allegations. PRC political interference extended to harassment of federal MPs critical of China and disinformation efforts targeted at MPs and Canadian party leaders.

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Canada's responses have been many and varied. The Special Committee on the Canada–People's Republic of China Relationship (CACN Committee) was constituted in June 2022, succeeding the former House of Commons Special Committee on Canada-China Relations that was dissolved in 2021 due to the federal election, and resumed the earlier committee's study on national security dimensions of China's interference in Canada. Canada's Communications Security Establishment (CSE) reported on cyber threats to Canada's democratic process in 2017, 2019, 2021 and 2023. The Government of Canada established a Critical

Election Incident Public Protocol, which in turn tasked a panel of five senior public servants ("Panel of Five") to inform Canadians of incidents or threats to the 2019 federal election or that impair Canadians' ability to have a free and fair election. The work of the Panel of Five continued for the 2021 federal election. The Security and Intelligence Threats to Elections Task Force (SITE TF) was formed in 2019, consisting of experts from CSIS, RCMP, Global Affairs Canada (GAC) CSE, and held its first whole-of-government conference on electoral security in 2021. Following expansive reporting on Chinese interference activities, a multi-partisan group of MPs agreed in 2022 to launch an investigation into those activities. Academic and policy experts confirmed the scope and scale of the problem.

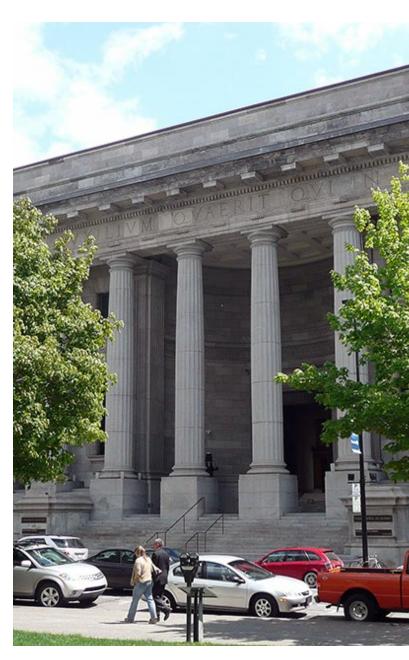
Responding to a chorus of calls for a more intensive investigation, Canadian Prime Minister Justin Trudeau called upon the National Security and Intelligence Committee of Parliamentarians (NSICOP) in 2023 to conduct a review of Chinese interference. The report, which was issued in March 2024, contained declassified elements that were to be tabled within 30 sitting days of Parliament. The prime minister also requested the National Security and Intelligence Review Agency (NSIRA) to report on the dissemination of information within the government on foreign interference, whose review was delivered in May 2024. Trudeau initially declined to call for a public inquiry, opting instead to appoint former governor general David Johnston as a special rapporteur to look into the matter. Johnston's First Report noted the efforts of foreign governments to influence candidates and voters in Canada and recommended several steps to protect against Chinese political interference, but cautioned against appointing a public inquiry. His report stated that:

 a. Foreign governments are undoubtedly attempting to influence candidates and voters in Canada.
 While much has been done already, more remains to be done promptly to strengthen our capacity to detect, deter and counter foreign interference in our elections.

- b. When viewed in full context with all of the relevant intelligence, several leaked materials that raised legitimate questions turn out to have been misconstrued in some media reports, presumably because of the lack of this context.
- c. There are serious shortcomings in the way intelligence is communicated and processed from security agencies through to government, but no examples have been identified of Ministers, the Prime Minister or their offices knowingly or negligently failing to act on intelligence, advice or recommendations.
- d. A further public process is required to address issues relating to foreign interference, but there should not and need not be a separate Public Inquiry. A Public Inquiry examining the leaked materials could not be undertaken in public given the sensitivity of the intelligence. However, public hearings on the serious governance and policy issues identified to date should and will be held, at the earliest possible date, as part of the second phase of my mandate.
- e. My conclusions concerning the media allegations, including the confidential annex to my report, should be referred to and reviewed by the National Security and Intelligence Committee of Parliamentarians (NSICOP) and the National Security and Intelligence Review Agency (NSIRA), and they should report publicly if they reach different conclusions."

Political pressure to open a <u>public inquiry</u> continued, however, and in September 2023 the government agreed to open a public inquiry. The <u>Foreign Interference Commission</u> (FI Commission) was convened on September 7, 2023. Quebec Court of Appeals Judge Marie-Josée Hogue was <u>appointed</u> to lead the inquiry, whose report would be due May 3, 2024 — two months

later than originally planned. Public hearings <u>began</u> on January 29, 2024, as the FI Commission faced a number of preliminary issues including protecting the confidentiality of classified documents and ensuring the safety of witnesses.



Quebec Court of Appeal, Rue Notre Dame, Montreal, Reading Tom from Reading, UK, CC BY 2.0, via Wikimedia Commons

The FI Commission reviewed CSIS's 2021 intelligence assessment reporting that Canada was considered a "high-priority" target for Chinese interference ahead of the 2021 election. The Commission heard testimony that the Conservative Party of Canada became a target for PRC interference after its 2021 policy platform pledged support for Uyghurs in Xinjiang facing oppression from the PRC regime. Former Conservative Party leader Erin O'Toole testified that the party likely lost up to nine seats due to a misinformation campaign associated with China, although conceded that this did not affect the overall outcome of the election. While denying he received improper assistance from China in the 2021 electoral campaign, Liberal MP Han Dong acknowledged that Chinese international students were bussed in to the riding of Don Valley North to vote in support of his Liberal nomination, which CSIS suggested was supported by efforts by a "known proxy agent" of the PRC's consulate in Toronto to provide falsified documents allowing the students to vote in the nomination contest, coupled with veiled threats related to their visas and families back in China. CSIS's analysis on this matter was later recalled after discussions with Canada's National Security and Intelligence Advisor (NSIA).

Such evidence presented to the FI Commission revealed extensive efforts by the PRC to influence elections and democratic institutions in Canada, although the actual effects on electoral outcomes are subject to debate. CSIS reported to the FI Commission on its work of briefing government officials including the SITE TF, the Panel of Five, and the prime minister. Trudeau testified to the FI Commission that CSIS briefings he received did not include details on interference in elections and has repeatedly challenged suggestions that PRC activities undermined the 2021 election.

Commissioner Hogue's <u>interim report</u> was delivered in May 2024. The report designated China as "a main perpetrator of foreign interference against Canada," while noting that foreign interference did not undermine the integrity of the electoral system or have an impact on which political party came into power as a result of the 2019 and 2021 elections. However, the report also noted that there is a "reasonable possibility" that China's interference may have affected outcomes in particular ridings while also affecting the broader electoral ecosystem of voter behaviour and public confidence in Canadian democracy. The report also noted problems with information flows among responsible Canadian agencies. The commission's work included attention to the question of reconciling the importance of informing the public about the danger of foreign interference without eroding public confidence in the electoral system, which Commissioner Hogue concluded was "fundamentally sound."

Questions Arise About Han Dong's Nomination

Officials from the Prime Minister's Office testified to the Inquiry that CSIS did not tell the Liberal Party to drop Han Dong's candidacy due to concerns about PRC interference. For his part, Prime Minister Trudeau testified that the information provided by CSIS about Han Dong was not sufficient to remove him as a candidate, and that national security concerns prevented a more fulsome discussion of the CSIS briefing.

The Panel of Five had warned the Liberal Party of concerns about Han Dong's nomination.

Dong later resigned from the Liberal caucus. He denies any wrongdoing and said in an address in the House of Commons that, "what has been reported is false, and I will defend myself against these absolutely untrue claims." In the midst of Hogue's work, the redacted March 2024 NSICOP report on foreign interference was published in June, presenting a wide-ranging review of Canada's responses to foreign interference. The report contained disturbing allegations that China (listed as the "greatest foreign interference threat)" was active in mobilizing some ethnic Chinese voters in favour of some members of Parliament in exchange for their support for the PRC.

The second phase of the FI Commission's work (September 16–October 24, 2024) included <u>public</u> hearings on Canadian democratic institutions and the experiences of diaspora communities, along with a series of policy roundtables on Canadian institutional responses. While touching indirectly on PRC interference activities, the second phase focused mainly on Canadian contexts and responses. This seemed unavoidably to elicit <u>partisan conflict</u> over the propriety of Canadian institutional responses to foreign interference and potential targets and participants in China's foreign interference activities. Underscoring the longstanding nature of China's interference activities, a summary of a secret cabinet memorandum

prepared in May 2022 warning the government about the scope of foreign interference activities was released at the close of phase two of the commission's inquiry. The commission's final report is mandated to be released on or before January 31, 2025.

suggesting involvement from the PRC's United Front Work Department (UFWD) and other agencies in international media. Consistent with the <u>protests</u> organized around the Meng Wanzhou affair, where local actors and others were paid to raise pre-formed placards calling for Meng's release, pro-Beijing protests in Canada revealed near-uniformity in content, typeface, and background materials of placards and posters, as opposed to the handwritten and diverse messages displayed at pro-Hong Kong democracy protests.

Pro-Beijing protests have also been aimed at intimidating opponents. Regime support for pro-Beijing counter-protesters attempting to disrupt pro-democracy demonstrations is increasingly evident in Canada. Pro-Beijing activists harassed Hong Kong supporters gathered at a Vancouver church. Alleged threats of violence from pro-Beijing counter-protesters prevented pro-Hong Kong supporters in Montreal from participating in the annual pride parade. China has also targeted minority nationality groups in Canada such as Tibetans and Uyghurs. Human rights activists have also been targeted.

China's interference in Canadian society extends to efforts to monitor and control PRC students and scholars studying and working in Canada. "

B. Interference in Society

China's interference in Canadian society includes
China's efforts to use intimidation and harassment to
restrict unfavourable views among Chinese diaspora
communities about political and policy issues involving
China. This challenge is not limited to Canada but
is evident in other democracies. In Canada, China's
efforts to restrict discussion of the 2019 Hong Kong
democracy demonstrations were particularly evident,
as pro-PRC newspapers denounced the protests,

China's interference in Canadian society extends to efforts to monitor and control PRC students and scholars studying and working in Canada. This is not limited to Canada, as Chinese students in the U.K. have faced similar surveillance and harassment. Reliable reports have documented threats against the families of Chinese students and scholars expressing views at odds with official PRC discourse. Groups such as

Chinese Students and Scholars Associations (CSSA) reportedly associated with the UFWD intimidate students and faculty against taking positions contrary to PRC policy. Activism by Chinese nationals against Canadians expressing views contrary to PRC policy has also been evident, such as through protests against a speech at McMaster University on human rights abuses in Xinjiang and calls for an ethnic Tibetan elected president of the University of Toronto's Scarborough Campus Students' Union to resign. During the Hong Kong political crisis of 2019-20, pro-PRC students allegedly defaced and removed notes posted at Vancouver's Simon Fraser University in support of the Hong Kong protesters.

PRC officials or their collaborators encourage students from China to defend the PRC party-state to show loyalty to the regime and to model for others a standard of patriotic behaviour. PRC consular officials often attend university activities involving China, to monitor the learning environment and potentially to intimidate universities against criticism of the PRC that might result in refusals to approve joint research projects and reductions in approved PRC student enrollments. Chinese officials routinely intervene to block invitations to critics of the PRC regime such as the Dalai Lama. Increasingly dependent on the financial benefits of links with China, Canadian post-secondary institutions struggle to maintain their reputations for integrity in the face of constant demands from the PRC to censor political expression critical of the regime. Canadian charitable foundations face similar dilemmas in accepting donations from China. While students and community members have offered modest resistance, self-censorship in the face of subtle and sometimes overt warnings inhibits open discussion of China-related issues. Amidst PRC efforts to control Chinese students and scholars in Canada, there is also the danger that Canadian universities and agencies will overreact, tarring all Chinese nationals indiscriminately and unfairly.

China's interference in Canadian society is bolstered by the establishment of alleged PRC "police stations" reportedly engaged in surveillance and intimidation of members of the China diaspora living in Canada. China has explained these facilities as providing merely administrative and consular services. Yet operating consular service facilities outside recognized Consulates runs contrary to the terms of the China-Canada consular affairs treaty and the Vienna Convention on Consular Relations, which authorize consular officials to provide assistance to nationals of their home state only at consular "posts" approved by the receiving state. China's covert police stations would also violate Canada's Foreign Missions and International Organization Act. Witnesses before the CACN Committee examining the issue alleged that the facilities in question also monitor diaspora communities, collect civil intelligence, harass and intimidate individuals who are critical of PRC policies, and assist PRC public security authorities with coerced return operations. Such activities fall far outside those approved in relevant consular agreements. The RCMP investigated many of these facilities and claimed to have shut them down. Then-Public Safety Minister Marco Mendicino promised further action against such facilities that already exist or may be discovered in future. In response to calls to crack down on PRC interference in Canadian society, a bill to establish a foreign agent registry received first reading in February 2022. Foreign agent registry measures were included a bill on countering foreign interference, which received royal assent in June.

C. Interference Against Innovation and Research

Ever since the fall of Canada's flagship technology company, Nortel, <u>reportedly</u> due to hacking and intellectual property theft from China, China's efforts to secure technology from Canada have elicited concern. China's more recent patterns of interference in Canada

include efforts to obtain sensitive and proprietary information. At a "Five Eyes" meeting of intelligence chiefs from Canada, the US, the U.K., Australia, and New Zealand, Britain's MI5 reported on the "epic" scale of PRC espionage activities aimed at obtaining sensitive and proprietary information.

Part of this involves efforts to acquire dual-use technology with military application from co-operating universities. The Government of Canada (GOC) has listed nearly 100 institutions in China whose collaboration with Canadian universities may pose a risk of acquiring sensitive or proprietary technology (although some have challenged this effort as

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overly deferential to U.S. resistance to China). Chinese people working in Canada have been charged with espionage in theft of commercial secrets from Canadian firms. A Canadian firm with ties to China was awarded a contract for the supply of radio transmission equipment to the RCMP, although this was suspended upon public reporting about national security implications. CSIS reported on PRC efforts to deploy its overseas talent recruiting program to suborn federal employees to secure sensitive and proprietary information. Potential challenges to Canadian businesses prompted the Business Council of Canada to request CSIS share intelligence with private firms about Chinese interference.

A particularly visible example of PRC interference in Canadian academic institutions involves the <u>establishment of Confucius Institutes</u> (CIs). Although nominally aimed to provide education in Chinese language and culture, CIs carry with them the <u>opportunity to censor</u> international academic

expression on human rights issues in contemporary China. Suggestions that CIs are comparable to efforts by other countries to promote languages and cultures, such as the Goethe and Cervantes Institutes seem untoward in the extreme since China does not uphold international standards on rule of law, democracy, and

human rights embraced by countries like Germany and Spain to whose public diplomacy China's CI efforts are compared. China has placed CIs at numerous leading universities around the world. With academic agendas promoting the study of China's history, language, and culture and lured by supposed financial incentives, many universities have accepted CIs knowing little about their true purposes. As

disappointment with the conduct of CIs has grown, they have faced <u>increased criticism and rethinking</u>. Nonetheless, China's efforts to deploy CIs to spread favourable information and suppress critics stands as a prominent example of the PRC's interference in Canada. Academic freedom and critical scholarly are but the most obvious casualties of these efforts.

Research and innovation interference <u>includes</u> China's long-standing cyber warfare against Canada. CSE's 2024 <u>report</u> on the disturbing extent of China's cyber interference in Canada underscored <u>findings</u> by the FI Commission that foreign interference from China and other state actors had been underway for several years. The Center for Strategic and International Studies (CSIS), a U.S.-based think-tank, has <u>documented</u> the increase in cyber interference beginning in 2006 and intensifying since 2022. <u>Canadian infrastructure</u> has been particularly targeted. PRC cyber-attacks on Microsoft Exchange Servers have particular <u>implications</u>

for Canadian businesses and individuals. Such attacks <u>parallel</u> <u>similar efforts</u> that have targeted the <u>U.K.</u> and the <u>U.S.</u> Canada has attempted to bar PRC nationals <u>associated with efforts</u> to acquire Canadian technology through cyber-attacks or other measures <u>from immigrating to Canada</u>.

Perhaps the most public example of PRC research and innovation interference involved Winnipeg's National Microbiology Laboratory, where two employees were investigated by the RCMP for theft of proprietary secrets and fired from the lab in 2021. An all-parties parliamentary investigation was launched in 2023 to determine the details about the case and examine pertinent documentation. CSIS reported that <u>one of</u> these individuals worked intentionally to benefit China. Canada's health minister, Mark Holland, called the employees' activities "reprehensible" and "deeply disturbing," and noted enhanced security measures at the Winnipeg lab including co-operation relationships with other institutions, student hiring, and the vetting of potential employees.

D. Complementarity of Canadian Values and National Interests

PRC interference in Canada constitutes a threat to Canadian sovereignty, that most basic of Canadian interests. The IPS underscored Canada's interests in protecting national security, for which sovereignty is a fundamental condition. Yet the processes by which Canada pursues this goal have also been tied inextricably to the values underpinning Canadian society. From the CACN Committee examining security dimensions of the Canada-China relationship, to the FI Commission's public inquiry on foreign political interference and the ad hoc Parliamentary committee reviewing the crisis at the National Microbiology laboratory in Winnipeg,

The FI Commission's focus on Canadian institutions and processes involved in responding to FI activities highlighted complementarity between Canadian values and national interests. "

Canadian responses to China's interference activities have underscored and modelled Canada's values on democracy and the rule of law.

The FI Commission's focus on Canadian institutions and processes involved in responding to FI activities highlighted complementarity between Canadian values and national interests. The inquiry itself was subject to administrative procedures attendant to public inquiries, while policy roundtables expressed values around democracy and rule of law in the process of protecting national interests on sovereignty and security. Canada's courts remain committed to the rule of law, as exemplified by a recent ruling against charges that certain Chinese individuals were allegedly serving the interests of PRC institutions in the course of their work in Canada. Similarly, the political critiques of special rapporteur David Johnston's recommendation against holding a public inquiry to investigate Chinese interference in Canada, the public criticisms of the public inquiry for bias and potential threats to the safety of witnesses, and warnings about potential racist outcomes from investigations of Chinese interference, all point to robust democratic and legal processes and the government's commitment to honour them. The Government of Canada's commitment to ensuring transparency in national security work (which would include work associated with the public inquiry by the FI Commission) exemplifies efforts to honour the values of democracy and the rule of law in the course of responding to PRC interference.

Resistance to China's efforts at political and electoral interference in Canada also draws upon the complementarity of Canadian values and national interests expressed in IPS provisions on supporting efforts toward democracy, inclusivity, and accountable governance, not only for partners in Asia but with implications at home for the strength of Canadian institutions. Resistance to China's efforts to harass and intimidate Chinese diaspora communities, as well as Tibetan and Uyghur communities in Canada, reflect Canadian interests and values expressed in the IPS on supporting Canadian diasporic communities of Indo-Pacific heritage. The IPS also committed to increasing resources devoted to protecting Canadians from attempts by foreign states to influence them covertly or coercively.

Canada's responses to Chinese research and innovation interference reflect the commonality of Canadian values and national interests articulated in IPS provisions on protecting Canadian post-secondary institutions from malign actors and protecting Canada's innovation knowledge economy from intellectual property theft. Resisting China's research and innovation interference includes the IPS commitment to confronting increasing cyber security threats originating in the region, including malicious activity targeting businesses, industry and infrastructure, and threats to democracy posed by online disinformation campaigns and surveillance technology, including online attacks targeting civil society and human rights defenders.

Thus, responses to China's interference in Canadian politics, society, and research and innovation reflect the complementarity of relying on Canadian values and pursuing national interests in managing relations with the PRC. Appreciating the impact and implications of such complementarity is essential to crafting effective responses to Chinese interference in Canada.



Streetside outdoor food shops in Toronto Chinatown, <u>LR.127, CC BY 4.0</u>, via Wikimedia Commons

2. DETENTION OF CANADIANS

More than 100 Canadians are <u>currently detained</u> in China, many on drug charges but many others on issues of religious practice, and allegations of espionage. <u>Several Canadians</u> are imprisoned and awaiting the death penalty for alleged drug production and trafficking offences.

China has used its powers of arbitrary arrest and detention to induce Canada to comply with PRC policy wishes. "

China's arrest and detention of Canadians often involve conflicts with China's law on citizenship. Of particular concern has been the treatment of Husevin Celil, who was arrested in Uzbekistan in 2006 at Beijing's behest and transferred to China for trial and imprisonment for allegedly supporting Uyghur separatists in Xinjiang. Celil had become a Canadian citizen in 2005, which under PRC law should have dissolved his PRC citizenship, but this was ignored in China's treatment of Celil. In another example of China ignoring its own laws to detain dissidents abroad who have Canadian citizenship, entrepreneur Xiao Jianhua disappeared in Hong Kong in 2017 and then reappeared in the dock of Shanghai's No. 1 Intermediate People's Court in 2022, charged with financial crimes and sentenced to 13 years imprisonment. As with the Celil case, the fact of Xiao's Canadian citizenship was ignored, as Canadian officials were denied access to him.

China has used its powers of arbitrary arrest and detention to induce Canada to comply with PRC policy wishes. In 2014, apparently in an effort to intimidate Canada against extraditing PRC national Su Bin to the U.S. on charges of stealing U.S. military data,

China detained Kevin and Julia Garratt, on charges of espionage, before releasing and deporting them nearly two years later. Perhaps the most memorable recent instance of PRC detention of Canadians in China was the matter of the "Two Michaels," Michael Kovrig and Michael Spavor, detained in retaliation for Canada's arrest of Huawei executive Meng Wanzhou under the U.S.-China extradition treaty. The PRC's handling of the Two Michaels brought to mind China's long history of engaging in "hostage diplomacy." Nonetheless, some have suggested that the detention of Huawei's Meng Wanzhou and the PRC's retaliatory detention of the "Two Michaels" demonstrated Canada's submission to U.S. interests.

During their detention,
Kovrig and Spavor were denied
access to legal counsel contrary
to China's own criminal
procedure law.

China's conduct in the "Two Michaels" crisis underscored the PRC's disregard for international legal standards to which it is bound. Initially accused of vague and unsupported "national security" violations, Kovrig and Spavor were not formally charged until many months later with espionage and violating state secrets, charges which are subject to nearly unlimited interpretation by PRC officials. During their detention, Kovrig and Spavor were denied access to legal counsel contrary to China's own criminal procedure law. They were allowed but minimal contact with Canadian consular officials, contrary to the terms of the Canada-China consular affairs treaty that affords regular (not less than monthly) visits to detained or accused persons and consular access to trials and legal proceedings against the detained or accused person. Kovrig and Spavor were kept in solitary confinement

in cells where the lights were reportedly left on at all times and Kovrig was reportedly denied access to his eyeglasses, contrary to provisions against cruel, inhuman or degrading treatment or punishment of detainees in Article 7 of the International Covenant on Civil and Political Rights (ICCPR) ratified by Canada in 1976 and signed by China in 1998. (While China has not ratified this treaty, its signature commits the PRC to "refrain from acts which would defeat the object and purpose" of the agreement.)

The Two Michaels were tried in separate proceedings closed to the public and from which Canadian consular officials were barred, in violation of Canada-China consular agreement <u>provisions</u>

on consular access to trials and legal proceedings against the detained or accused person. Michael Spavor was sentenced to 11 years imprisonment for espionage and violating state secrets. The results of the secret trial of Michael Kovrig had not been made public by the time the crisis was resolved. The two Michaels were returned to Canada after the U.S. concluded a "deferred prosecution agreement" (DPA) with Meng, through which she admitted to making false statements to a financial institution and agreed not to commit other crimes and in return the U.S. would defer prosecution and withdraw its request to Canada for the extradition of Meng to the U.S., allowing Canada to terminate her

detention. In the midst of the Meng Wanzhou/Two Michaels affair, China imposed the <u>death penalty</u> on Canadian Robert Schellenberg, who had previously been sentenced to 15-year imprisonment for drug offences, a move widely seen as attempting to ramp up pressure on Canada to release Meng.

Canada's responses to PRC detentions of Canadians reflected a long-standing <u>commitment not to negotiate</u> with hostage takers. Canada's position was also consistent with the terms of the international treaty against hostage-taking (1979), which <u>provides</u>:

"The act of hostage-taking for the purposes of the Convention refers to any person who seizes or detains and threatens to kill, to injure or to continue to detain a hostage in order to compel a State, an international intergovernmental organization, a natural or juridical person, or a group of persons, to do or abstain from doing any act as an explicit or implicit condition for the release of the hostage."



Michael Kovrig and Michael Spavor<u>, Librero2109, CC BY 4.0</u>, via Wikimedia Commons

Despite the treaty's application to hostage-taking by "any person," it appears to exclude states from this category. Nonetheless, China's behaviour in the Two Michaels affair was clearly inconsistent with the term of this binding treaty language that both Canada and China have ratified.

Relying yet further on international law in its response, the government of Canada introduced a "Declaration Against Arbitrary Detention in State-to-State Relations" in February 2021. The declaration was aimed squarely at "the use of arbitrary arrest or detention by States to exercise leverage over foreign governments contrary to international law." By couching its position in terms of international law, the declaration combined expressions of Canadian interests in maintaining national autonomy and protecting the safety and security of Canadians with value statements affirming the importance of international law. The declaration went further to state:

"We reaffirm that arbitrary arrests and detentions are contrary to international human rights law and instruments, including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and other international and regional human rights instruments; ...". (Para. 1.)

"We reaffirm the fundamental importance of the rule of law, independence of the judiciary, respect for human rights, and respect for the obligation to provide consular access in accordance with international law, including the Vienna

Convention on Consular Relations and other applicable international instruments; ...". (Para. 6.)

Following the launch of the declaration, Joly designated a Senior Official for Hostage Affairs (SOHA) to lead GAC's responses to hostage-taking by "both state

and non-state actors." Thus, Canada's response to the detention of the Two Michaels demonstrated a commitment to values supporting the rule of law even while upholding Canada's national interest in protecting the security of its citizens.

Canada's responses to China's detention of Canadians illustrated the complementarity of interests and values. On the one hand, as expressed in the IPS, protecting the safety and security of Canadians is a national interest: "Canada's actions are guided by an unwavering commitment to the safety and security of Canadians." At the same time, Canadian values supporting the rule of law are expressed through calls for China to adhere to the bilateral consular agreement, augmented by the Vienna Convention on Consular Relations, ratified by Canada (1974) and acceded to by China (1979). As well, Canadian values around the rule of law were reflected in calls for China to respect the rights of detainees and criminal defendants according to ICCPR. Canadian values and interests are both at work in Canada's 2021 declaration against arbitrary detention as well as the appointment of SOHA and their subsequent work.

Canada's response to the detention of the Two Michaels demonstrated a commitment to values supporting the rule of law even while upholding Canada's national interest in protecting the security of its citizens. "

3. TRADE RESTRICTIONS AGAINST FORCED LABOUR

The PRC has a long tradition of using forced labour as a method of 're-education' for offenders, including dissidents."

A third example of the complementarity of Canadian values and national interests arises in the context of Canada's restrictions on imports of goods produced with forced labour - generally, but with a particular focus on China. The PRC has a long tradition of using forced labour as a method of "re-education" for offenders, including dissidents. The "education through labour" system was formally brought to a close in 2013 when the pertinent regulations were annulled. Yet forced labour continues to be used at <u>detention camps in</u> Xinjiang where Uyghur people are confined who are perceived by the PRC to be insufficiently loyal to the regime. These incidents have been reported in Tibet as well. Evidence has also emerged of Uyghur people being transferred from Xinjiang to other regions of China to provide forced labour in the wake of COVID-19 pandemic regulations confining Han Chinese workers to their homes. China denies these activities constitute "forced labour," claiming that detainees are enrolled in training and education centres - a point nominally bolstered by PRC ratification of the International Labour Organization's (ILO) key treaties against forced labour in 2022. Yet China's behaviour stands in violation of both of these treaties. Article 2 of the Forced Labour Convention defines forced labour as follows:

"For the purposes of this Convention the term forced or compulsory labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily" (Article 2.1).

As the people subject to detention in Xinjiang and Tibet are forced to work under threat of beatings and other personal abuse as well as threats of intimidation and detention of family members, they clearly are working under the menace of penalty and can hardly be considered as offering themselves voluntarily. Moreover, the ILO has published 11 indicators of forced labour, including, (a) restriction of movement, (b) physical and sexual violence, (c) intimidation and threats, (d) retention of identity documents, and (e) abusive working and living conditions, all of which are evident to one degree or another in China's detention practices in Xinjiang and Tibet.

Parties to the ILO's forced labour conventions are obliged to suppress and not make use of forced or compulsory labour:

Forced Labour Convention, Article 1.1: "Each Member of the International Labour Organisation which ratifies this Convention undertakes to suppress the use of forced or compulsory labour in all its forms within the shortest possible period."

Convention on Abolition of Forced Labour, Article 1:

"Each Member of the International Labour Organisation which ratifies this Convention undertakes to suppress and not to make use of any form of forced or compulsory labour--(a) as a means of political coercion or education or as a punishment for holding or expressing political views or views ideologically opposed to the established political, social or economic system; (b) as a method of mobilising and using labour for purposes of economic development; ... [and/or] (e) as a means of racial, social, national or religious discrimination."

Contrary to these provisions, the PRC government has used forceable detention and labour in Xinjiang and Tibet as instruments of political coercion and (by its own admission) education, and as punishment for individuals holding political views resisting China's policies. China has used these measures to further its own economic development and as a means of suppressing Uyghur identity and religious freedoms — in contravention of its treaty obligations.

In response to China's forced labour policies and practices, Canada and other countries have enacted prohibitions on the import of goods produced with forced labour. Canada amended its Customs Tariff Act in 2020 to include an "Integrity Declaration on Doing Business with Xinjiang Entities," by which companies doing business with Xinjiang entities would commit that they "have not knowingly sourced, directly or indirectly, products or services from a supplier implicated in forced labour or other human rights violations connected to the repression of Uyghurs and other ethnic minorities in the XUAR." Further to the U.S.-Mexico-Canada Free Trade Agreement (USMCA) Canada enacted the "Fighting Against Forced Labour and Child Labour in Supply Chains Act" (Bill S-211) in 2023, requiring entities engaged in production, sales, distribution, or import of goods to provide annual reports on the "steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity" (Art. 11.1). The act also amends the Customs Tariff Act to prohibit the import of goods "manufactured or produced, in whole or in part, by forced labour or child labour" (At. 26-27). The bill applies to goods produced in the Xinjiang labour camps, some of which have already appeared in Canadian supply chains.

Other countries have taken similar measures. The U.S. enacted the Uyghur Forced Labor Prevention Act in December 2021, which prohibited all imports from the northwest region of Xinjiang unless the U.S. government determines with "clear and convincing evidence" that

the products were not made with forced labour. As well, a wide range of civil society organizations have <u>called on leading companies</u> to resist forced labour production in Xinjiang by (a) exiting the Uyghur region at every level of their supply chain, (b) preventing the forced labour of Uyghurs, and ending relationships with suppliers supporting the forced-labour system. In April 2024, the European Parliament gave final approval for a <u>new regulation</u> banning the sale, import, and export of goods made using forced labour.

Human rights values have long informed criticism of the PRC's policies and practices in Xinjiang by government and civil society actors in Canada. "

Canada's efforts to prohibit imports produced with forced labour — generally and with particular regard to Xinjiang — exemplify the complementarity between Canadian values and national interests. Human rights values have long informed criticism of the PRC's policies and practices in Xinjiang by government and civil society actors in Canada. While expressing such values can itself be considered to be in Canada's national interest, resisting China's disregard of its treaty obligations on forced labour supports Canadian values on rule of law and national interest in upholding international law. Noting the harms of coercive diplomacy and nonmarket trade practices such as forced labour, Canada's IPS commits to providing greater technical assistance to Indo-Pacific trading partners to improve the enforcement of labour provisions, including on forced labour, in current and future free trade agreements with Canada; this will help protect workers' rights, ensure companies are respecting human rights in their supply chains, and contribute to levelling the playing field for Canadian workers and employers.

Prohibiting imports of goods produced with forced labour also supports Canada's national interests in free trade. Forced labour enforced by the mechanisms of state power allows the export of low-priced goods that compete unfairly in international markets. The WTO's anti-subsidies code limits the definition of "subsidy" as involving either direct government financial contributions or indirect support through funding mechanisms or private bodies involving: (1) direct or potential transfers of funds; (2) government revenue that is forgone, such as through tax credits; (3) government purchases of goods or provision of goods and services other than infrastructure; or (4) income or price supports that confer benefits. While the WTO's definition of "subsidy" excludes the indirect effect of government-funded forced labour on export prices, the unfair competition that results is akin to the effects of state subsidies that contradict the free trade principles of the WTO. This affects the competitiveness of Canadian products and producers. Among the many goods identified as being produced with forced labour in Xinjiang are goods that compete with Canadian products or Canadian imports from other economies, including agricultural products (including tomato products and garlic), construction products, electronics assembly, extractives (including coals, copper, hydrocarbons, oil, uranium and zinc), food processing, footwear, gloves, printing products, renewal energy, sugar, textiles, and toys. Hence, in addition to expressing a strong moral value against forced labour, Canada has a strong economic interest in curbing forced labour in China and blocking imports of resulting products. This exemplifies the complementarity between values and interests in China's policies on China.



Photo by <u>Ryan Kwok</u> on <u>Unsplash</u>

COMPLEMENTARITY AND POLICY RESILIENCE

Complementarity of Canadian values and national interests can contribute to effective policy responses to challenges in Canada-China relations. This involves <u>policy resilience</u>: the capacity to adapt to difficult or challenging conditions. Often coupled with notions of robustness, policy resilience <u>involves</u> the capacity to withstand external pressures. These would include PRC efforts to disregard or diminish Canada's policy priorities. Treating values and interests as separate and distinct aims to be traded off or prioritized against each other as circumstances dictate might be seen as providing a degree of <u>policy flexibility that contributes to resilience</u>. However, power asymmetries between China and Canada are likely to weigh against such flexibility providing policy resilience in the face of PRC resistance. As the exchanges between Joly and

Wang demonstrate, the PRC has not hesitated to deny any role for Canadian values and to narrow the scope of Canadian national interests to matters of economic relations inordinately favourable to China. Flexibility in trading off or prioritizing between Canadian values and national interests is not likely to support the resilience of Canada's policy priorities against pressure from China.

Treating values and interests as separate and distinct aims to be traded off or prioritized against each other as circumstances dictate might be seen as providing a degree of policy flexibility that contributes to resilience."

Complementarity offers a more hopeful alternative. Just as reliance on the international rules-based order helps insulate Canada's pragmatic diplomacy from PRC attempts to diminish the importance of Canadian values and national interests, so too does complementarity. Treating values and interests as interdependent and mutually reinforcing can enable Canada to side-step PRC demands that Canadian values be set aside in deference to "fundamental interests" purportedly shared with China. PRC efforts to narrow the Canada-China relationship to matters of shared economic relations on grounds that "the economies of China and Canada are highly complementary and there is no conflict of fundamental interests between the two sides" can be resisted by assertions that Canadian economic interests are founded in such Canadian values as the rule of law (in matters such as contracts and property rights), transparency, and reciprocity. Similarly, PRC demands that Canada "stop spreading false information about the so-called 'Chinese interference in Canada's internal affairs,' and stop overstretching the concept of national security regarding exchanges in economy and trade as well as science and technology" can be resisted by assertions that these positions reflect both Canadian values and national interests.

As the case studies discussed above suggest, complementarity of Canadian values and national interests is evident in Canada's responses to PRC interference in Canada, the detention of Canadians, and the export of forced labour goods. In such cases, complementarity furthers policy resilience. On interference, the combination of values and interests expressed through reliance on Canada's legal system in course of the FI Inquiry provides ample insulation from PRC demands that the interference question be dropped. On PRC detentions, disciplined insistence on a rule-oflaw solution to the Meng Wanzhou affair, while possibly delaying the release of the "Two Michaels," nonetheless preserved Canadian policy priorities resisting hostage diplomacy and protecting the integrity of Canada's compliance with its extradition treaty obligations. As well, complementarity of values and interests through

reliance on international trade and human rights law helps insulate from PRC criticism Canada's resistance to imports of forced labour goods from China.

Complementarity analysis can also be useful to identify particular dimensions of Canadian interests and values at issue in particular cases with China and clarifying commonalities and differences with PRC policies and practice. Complementarity analysis would suggest that Canadian values around fairness and inclusion, diversity, economic security (including labour rights), and sustainability (including environmental and health protection) support national interests around questions of international co-operation, economic prosperity, and sustainability in ties with China. In the course of pursuing bilateral projects with China, developing a "Co-ordination Matrix" would be useful to identify the importance of particular Canadian values and national interests and guide their implementation in the face of conflict with PRC policies and practice. (This approach is akin to using a "cost-benefit template" in business planning.) For example, co-operation with China on the development of alternative energy might well be attractive but also reveals conflicts between Canadian values and national interests and PRC policies and practice around <u>sustainability</u> and <u>intellectual property</u> (IP). In such cases, a Co-ordination Matrix would identify the importance of promoting sustainability through co-operative development of alternative energy while protecting Canadian IP, both in comparison with PRC policy priorities. Such a matrix might assign high importance to sustainability goals that would then guide action to promote co-operative development of alternative energy, while the importance accorded to the protection of Canadian IP would justify limits on the range and scope of co-operation on alternative energies that endanger Canadian IP. One potential consequence of such analysis might be that pursuing co-operation on alternative energies would be coupled with limits on exposure of the Canadian IP both through side agreements on IP protection and enforcement and possibly through withholding particularly valuable and sensitive proprietary technology.

Complementarity can also support decisions on co-operation in multilateral matters of shared concern such as global governance, climate change, and trade liberalization. "

Complementarity analysis can also apply to collaboration involving university research partnerships and the establishment of branch campuses in China and "sister city" programs involving municipalities. Such efforts are often motivated by perceived Canadian interests in partnerships as foundations for academic achievement and commercial opportunity. Projectspecific co-ordination matrices would provide grounds for adjusting the terms and conditions of academic co-operation so as to honour Canadian values and protect national interests. The terms for academic exchanges could be adjusted to include for example respect for international law principles of <u>academic</u> independence and freedom of expression. Similarly, the terms for "sister-city" programs could be adjusted to protect Chinese diaspora communities critical of PRC policies and preserve municipal linkages with Taiwan. Brief examples of co-ordination matrices for co-operative alternative energy projects, university collaboration, and sister-city programs are included in Annex B.

Complementarity can also support decisions on co-operation in multilateral matters of shared concern such as global governance, climate change, and trade liberalization. By identifying areas of commonality and conflict between Canadian values with national interests and PRC policies and practice, complementarity analysis and the use of co-ordination matrices would help in selecting specific projects for potential co-operation and tailoring their implementation. A conflict in views with the PRC would suggest that rather than beginning

with co-operation projects on law and governance that either invite conflict with China or suggest false equivalencies between PRC law and the standards associated with the international rules-based order, projects on global governance, climate change, and trade reform could be prioritized instead. These would support meaningful Canada-China co-operation while also

providing opportunities to further Canadian values and national interests on law and governance, sustainability, and commercial relations.

Thus, embracing the complementarity of Canadian values and national interests can support policy resilience against PRC demands aimed at diminishing their importance. Complementarity analysis can provide terms and guidelines to sharpen our understanding of the relationship between Canadian values and national interests and PRC policies and practices, resulting in more effective and resilient policy responses to challenges in Canada-China relations. Complementarity analysis can also help prepare Canada for collaboration with China on a range of bilateral and multilateral issues. Complementarity analysis can also be applied to support Canadian values and national interests on emerging issues such as artificial intelligence, civilian and military uses of outer space, Arctic sovereignty, and maritime access.

Thus, embracing the complementarity of Canadian values and national interests can support policy resilience against PRC demands aimed at diminishing their importance. "

V CONCLUSIONS AND RECOMMENDATIONS

This paper examines the role of Canadian values and national interests in managing relations with China. The paper suggests that recognizing "complementarity" among Canadian values and national interests is useful in co-ordinating their application in relations with China. Mindful of the integration of interests and values in Canada's IPS, the paper presents three case studies, on Chinese interference in Canada, PRC detentions of Canadians in China. and Canadian trade restrictions on imports of forced labour goods from China, to illustrate



Photo by 张 宇铭 on <u>Unsplash</u>

complementarity among values and interests in Canada's China relations. The analysis suggests that complementarity among Canadian values and national interests can help build policy resilience in the face of PRC efforts to diminish and constrain Canadian values and national interests. Based on the analysis presented in this paper, I would suggest a number of policy recommendations, as discussed below.

A. Acknowledge Complementarity Among Canadian Values and National Interests

Acknowledging the complementarity between Canadian values and national interests and its implications for policy resilience, Canadian decision-makers should bear in mind that values promotion is a key feature of today's world order, often used to promote particular interests. Indeed, the spread of populism and authoritarianism often involves promoting values in pursuit of political interests that are contrary to our own. Thus, Canada's responsibility to articulate Canadian values in complementarity with promoting its national interests is more important than ever, providing policy resilience and insulating Canadian values and national interests from PRC efforts to diminish or marginalize them. Policy actors should deploy complementarity analysis to assess points of commonality and difference between Canadian values and national interests and PRC policies and practices as these arise in specific bilateral and multilateral projects. Complementarity analysis around Canadian values and national interests should be included in future policy planning.

B. Pragmatic Engagement with China

Canada needs to maintain a functional relationship with China that furthers our national interests while also honouring Canadian values. Canada should embrace Joly's concept of "pragmatic diplomacy" such that Canada's engagement with China does not imply acceptance of PRC policies and actions that conflict with Canadian values or national interests. For example, visits to partner institutions should avoid things like public appearances and photographs in spaces (e.g. *Zhongnanhai* and the various Party Schools at the central and local levels) that imply support for the policies and actions of the PRC regime. Public statements about co-operation should avoid adopting language such as "stability," "win-win," "core interests," and "peace

and development" that are officially approved terms (tifa - 提法) embedded in CCP political discourses on international affairs.

C. Pursue Collaboration Consistent with Values and Interests

Canada should pursue collaboration with China on bilateral matters such as resource development and academic and community exchanges, as well as on global issues such as international governance, climate change, and trade, all the while honouring Canadian values and protecting national interests. Canadian policy actors should develop processes for creating project-specific co-ordination matrices that allow complementarity analysis to inform understanding of conflicts with PRC policies and practice and adjust the terms of bilateral and multilateral projects accordingly. Canada can usefully emphasize that certain values and interests, such as accountability and transparency, have promoted stability and countered corruption in many economies, and thus may also be beneficial for global governance. On climate change, Canada's values and interests around human rights in environmental conditions and climate justice, while differing from China's focus on economic growth, may still allow for co-operation on environmental protection and climate change. On international trade, while Canadian values and interests around reciprocity and the rule of law may differ from China's, common ground around stability and equity in trade relations may provide a basis for co-operation.

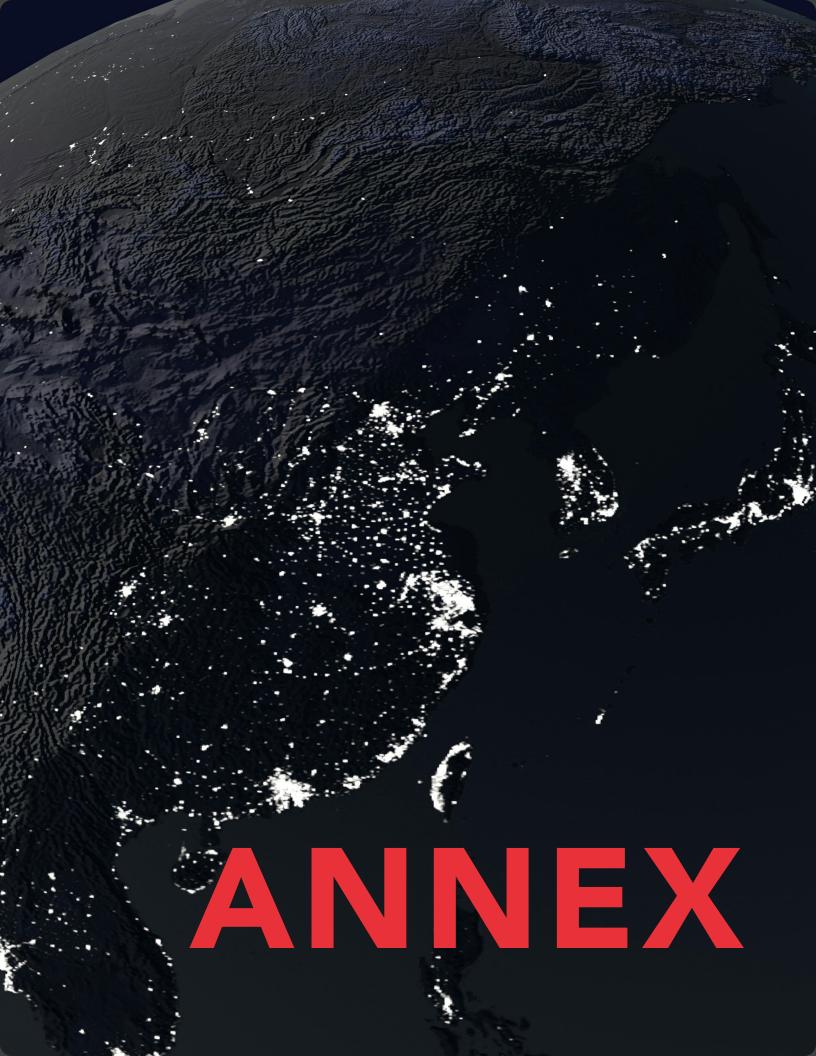
D. Make Use of Canadian and International Assets

In building clarity on specific points of complementarity between Canada's values and national interests in relations with China, Canada should make use of assets beyond government ministries, academic institutions, and non-governmental organizations. The business community and diaspora groups should be included in Canada's China policy process. The government should strengthen collaboration with Canada's diaspora groups from China, even while being cautious about PRC-backed bodies portraying themselves as representative of the diaspora community. Internationally, Canada should collaborate with like-minded countries such as India and members of ASEAN, to broaden its collaborations beyond the typical "Western" players.

E. Uphold the Rules-Based International Order

In managing relations with China, Canada should embrace the international rules-based order, the provisions of which insulate Canadian values and national interests from PRC efforts to diminish their importance. Canada should pursue policy positions supporting the stability and effectiveness of international systems on state autonomy, security, and prosperity, acknowledging that upholding Canadian values consonant with international standards furthers Canada's national interests in supporting

the rules-based international order. As the PRC has done very skillfully in its international negotiations, securing agreement on principles is an important step toward influencing policy practice by confining the scope for disagreement to factual questions around performance. Similarly, Canada should encourage China to operationalize the principles of international law it has already accepted. Canada should encourage implementation of international law standards such as "sovereignty," "reciprocity," "market-based trade," the "rule of law," and "human rights" (civil and political as well as social, economic, and cultural) already embedded in international law. Securing a degree of consensus on basic principles of international law would help offset power imbalances between China and Canada in negotiations over specific policies and practices. Agreement on international law principles also can reduce the scope of Beijing's responses to Canadian positions on matters such as PRC interference in Canada, treatment of Canadians in China and Canada, and trade behaviour, to formalistic denials of provable facts which raise perils around international legitimacy.



VALUES AND INTERESTS IN CANADA'S INDO-PACIFIC STRATEGY

Canada's Indo-Pacific Strategy (IPS) exemplifies efforts to combine Canadian values and national interests in relations with the Indo-Pacific region and more specifically with China. Canada's IPS also reflects perspectives from the U.S., whose relations with China have also been conflicted, notwithstanding hopeful calls for moderation of tensions through managed competition. Some critics of Canadian foreign policy point to Ottawa's deference to U.S. policy preferences as an obstacle to pursuing Canadian interests. As Joly has suggested, the IPS embodies Canada's pursuit of Canadian values and national interests. Hence, the IPS provides important indicators of the potential for complementarity of values and interests in Canada's relations with China.

1. PROMOTING PEACE, RESILIENCE, AND SECURITY

Stability is a key feature of Canada's objectives. Canada's aim to engage as a "regional security partner" is aimed at protecting the safety and security of Canadians and "across the region" in response to an increasingly assertive China, increasing "security-based engagement in the Indo-Pacific." The IPS also includes support for women, peace, and security. While the explicit embrace of a security-based approach exudes notions of national interest, commitments to women and peace speak to Canadian values, as does the commitment to "work with our partners in the Indo-Pacific to make our societies more resilient and less vulnerable to the disruptions and shocks that can damage the fabric of our societies." Efforts to protect the resilience of societies in Canada and the region suggest a values-oriented perspective prioritizing social conditions.

In committing Canada to "work hand-in-hand with ASEAN and its member states to ensure full respect for international law, including the United Nations Convention on the Law of the Sea, in the South China Sea," the IPS conjoins a strategic interest in resisting China's expansion in the

South China Sea (and potentially other ocean spaces like the Taiwan Strait), with a commitment to international law that includes values perspectives on the rule of law.

The IPS also commits to "continue to detect and mitigate risks to protect Canadian post-secondary institutions from malign actors who seek to exploit our open society" and "increase investment to protect Canada's innovation and knowledge economy from intellectual property theft." The complementarity of national interests and national values is evident as resistance to "malign actors" is combined with privileging post-secondary institutions and Canada's "open society." Similarly, protecting Canada's innovation and knowledge economy from intellectual property theft evinces both a national interest in such protection as well as values assertions around private property and the independent ownership of ideas.

2. EXPANDING TRADE, INVESTMENT, AND SUPPLY CHAIN RESILIENCE

Noting that Canada is a trading nation whose prosperity is advanced through "enhancing and diversifying our economic relationships with key Indo-Pacific economies," the IPS notes,

"We are also witnessing competition to define the rules for trade and technology in the region and for the world. In this context, Canada will work hard to promote rules-based trade in the region, expand trade and digital partnerships and enhance innovation and research. Canada will also increase funding to support inclusive economic growth and start new partnerships to promote trade and develop technologies."

Articulating the need to resist efforts to redefine trade standards in ways that contradict Canada's interests in open markets and free trade, the IPS infuses this strategic interest with values-based commitments to "rules-based trade" and "inclusive economic growth." The intersection of interests and values is evident in the IPS assertions of the need to protect open trade:

"Emerging patterns of protectionism and economic coercion are of significant concern to Canada. Canada is committed to a trade system that is stable and inclusive, and which creates economic prosperity for everyone."

Support for Canadian values is also evident in IPS commitments on Indigenous Peoples and women in the economy:

"Canada will ... support the economic empowerment of Indigenous Peoples through the implementation of the Indigenous Peoples Economic and Trade Cooperation Arrangement (IPETCA) in cooperation with existing partners—Australia, New Zealand and Taiwan—and Indigenous Peoples from those participating economies.

"Canada will ... provide enhanced support to women entrepreneurs to maximize opportunities in the Indo-Pacific region by expanding international partnerships through the Women Entrepreneurship Strategy.

The IPS also commits to protecting human rights and resisting trade from forced labour:

"Canada will ... provide greater technical assistance to Indo-Pacific trading partners to improve the enforcement of labour provisions, including on forced labour, in current and future free trade agreements with Canada; this will help protect workers' rights, ensure companies are respecting human rights in their supply chains and contribute to levelling the playing field for Canadian workers and employers.

3. INVESTING IN AND CONNECTING PEOPLE

Perhaps the strongest example of complementarity between Canadian values and national interests lies in the IPS provisions on people-to-people connections, which underscore the intersection between Canadian values and national interests on diversity and inclusion, through efforts to encourage links between Indigenous Peoples in Canada and Asia and supporting "feminist international assistance."

"To strengthen people-to-people exchanges, Canada will:

- a. foster greater inclusion of Canadian diaspora communities of Indo-Pacific heritage through expanded cultural initiatives
- b. fight against anti-Asian racism in Canada, in all its forms, through the full implementation of the federal Anti-Racism Strategy
- c. pursue the path of reconciliation with First Nations, Inuit and Métis Peoples through enhanced Indigenous exchanges with regional partners, such as Australia, New Zealand and Taiwan; support education and skills development for Indigenous youth; continue the implementation of the IPETCA; and support the implementation of the UN Declaration on the Rights of Indigenous Peoples."

"To strengthen our international assistance, Canada will:

- a. deepen partnerships in the region by increasing feminist international assistance programming based on partner needs; Canada will help to protect the most vulnerable populations and support work to achieve the Sustainable Development Goals
- b. support efforts toward democracy, inclusivity, accountable governance and sustained economic growth, helping key countries in the region
- c. work with development partners in the region to reduce inequality and contribute to their economic prosperity. . . . "

"To defend and enforce human rights, Canada will:

- a. strengthen dedicated Canadian funding and advocacy to support human rights across the Indo-Pacific, including for women and girls, religious minorities, 2SLGBTQI+ persons and persons with disabilities
- b. leverage Canada's leadership in multilateral institutions to support regional action on human rights

- c. work to counter forms of arbitrary detention by hosting a summit on arbitrary detention in 2023
- d. fully implement the next phase of Canada's Rohingya Strategy
- e. support peacebuilding in Sri Lanka and Myanmar and encourage truth seeking and accountability for alleged violations of human rights and humanitarian law during the civil conflict in Sri Lanka."

4. BUILDING A SUSTAINABLE AND GREEN FUTURE

The IPS commitment to co-operation and encouragement of Indo-Pacific partners to pursue effective policies on sustainability and climate change, provide further examples of the intersection of Canadian values and national interests:

"Climate change is a global challenge that requires global solutions. As Canada takes historic climate action at home, it is clear that progress in tackling emissions also requires the full engagement of our Indo-Pacific partners. The Indo-Pacific produces more than half of global emissions and includes many rapidly industrializing economies that will have a significant impact on our shared environment. We need everyone to be part of the solution, and we need to make sure that the move toward a net-zero-emissions economy creates shared economic prosperity.

5. CANADA AS AN ACTIVE AND ENGAGED PARTNER TO THE INDO-PACIFIC

The IPS combines attention to Canadian values and national interests in its commitments to engagement with the Indo-Pacific region:

"Defending the rules-based international order in the Indo-Pacific requires a dynamic approach to Canadian diplomacy and engagement. Canada will pursue its cooperation as it always has: as a friend and partner committed to mutual respect; as a proudly diverse country; and as a champion of multilateralism motivated by the idea that our future security and prosperity are best served when all countries—large and small—abide by global and regional rules. Canada's Indo-Pacific Strategy continues our long tradition of global and regional commitments tailored to meet the needs of our allies and partners in the region."

References to Canada's pursuit of co-operation in terms of respect, diversity, and multilateralism under the rules-based international order combine presumptions about national interests with assertions of the applicability of Canadian values.

Thus, Canada's IPS exemplifies complementarity between Canadian values and national interests in Canada's relations in Asia, which has particular relevance for managing Canada's relations with China. The IPS provides useful context for the case studies discussed in the body of this paper.

B CO-ORDINATION MATRICES

EXAMPLE 1: CO-OPERATION ON ALTERNATIVE ENERGY

| National Interests | Canadian Values | PRC Policies | Commonality/ Conflict | Response |
|---|---|---|---------------------------|---|
| Support int'l climate change initiatives through Canadian investment in alternative energy in China (e.g. wind, solar, hydro). | Sustainability, environmental protection and adaptation to climate change. | Develop alternative energy projects (e.g. wind, solar, hydro). Acquire expertise, design information, IP on alternative energy. | Commonality + conflict | Promote Canadian investment in China on alternative energy (e.g. wind, solar, hydro). Protect Canadian investments against improper acquisition of expertise, design information, IP on alternative energy. |
| Support int'l climate change initiatives through attracting PRC investment in alternative energy in Canada (e.g. wind, solar, hydro). | 1. Sustainability, environmental protection and adaptation to climate change. | Acquire expertise, design information, IP on alternative energy (e.g. wind, solar, hydro). | Conflict | Ensure PRC investment in Canada on alternative energy (e.g. wind, solar, hydro) does not threaten improper acquisition of Canadian expertise, design information, IP on alternative energy. |

| | 2. Environmental protection, fair labour standards, First Nations sovereignty and protection. | Generate profits through international investments. | Conflict | Ensure PRC investments in Canada on alternative energy (e.g. wind, solar, hydro) comply with Canadian standards on environment, fair labour standards, First Nations sovereignty and protection. |
|--|---|---|----------|---|
| | 3. Protect democratic processes and institutions. | Generate political influence through international investments. | Conflict | Ensure PRC investments in Canada on alternative energy (e.g. wind, solar, hydro) comply with Canadian standards on political behaviour, participation. |
| Protect Canadian IP in equipment and professional services (e.g. engineering, design, Cad-Cam, know-how/show-how) on alternative energy (e.g. wind, solar, hydro). | Protect private property, IP. | Acquire international IP through unlimited acquisition (purchase, licencing, unauthorized acquisition). | Conflict | Require IP protection and enforcement measures in collaboration, investment agreements. Stagger timing of delivery and quality of IP based on record of protection in particular projects. |
| | | | | 3. Reject projects where likelihood of IP protection is low. |

EXAMPLE 2: UNIVERSITY RESEARCH COLLABORATION WITH CHINA

| National Interests | Canadian Values | PRC Policies | Commonality/ Conflict | Response |
|--|----------------------------------|--|--|--|
| Expand opportunities for Canadian university research. | Int'l co-operation. | 1. Int'l co-operation to support PRC regime's international standing. | Commonality on int'l co-operation. Conflict as to purpose of int'l co-operation. | Focus on university co-operation. Avoid overt and implied expressions of support for PRC regime. |
| Protect Canadian IP in equipment and professional services (e.g. engineering, design, Cad-Cam, know-how/show-how) on alternative energy (e.g. wind, solar, hydro). | Protect private property, IP. | 2. Acquire international IP through unlimited acquisition (purchase, licencing, unauthorized acquisition). | Conflict | Require university co-operation agreements include enforceable provisions on protection of Canadian and university IP. |
| Expand opportunities for Canadian university researchers in China. | 1. Academic independence. | Universities subject to regime control of academic behaviour, outputs. | Conflict | Require that university co-operation agreements include enforceable provisions on academic independence. |
| | 2. Freedom of expression. | University researchers subject to PRC regime restrictions on expression. | Conflict | Require university co-operation agreements include enforceable provisions on freedom of expression. |

| Expand opportunities for Chinese university researchers in Canada. | Open society, politics, economy. | PRC surveillance over students and scholars in Canada. | Conflict | Require university co-operation agreements include enforceable provisions protecting rights of visiting students and scholars. |
|--|----------------------------------|--|----------|--|
| Strengthen Canadian influence in China through university alumni returning to China. | 1. Freedom of expression. | Restrict expression to suit PRC policy standards. | Conflict | Tailor public statements by Canadian government and university officials to affirm support for rights and freedoms of alumni. |
| | 2. Individual freedoms. | "Social Credit" system to ensure loyalty and compliance with PRC regime standards. | Conflict | Tailor public statements by Canadian government and university officials to affirm support for rights and freedoms of alumni. |
| Access private donor opportunities to support Canada-China co-operation at universities. | Academic independence. | Use Chinese diaspora donors to discourage criticism of PRC regime. | Conflict | Ensure university donor agreements include enforceable provisions on university independence. |

EXAMPLE 3: SISTER-CITY COLLABORATION WITH CHINA

| National Interests | Canadian Values | PRC Policies | Commonality/ Conflict | Response |
|---|---|--|--|---|
| Expand commercial and social opportunities for Canadian cities. | Int'l co-operation. | Int'l co-operation to support PRC regime's international standing. | Commonality re international co-operation. Conflict as to purpose of int'l co-operation. | Ensure Sister-City agreements focus on municipal-level co-operation. Avoid overt and implied support for PRC regime. |
| Protect security of Canadians. | Independence, freedom of expression. | Surveillance of Chinese citizens and/or residents of Canada. | Conflict | 1. Ensure Sister-City agreements include enforceable provisions recognizing rights and freedoms of municipal residents. |
| | | | Conflict | 2. Federal, provincial support for municipal Sister-City agreements dependent on inclusion of enforceable provisions recognizing rights and freedoms of municipal residents. |
| Political independence, autonomy. | 1. Freedoms of expression, association. | Reject recognition of Taiwan. | Conflict | Ensure Sister-City agreements omit provisions expressing PRC policy on Taiwan and/or restricting municipal links with Taiwan. |
| | 2. Freedoms of expression, association. | Reject recognition of Taiwan | Conflict | Federal, provincial support for municipal Sister-City arrangements dependent on their omitting provisions expressing PRC policy on Taiwan and/or restricting municipal links with Taiwan. |



Photo by <u>Owen Yin</u> on <u>Unsplash</u>

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