

WEBVTT

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<v SPEAKER_1>Hello again, and welcome to Global Exchange, part of the Canadian Global Affairs Institute's Podcast Network.

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<v SPEAKER_1>I'm your host Colin Robertson.

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<v SPEAKER_1>In this episode, recorded on May 16th, we talk with Paul Evans and Gordon Holden about China and Canada.

00:00:18.520 --> 00:00:24.880

<v SPEAKER_1>Paul is Professor Emeritus at the School of Public Policy and Global Affairs at the University of British Columbia.

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<v SPEAKER_1>His graduate and undergraduate teachings focused on global China and world order.

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<v SPEAKER_1>Author or editor of seven books, his Engaging China, Myth, Aspiration and Strategy in Canadian Policy from Trudeau to Harper remains, in my view, the single best introduction to our always challenging China relationship.

00:00:47.020 --> 00:00:58.240

<v SPEAKER_1>A career Foreign Service Officer, Gordon served in Havana, twice in Hong Kong, Warsaw, twice in Beijing, and as Executive Director of the Canadian Trade Office in Taipei.

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<v SPEAKER_1>Until recently, Gordon headed the prestigious China Institute at the University of Alberta.

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<v SPEAKER_1>Welcome Paul and Gordon.

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<v SPEAKER_2>Thank you.

00:01:07.260 --> 00:01:09.300

<v SPEAKER_3>Good to be with you.

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<v SPEAKER_1>Some context for listeners.

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<v SPEAKER_1>Our China relationship remains chill in the aftermath of

the Two Michaels and Meng Wang Zhou episodes, trade disputes and ongoing allegations of Chinese interference in our domestic procedures.

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<v SPEAKER_1>A year ago, following the US lead, Canada imposed 100% tariffs on Chinese-made EV batteries.

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<v SPEAKER_1>China responded with 100% tariffs on canola and peas and 25% tariffs on seafood and pork.

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<v SPEAKER_1>China is the other superpower and in geopolitical terms, an autocracy considered by many one of our strategic adversaries.

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<v SPEAKER_1>When asked during the leadership debate, what is the greatest threat to Canada?

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<v SPEAKER_1>Now Prime Minister Mark Carney said, China.

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<v SPEAKER_1>Recalibrating our relationship with China will have to be a foreign policy priority for the Carney government.

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<v SPEAKER_1>But keep in mind, China is our second largest biggest trading partner, accounting for about 8% of our trade.

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<v SPEAKER_1>It is the ancestral home of about 5% of Canadians and in recent years many students and tourists to Canada.

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<v SPEAKER_1>So let's get started.

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<v SPEAKER_1>And Gordon, as the former diplomat, I'm going to ask you to lead on this, but I want Paul to come in.

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<v SPEAKER_1>Why do we need a China policy?

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<v SPEAKER_2>Well, I think it's the reality of the heft and weight of China.

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<v SPEAKER_2>It would be possible if China were East Timor to ignore it completely, whatever we think of it.

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<v SPEAKER_2>It would be possible, and we did ignore China when it was inward looking, sealed off from distinct from the rest of the world, even on the outs with the then Soviet Union.

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<v SPEAKER_2>But now, as the leading trading nation, we cannot ignore it.

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<v SPEAKER_2>We are 65% roughly dependent on foreign trade and our GDP.

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<v SPEAKER_2>For China, it's about 37, for the US, about 24.

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<v SPEAKER_2>We cannot ignore the world's largest trading nation, and our economies happen to be compatible.

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<v SPEAKER_2>So for economic and security issues pushes in that direction.

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<v SPEAKER_2>Of course, we're security dependent on the United States or NATO partners, but you want to study carefully your potential adversary and be in contact regularly with them, not have to depend on second hand information or views on Washington or London.

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<v SPEAKER_1>Paul, the Indo-Pacific strategy, which came out a couple of, I guess, two and a half years ago, one of the certainly geographic pillars was China.

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<v SPEAKER_1>But as I pointed out, the relationship is still chilly.

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<v SPEAKER_1>Yet, China, for the reasons Gordon outlined, and for reasons of trade and people-to-people relationships and geopolitical realities, something you have spent a lot of your career on, does matter.

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<v SPEAKER_1>So this all would argue for a China policy.

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<v SPEAKER_1>And I would be interested in how you see us recalibrating what we already have.

00:04:04.160 --> 00:04:10.020

<v SPEAKER_3>Colin, I'm not sure we are quite ready for a new China policy.

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<v SPEAKER_3>But what is really needed is a new approach and a thinking about our attitude on China.

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<v SPEAKER_3>The Trump factor, America first, its strategic competition with China, which is going to intensify whatever happens on the trade side.

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<v SPEAKER_3>Suddenly, we're in a new position where Canadian interests, long-term interests and our place in the world are up for grabs.

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<v SPEAKER_3>How we position ourselves on China is going to be part of the answer to where Canada is going forward as a increasingly trying to lessen dependence on the United States.

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<v SPEAKER_3>This, the Indo-Pacific strategy from three years ago, which is the closest we've had to defining that approach, is now out of date.

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<v SPEAKER_3>It's out of date because of its concept of the disruptor.

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<v SPEAKER_3>We're facing a global order with all kinds of changes taking place.

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<v SPEAKER_3>And the idea that in the Indo-Pacific strategy that China was the disruptor of the system, there are elements of truth in that.

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<v SPEAKER_3>But there's another huge disruptor of the system, which is the United States.

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<v SPEAKER_3>And positioning Canada in relationship to the United States and to China is the big issue.

00:05:42.840 --> 00:05:52.740

<v SPEAKER_3>And also, the Indo-Pacific strategy called for diversification of Canadian trade interests, diplomatic, et cetera, in the region.

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<v SPEAKER_3>But it was diversification around and without China, and in some places against China.

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<v SPEAKER_3>And I think in light of America first and Mr.

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<v SPEAKER_3>Trump, those elements of the Indo-Pacific strategy have to be recalibrated.

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<v SPEAKER_3>And that going forward, China needs to be part of our world.

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<v SPEAKER_1>Okay.

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<v SPEAKER_1>You both made the case why we need a China policy.

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<v SPEAKER_1>And as you put it, Paul, why we need to look at it hard.

00:06:22.460 --> 00:06:23.740

<v SPEAKER_1>Paul, stay with me.

00:06:23.740 --> 00:06:25.740

<v SPEAKER_1>What do we want from China?

00:06:25.740 --> 00:06:28.600

<v SPEAKER_1>And what does China want from us?

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<v SPEAKER_3>Well, I think the most important thing we want from China is to be able to live with China.

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<v SPEAKER_3>This is no longer the era of engagement as we knew it, as Gordon and I and a number of others advocated it for many years.

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<v SPEAKER_3>Situation is more complex and different.

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<v SPEAKER_3>But we do have to find a way to live with China.

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<v SPEAKER_3>And I found Mark Garnot's comments of four years ago really useful when he talked about the four C's of a China policy or a China approach.

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<v SPEAKER_3>One is we need coexistence.

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<v SPEAKER_3>Second is we need cooperation with China in some areas.

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<v SPEAKER_3>Third, we need competition with China in a variety of areas.

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<v SPEAKER_3>And fourth was his idea of confrontation with China around some kinds of behaviours.

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<v SPEAKER_3>So if we take it from that big picture of what we want in a balanced approach on China, that this is the moment with a new government and with a new strategic reality, the United States growing and a much more important and forceful China, here's the moment for us to give some serious thought and attention.

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<v SPEAKER_1>Gordon, when you were at the China Institute, you devoted a lot of effort to track two discussions with China when things were fairly tough.

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<v SPEAKER_1>What does China want from us?

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<v SPEAKER_2>Very good question.

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<v SPEAKER_2>In my opinion, track two dialogue with China meant less when our relations were strong and it meant more when our relations were weak.

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<v SPEAKER_2>We conducted track two dialogues with Chinese think tanks, which of course a lot of independent, but that has an advantage when they speak, you know what the government is thinking as well and even with party structures in China, eyes wide open, not naive.

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<v SPEAKER_2>What China wants from us, we are significant, we buy more per capita than the United States does.

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<v SPEAKER_2>We are an entree point to the North American economy, less so now with our free trade agreements under threat.

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<v SPEAKER_2>There is a large diaspora community in Canada, and unfortunately this is a point of focus for China in its intelligence operations.

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<v SPEAKER_2>That means we have to be on guard, but China on their side is conscious and there's historical precedence for this of dissident movements.

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<v SPEAKER_2>They tend to take the gloves off when it comes to dissident committees.

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<v SPEAKER_2>They're looking for an element of influence on dissident committee, on the broader populace, but I think their focus is largely economic.

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<v SPEAKER_2>There's a strategic element which comes in with the Arctic to be sure, where China has the capacity.

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<v SPEAKER_2>Very soon they'll have the capacity of far more reach of shipping with hardened vessels and with icebreakers than we, an Arctic power, will possess.

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<v SPEAKER_2>So I think there's an interesting mix of political concerns, consular, you could call them on their side, an entree to North America, an Arctic side.

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<v SPEAKER_2>But the core concern is for a trading country like China, that which we have, our economies are compatible.

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<v SPEAKER_2>We have Rama's heroes that they want and we can benefit from selling those to them.

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<v SPEAKER_1>Gordon, there are sort of other convergences.

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<v SPEAKER_1>I think of climate, non-proliferation, and dealing with pandemics.

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<v SPEAKER_1>Surely we should be able to make these work, and don't these offer opportunities for us to work with China?

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<v SPEAKER_2>They certainly do.

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<v SPEAKER_2>Quite frankly, for a long time, I think that China did not take the climate change threat seriously.

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<v SPEAKER_2>They were resistant to even conceding the fact that they would have a role, should have a role.

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<v SPEAKER_2>Their attitude was, well, the Western countries have polluted for 100 years, and now it's our turn to develop by polluting.

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<v SPEAKER_2>But I think the combination of national disasters, excessive heat in the South, floods, drought in the North, has convinced them.

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<v SPEAKER_2>And China is, through the development of renewable energy, conversion to electric vehicles, too slow replacement of coal with nuclear and other less polluting options, is on board.

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<v SPEAKER_2>And Canada has, and I think still does, although it's not a popular public theme now, care about climate change.

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<v SPEAKER_2>And while we are a minor player, they are a major player, but they have technologies which we need, and we may have a few things that we can lend to them as well.

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<v SPEAKER_2>Non-proliferation, certainly.

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<v SPEAKER_2>China has established nuclear power with a full cycle of

options.

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<v SPEAKER_2>Fortunately, they have been cautious in the spread of nuclear know-how.

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<v SPEAKER_2>North Korea, I couldn't say the same thing.

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<v SPEAKER_2>There have been occasional allegations about what China has done in terms of North Korean conventional power, but you don't find Chinese nuclear actors that are producing plutonium scattered about the world.

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<v SPEAKER_2>So it's important that we care about that.

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<v SPEAKER_2>And quite frankly, I have seen that some of the most productive discussions with China, even in this sort of winter of kind of China relations on things like biodiversity, the Biodiversity Conference which should have been in Yunnan, instead it was in Montreal, and where both sides afterwards praise the other.

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<v SPEAKER_2>China takes biodiversity seriously now, both in their territory and more broadly.

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<v SPEAKER_2>So yes, if one looks and doesn't have to look too hard, there are mutual interests that can be served, and these can be a gateway to improving the overall dialogue and relationship.

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<v SPEAKER_1>Paul, I want you to talk a bit about the convergences and sort of COVID, for example, dealing with pandemics.

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<v SPEAKER_1>But of course, as you also described, there's the constraints that we face, particularly with public opinion now and parliamentary opinion, which has, I think, shifted.

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<v SPEAKER_1>Then the coverage and outrage of Canadians on things like human rights, IP theft, foreign interference, and cyber intrusion.

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<v SPEAKER_1>You've talked about Mark Garnot, and I'm going to come back to the four Cs you talked about.

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<v SPEAKER_1>But how do we reconcile the constraints with the areas where we can converge and probably work together?

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<v SPEAKER_3>I think on public opinion, there are some indicators of a shift in public attitudes, and not because about China and not because directly because of Chinese behavior, which in some ways is often worrisome.

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<v SPEAKER_3>But it's because of the United States.

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<v SPEAKER_3>Suddenly, trade relations, interactions with China are viewed less negatively than they were even three months ago.

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<v SPEAKER_3>I think that, as Gordon put it, it has been a winter, a chill period in Canada-China relations, really since the Two Michaels and Madame Meng affair.

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<v SPEAKER_3>That is in some ways in the rear-view mirror now.

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<v SPEAKER_3>Not because we don't have old grievances and disagreements, but because the strategic setting has changed.

00:13:30.080 --> 00:13:35.080

<v SPEAKER_3>And it's because of anxiety about our over-dependence on the United States.

00:13:35.740 --> 00:13:45.780

<v SPEAKER_3>And suddenly, China, jobs, the kinds of ways we're going to be dealing with a likely recession coming out of the tariffs, or at least an economic slowdown.

00:13:45.780 --> 00:13:49.360

<v SPEAKER_3>China is more important, and public opinion is shifting.

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<v SPEAKER_3>The interesting place is going to be the debate inside Parliament, inside Caucus and inside our media, where I think we need a more balanced discussion on strengths, weaknesses, risks, dangers of working with China, fully aware of the complications of living with China, but now desperately seeking elements where we can find convergence, overlap, and treating China as something that is much bigger than a trading partner.

00:14:19.780 --> 00:14:33.420

<v SPEAKER_3>For our universities, for our businesses, China is now a principal part of the world, and how we're going to get it into our focus, based on Canadian interests again.

00:14:33.420 --> 00:14:44.180

<v SPEAKER_3>That's going to be the challenge over the next few months, as business groups, university leaders, and others re-engage a debate on these matters in a way they haven't since 2018.

00:14:45.960 --> 00:14:48.800

<v SPEAKER_4>Hi, I'm Dave Perry, the President and CEO of The Canadian Global Affairs Institute.

00:14:49.420 --> 00:14:54.000

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00:15:09.880 --> 00:15:13.160

<v SPEAKER_1>Paul, does any other country get it right?

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<v SPEAKER_1>I mean, clearly, I think we're floundering, we're looking about, and I do think it's important for the reasons both you and Gordon have outlined, why we need to take a hard look at where we're going, bearing in mind all the things you've said.

00:15:24.300 --> 00:15:35.020

<v SPEAKER_1>But I wonder if there's any countries that you have looked at in your research that come closer to getting China right?

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<v SPEAKER_3>I think two countries are worth looking at for different reasons.

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<v SPEAKER_3>One of them is Singapore, which has been able to maintain an attitude on China.

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<v SPEAKER_3>That is positive and negative, hug and slap at the same time, but with a steely-eyed attention to Singapore's interests, commercially and other things, and to criticize the United States, to criticize China when necessary, but to be very realistic about Chinese ambitions and how they need to be restricted and sometimes advanced.

00:16:16.860 --> 00:16:35.620

<v SPEAKER_3>The other country is Australia, and where so many things are common in our attitudes, our value structures, our concerns, and an ability to have a good relationship with the United States on the security side while taking a very different position on trading with China.

00:16:35.620 --> 00:16:43.120

<v SPEAKER_3>So learn from Singapore, learn from Australia, and as part of actually a bigger Indo-Pacific strategy.

00:16:43.960 --> 00:16:56.720

<v SPEAKER_1>Gordon, where would, are there other countries that, Paul's of course named Singapore and Australia, are there others we think we should look at and in your look at both Singapore and Australia, would you concur with what Paul said?

00:16:56.720 --> 00:16:58.620

<v SPEAKER_2>Certainly concur with Singapore.

00:16:58.620 --> 00:17:11.740

<v SPEAKER_2>In Singapore, I'd note that because of the composition of the Singapore population, there is a nervousness within the Singapore government to ensure a workmanlike relationship because they are potentially vulnerable to political interference.

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<v SPEAKER_2>But they manage to work around that.

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<v SPEAKER_2>In the case of Australia, it's very hard for us to duplicate that because they have such a diverse trading relationship.

00:17:20.600 --> 00:17:34.760

<v SPEAKER_2>China is their number one partner, and they've been able to successfully maintain a security relationship primarily with the United States, and yet have this very diversified economic portfolio, trading portfolio.

00:17:35.540 --> 00:17:37.200

<v SPEAKER_2>It's going to be very hard for us to duplicate that.

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<v SPEAKER_2>Hard for you to imagine 30% or 40% of our exports going to Asia, let alone just China.

00:17:44.300 --> 00:18:08.640

<v SPEAKER_2>The other two cases I'll mention are not really examples that work for us, but I think despite all the occasional fireworks, both Japan and South Korea have managed to maintain strong trading relationships with bumps and issues that come up.

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<v SPEAKER_2>Where, in fact, if you look at Asian countries generally, eight of the 10 ASEAN members all have China as their principal trading partner.

00:18:17.680 --> 00:18:35.320

<v SPEAKER_2>So there's a longish list of countries that want to either have a strong security relationship with the United States, such as South Korea or Japan, or countries like ASEAN, where they don't want to be pushed to be sided with one or the other.

00:18:35.320 --> 00:18:38.100

<v SPEAKER_2>Some of them, like Laos and Cambodia are.

00:18:38.100 --> 00:18:41.000

<v SPEAKER_2>Others are tilting more to the United States.

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<v SPEAKER_2>But there's a range of countries that are coming to one arrangement or the other, where they have a foot in both.

00:18:47.540 --> 00:18:51.380

<v SPEAKER_2>Certainly an economic foot and an interest in China.

00:18:51.380 --> 00:18:57.140

<v SPEAKER_2>For us, one of the issues we have going forward, you're probably going to ask this as a separate question.

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<v SPEAKER_2>But I look at the United States, which, particularly under Trump, his relationship with a given country shifts on a matter of days or weeks.

00:19:05.640 --> 00:19:18.680

<v SPEAKER_2>We could be more Trump-like towards China than Trump, and then find three weeks later that he's glad-handing Xi in the Oval Office, and we're left off-site.

00:19:18.680 --> 00:19:30.320

<v SPEAKER_2>So I think we have to be cautious to be, yes, take into account of the winds coming to Washington, but also to have some

ballast of our own that allows us to have a more stable relationship going forward.

00:19:30.320 --> 00:19:50.800

<v SPEAKER_1>Oh, I think I remember John Manley's famous comment after we took Meng Wanzhou off the plane, and that we perhaps might have shown a bit of creative incompetence at that point as others had done, because then that launched, of course, the Two Michael's Affair and really did put a chill on the relationship, which still is there.

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<v SPEAKER_3>Well, and let me add on Gordon's thinking on this and how far we key off of Trump.

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<v SPEAKER_3>There's a threat, there's a concern we have.

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<v SPEAKER_3>But the apparent flip-flops, and I think it's fair to say, Trump does not have a clear China policy.

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<v SPEAKER_3>But what is worrisome is that the United States does have a China direction.

00:20:18.200 --> 00:20:23.900

<v SPEAKER_3>In Congress, and that is strategic competition with China.

00:20:23.900 --> 00:20:26.040

<v SPEAKER_3>China is an adversary.

00:20:26.040 --> 00:20:31.560

<v SPEAKER_3>China in many respects is defined as an enemy, and that's not just the Trump era.

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<v SPEAKER_3>With Biden's approach on strategic competition.

00:20:36.220 --> 00:20:49.180

<v SPEAKER_3>And so for us to assume or hope that China and US are going to come to a four C's kind of arrangement in the future seems to me misleading.

00:20:49.180 --> 00:20:56.640

<v SPEAKER_3>It's dangerous to think that we're going to be dealing with China in the context of more benign US-China relations.

00:20:57.720 --> 00:21:01.720

<v SPEAKER_3>And that takes special courage then and special

leadership.

00:21:01.720 --> 00:21:04.080

<v SPEAKER_3>And all eyes will be on Mr.

00:21:04.080 --> 00:21:08.480

<v SPEAKER_3>Carney to know how he's going to navigate through this.

00:21:08.480 --> 00:21:19.120

<v SPEAKER_3>Based on some of the things we've heard him say so far on a China threat, which sounds very similar to mainstream American congressional thinking.

00:21:19.120 --> 00:21:30.640

<v SPEAKER_3>Or in terms of some of his other words of pragmatism and dealing with a more, a less dependent Canada on the United States.

00:21:30.640 --> 00:21:37.100

<v SPEAKER_1>Paul, stay with me because you anticipate my next question, which is how we proceed going forward.

00:21:37.100 --> 00:21:47.280

<v SPEAKER_1>Melanie Jolie said we're going to take an approach of what she called pragmatic diplomacy, which seems to be a return in some ways to our former approach to encouraging trade.

00:21:47.320 --> 00:22:02.200

<v SPEAKER_1>Well, quietly or loudly depending on the politics and audience, saying we'll speak softly on human rights, but we'll still do it and push them on internationalist norms.

00:22:03.280 --> 00:22:22.060

<v SPEAKER_1>Pragmatic diplomacy also is, I think you put it and Foreign Minister Mark Garneau reflected that combination as you just described it of coexistence, competition, cooperation, and challenge, depending on the circumstance, which I think as you have argued, Paul, makes sense.

00:22:23.840 --> 00:22:37.180

<v SPEAKER_1>But are we starting to see the elements of what could be a Canadian-China policy come together and would they draw on pragmatic diplomacy, and as you put it, the Four Seas?

00:22:37.180 --> 00:22:46.640

<v SPEAKER_3>I think that if we look at the most recent liberal government near the end, and Madame Jolie's pragmatic diplomacy was one thread.

00:22:46.640 --> 00:22:59.520

<v SPEAKER_3>There was another thread in that cabinet of seeing the

broader strategic setting as one of competition between democracies and authoritarian governments.

00:22:59.520 --> 00:23:08.900

<v SPEAKER_3>I think some of those same issues, that same tensions inside liberal thinking are going to be in this new cabinet.

00:23:08.900 --> 00:23:12.920

<v SPEAKER_3>But that what has changed is the circumstances.

00:23:12.920 --> 00:23:23.440

<v SPEAKER_3>And it's now much harder to argue that authoritarianism is, we're lined up with our friends in battles with authoritarianism.

00:23:23.440 --> 00:23:31.520

<v SPEAKER_3>And one of the biggest authoritarian worries now is our erstwhile major partner, the United States.

00:23:31.520 --> 00:23:34.800

<v SPEAKER_3>So that there's more room for pragmatism.

00:23:34.800 --> 00:23:49.100

<v SPEAKER_3>I think that it's going to depend very much on whether the Carney government feels that diversification is going to be with China or around China.

00:23:49.100 --> 00:24:01.720

<v SPEAKER_3>That we're going to find a way forward by opening doors to China and other authoritarian countries for things we may need to do economically.

00:24:02.140 --> 00:24:04.920

<v SPEAKER_3>Can those doors be opened?

00:24:04.920 --> 00:24:14.420

<v SPEAKER_3>Or is it going to be diversification around our friends, or at least erstwhile friends, and with the United States?

00:24:14.420 --> 00:24:17.860

<v SPEAKER_3>This is the big strategic choice going forward and how Mr.

00:24:17.860 --> 00:24:19.240

<v SPEAKER_3>Carney is going to land.

00:24:19.240 --> 00:24:23.140

<v SPEAKER_3>I think his personal role is now critical in this.

00:24:23.140 --> 00:24:35.340

<v SPEAKER_3>As the balancer of these different opinions, can he find

a way forward with a diversification strategy that either will include China or will work around China?

00:24:35.340 --> 00:24:43.300

<v SPEAKER_1>Gordon, I'd like you to comment on going forward, but I also want you to comment having been part of many reviews over the years.

00:24:43.300 --> 00:24:46.760

<v SPEAKER_1>What's the best way to proceed, given where Mr.

00:24:46.760 --> 00:24:49.940

<v SPEAKER_1>Carney wants to be and move quickly?

00:24:49.940 --> 00:24:59.980

<v SPEAKER_1>Like year-long, two-year-long reviews and what we saw going into the Asia-Pacific strategy, which took five years, the Arctic strategy, seven years kind of thing.

00:24:59.980 --> 00:25:01.160

<v SPEAKER_1>He wants to move quickly.

00:25:01.160 --> 00:25:11.600

<v SPEAKER_1>How would you recommend he do that based on your sense of how global affairs and now what used to be foreign affairs, external affairs works?

00:25:11.600 --> 00:25:12.400

<v SPEAKER_2>I worked on many of those.

00:25:12.400 --> 00:25:21.700

<v SPEAKER_2>And quite frankly, there's an archive somewhere in the archives, a half-dozen strategies that I spent blood and tears over a period of months and never saw the light of day.

00:25:22.220 --> 00:25:27.960

<v SPEAKER_2>I could name a few that Paul would certainly recognize.

00:25:27.960 --> 00:25:36.140

<v SPEAKER_2>Although I spent most of my life working for government, I'm a little bit skeptical about government-led trading strategies.

00:25:36.140 --> 00:25:47.800

<v SPEAKER_2>My impression now out of government, I've come back to the realization that most trade and those decisions related to it are done by businesses and on the basis of market forces and economic demand.

00:25:47.800 --> 00:26:01.360

<v SPEAKER_2>So the government can come out with an economic strategy

that emphasizes China or overlooks China, but the business community, as long as they are not tariffed or with actual barriers put in place to do business, will do business.

00:26:01.360 --> 00:26:09.660

<v SPEAKER_2>There's no country on earth that will pay top dollar for a very top quality commodity like canola.

00:26:09.660 --> 00:26:14.800

<v SPEAKER_2>We're here in the West, well, Paul and I, and that's billions upon billions of dollars every year.

00:26:14.800 --> 00:26:19.240

<v SPEAKER_2>No one else wants to spend that or can spend that much money for that particular product.

00:26:19.680 --> 00:26:23.300

<v SPEAKER_2>Same for softwood lumber in Asia.

00:26:23.300 --> 00:26:25.060

<v SPEAKER_2>China is a logical market.

00:26:25.060 --> 00:26:40.800

<v SPEAKER_2>Even if you follow the Indo-Pacific strategy and you went to the other parts of Asia ignoring China, let's say you're a country that mainly does a business before in Midwest of the United States, who are you going to find in those countries?

00:26:40.800 --> 00:26:43.880

<v SPEAKER_2>Chinese trading companies, Chinese supply chains.

00:26:43.880 --> 00:26:55.640

<v SPEAKER_2>I would argue that a Canadian company that moves its efforts out of the US trade and goes to Southeast Asia will be doing more business with China than they did when they were principally operating in China.

00:26:55.640 --> 00:26:59.620

<v SPEAKER_2>So I would say, yes, as a strategy, the government needs to break down barriers.

00:26:59.620 --> 00:27:03.700

<v SPEAKER_2>We need to find a solution to the Chinese boycott on canola.

00:27:03.700 --> 00:27:07.180

<v SPEAKER_2>We need to find ways in which we can smooth the ways.

00:27:07.180 --> 00:27:11.040

<v SPEAKER_2>But to be the Canadian business people, economic forces

will make that determination.

00:27:11.040 --> 00:27:16.260

<v SPEAKER_2>The government sometimes needs to, I'd argue, get out of the way and deal with the barriers.

00:27:17.060 --> 00:27:27.300

<v SPEAKER_2>One challenge they will have is, and we saw that in the negotiation of KUSMA, where an article was placed, in effect, forbidding Canada to have a free trade agreement with China.

00:27:27.300 --> 00:27:29.680

<v SPEAKER_2>It's not quite in that world of words, but it's there.

00:27:29.680 --> 00:27:35.320

<v SPEAKER_2>It's no accident when the US put 100% tariff on EVs, whoops, the number we picked was 100%.

00:27:36.040 --> 00:27:55.120

<v SPEAKER_2>And I can imagine in any renegotiation, let's say next year, of KUSMA, we will find strong pressure coming out of Washington to limit our options vis-a-vis China, even including in trade terms, even if they turn at a dime and go in a different direction.

00:27:55.120 --> 00:27:56.560

<v SPEAKER_1>All right.

00:27:56.560 --> 00:27:57.900

<v SPEAKER_1>I think that's good advice.

00:27:57.900 --> 00:27:58.720

<v SPEAKER_1>And thank you.

00:27:58.720 --> 00:28:03.560

<v SPEAKER_1>And my last question, and Gordon, you can respond to this one.

00:28:03.560 --> 00:28:06.240

<v SPEAKER_1>What are you reading or streaming these days?

00:28:06.240 --> 00:28:16.420

<v SPEAKER_2>Well, Paul Evans is going to chuckle at this one because I'm going to cite a UBC professor, by the name of Timothy Brooks, who was a brilliant historian of China.

00:28:16.420 --> 00:28:22.940

<v SPEAKER_2>And he chaired the, I think, five-volume Harvard studies on Chinese history.

00:28:22.940 --> 00:28:27.740

<v SPEAKER_2>He wrote the volume on the Ming and UN dynasties.

00:28:27.740 --> 00:28:28.900

<v SPEAKER_2>I highly recommend it.

00:28:28.900 --> 00:28:32.860

<v SPEAKER_2>And quite frankly, Chinese history runs in deep ruts.

00:28:32.860 --> 00:28:38.060

<v SPEAKER_2>And you can't read that large book without learning something about contemporary China.

00:28:38.060 --> 00:28:44.380

<v SPEAKER_2>You couldn't write Chinese history without conveying information that's relevant to today.

00:28:44.400 --> 00:28:54.240

<v SPEAKER_2>And then my last recommendation, I may get some stick for this, but I served in communist countries on three continents.

00:28:54.240 --> 00:29:04.920

<v SPEAKER_2>And I had recalcitrant junior officers who come to say, well, when I read Grandma or People's Daily or Gazette Varchavia, it's all propaganda.

00:29:04.920 --> 00:29:05.540

<v SPEAKER_2>There's no point.

00:29:06.200 --> 00:29:10.000

<v SPEAKER_2>And I would say, look, you're stationed here in Beijing.

00:29:10.000 --> 00:29:12.480

<v SPEAKER_2>This is actually a young officer.

00:29:12.480 --> 00:29:14.500

<v SPEAKER_2>I won't name her position now.

00:29:14.500 --> 00:29:23.220

<v SPEAKER_2>But I said, you will find in those messages, that propaganda, a lot of value if you look at it hard.

00:29:23.220 --> 00:29:28.400

<v SPEAKER_2>When that screaming headline says, party unity has never been greater, you know, party unity, there's issues.

00:29:28.400 --> 00:29:31.540

<v SPEAKER_2>So I would say for the readers, obviously don't be taken in.

00:29:31.540 --> 00:29:32.520

<v SPEAKER_2>I believe everything you read.

00:29:32.520 --> 00:29:44.220

<v SPEAKER_2>I don't believe much of what you read, but I would pay close attention to the foreign ministry's books people's comments and what is in the Chinese media, always with an element of caution.

00:29:44.220 --> 00:29:51.380

<v SPEAKER_2>But primary sources are sometimes useful, rather having everything digested by journalists.

00:29:51.380 --> 00:29:54.560

<v SPEAKER_1>All right, Timothy Brooks and read the original sources.

00:29:54.560 --> 00:29:57.180

<v SPEAKER_1>Paul, what are you going to recommend?

00:29:57.440 --> 00:30:12.420

<v SPEAKER_3>To build on my UBC colleague, Tim Brook and one of his teachers, John Fairbank, I'm back to writing a second installment of a biography of John Fairbank in 1988.

00:30:12.420 --> 00:30:18.280

<v SPEAKER_3>So I'm reading a lot of Chinese history too, but not exactly from the same angle as Professor Brook.

00:30:18.280 --> 00:30:32.020

<v SPEAKER_3>But the book that's had the biggest impact on me recently is Charlotte Gray's biography of Alexander Graham Bell, Reluctant Genius, which is a heavy tone.

00:30:32.580 --> 00:30:38.380

<v SPEAKER_3>I read it because I'm fascinated by innovation and where innovation comes from.

00:30:38.380 --> 00:30:45.020

<v SPEAKER_3>I think one of our biggest challenges now in the China game, this is not about commodity exports, etc.

00:30:45.020 --> 00:30:58.820

<v SPEAKER_3>It's about an expanding explosion of high-tech sectors, the high-valued production and Alexander Graham Bell did not know about China.

00:30:58.820 --> 00:31:01.240

<v SPEAKER_3>But what he did know and what he did do was innovation.

00:31:01.500 --> 00:31:08.500

<v SPEAKER_3>I think the spirit of science and openness that is going to have to involve China is something that Mr.

00:31:08.500 --> 00:31:11.660

<v SPEAKER_3>Bell has inspired in me to look at in a new way.

00:31:11.660 --> 00:31:12.580

<v SPEAKER_1>All right.

00:31:12.580 --> 00:31:21.020

<v SPEAKER_1>John Fairbank and Charlotte Gray's book on Alexander Graham Bell, which I have read and certainly would endorse everything Charlotte writes, I enjoy.

00:31:21.020 --> 00:31:22.180

<v SPEAKER_1>Thank you, gentlemen.

00:31:22.180 --> 00:31:24.760

<v SPEAKER_1>We were joined today by Paul Evans and Gordon Holden.

00:31:24.760 --> 00:31:35.100

<v SPEAKER_1>Again, I encourage listeners to pick up a copy of Paul's engaging China myth, aspiration and strategy in Canadian policy from Trudeau to Harper.

00:31:35.100 --> 00:31:39.380

<v SPEAKER_1>You can find the Canadian Global Affairs Institute on Facebook, Twitter and LinkedIn.

00:31:39.380 --> 00:31:43.240

<v SPEAKER_1>The Global Exchange is brought to you by our team at the Canadian Global Affairs Institute.

00:31:43.240 --> 00:31:47.880

<v SPEAKER_1>And my thanks to our producer, Jordyn Carroll and to Drew Phillips for providing our music.

00:31:47.880 --> 00:31:49.320

<v SPEAKER_1>I'm Colin Robertson.

00:31:49.320 --> 00:31:51.200

<v SPEAKER_1>Thanks for joining us today on The Global Exchange.