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ISSUES IN **CANADA-CHINA RELATIONS**







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SECTION I: DOMESTIC CONTEXTS

“Politics and law are crafts of place:
They work by local knowledge.”
—Clifford Geertz

1

PAUL EVANS

ENGAGEMENT WITH CONSERVATIVE CHARACTERISTICS: POLICY AND PUBLIC ATTITUDES, 2006–2011

“Stand a few steps higher, and you will see far farther and wider.”—Chinese proverb

Abstract

Stephen Harper's Conservative government came to power in January 2006 committed to a principled foreign policy and a China policy substantially different from the engagement strategies of its Liberal and Progressive Conservative predecessors. Two years of “cool politics, warm economics” had near-disastrous consequences and was succeeded by a series of moves to revive the key elements of the strategic partnership and warm diplomatic relations in advance of the Prime Minister's visit to China in December 2009.

Getting global China right is a high-stakes challenge for governments around the world. It is particularly complicated for Conservative Ottawa because of its ideology of freedom, democracy, human rights and the rule of law, its philosophy that the role of government is to facilitate transactions rather than build relationships, and increasing concern about China's rise among the Canadian public as seen in a spate of recent polls.

The essay examines the evolution of Conservative policy, the reasoning behind it, and the pattern of public attitudes. It concludes with a call for the government to show leadership in redefining the strategic partnership, explaining it to Canadians, and constructing a strategic rationale and moral narrative for the next phase of relations based on a more open policy process.

Introduction

The world is being reshaped by the rise of China, its dynamic integration into regional production networks and global value chains, its deepening influence in international institutions, and the persistence of its particular form of authoritarian capitalism.

In 2000 China was a vibrant emerging market, a member of the WTO, the shop floor of the world and a significant regional power. A decade later, on the far side of the financial crisis of 2008 and the demise of America's unipolar moment, it has emerged as a primary force in a messy, multi-centric world order. Decisions of Chinese officials, citizens and consumers have impact globally.

China has long held a central place in the international imagination of Canadians dating back to the era of missionaries, railroads and migration coincident with Canada's birth. Today, China is no longer distant, exotic and across an ocean. It is here, a daily presence for most Canadians when they look at the demography of their cities, buy products, or contemplate their mortgage rates. The flow of goods, people and ideas has never been greater.

Global China poses multi-dimensional challenges for Canadians and public policy. My focus is the period that Stephen Harper has served as Prime Minister. Canada-China relations are of course much broader than policy; and policy in turn has multiple levels. My subject is the high politics of framing and conducting the political relationship. Government leaders and senior officials are just some of the singers on stage, but their voice and movement can set the tone and lead in ways that the public chorus cannot.

Conservative policy in 2006 started down a path distinctly different in tone, attitude and approach than any of its predecessors, Liberal or Progressive Conservative. Managing relations with China poses dilemmas for every government but especially one that came to power that January with little experience in foreign affairs, evinced an ideological antipathy for China, aspired to a vision of small government, and committed itself to a “principled foreign policy” emphasizing freedom, democracy, human rights and the rule of law.

Describing, much less explaining, the evolution of Conservative policy is a daunting task. Policy making has been concentrated in very few hands and its content has never been fully articulated or explained by its makers. My sources are speeches by political leaders, comments to the press, press and academic commentary, and private conversations with MPs, Senators and Conservative staff and strategists.

The China Consensus

In June 2005 Prime Minister Paul Martin and President Hu Jintao announced the creation of a strategic partnership between the two countries. Neither side was certain what its specific content would be, but it was the logical extension of an approach that had been pioneered by the Trudeau Liberals and had operated on a bipartisan consensus thereafter.

In Beijing in January 2005, Martin foreshadowed the strategic partnership, noting China’s pivotal role in a “global power structure undergoing its first wide ranging evolution in more than five decades” and in which “China will be central to the success of a New Multilateralism.”

Canada welcomes this. We seek to enhance our engagement with China—to foster a real partnership that comprises not just economic pursuits, but also the global political agenda: public health, environmental issues, human rights, and culture. In essence, we strive to more closely connect our two nations—encouraging the two-way flow of capital, goods and services, while at the same time expanding our dialogue, our exchange of ideas and beliefs. For that is how friendships are deepened and the world made stronger.¹

The speech underscored principles and sentiments that had animated Canadian policy since recognition in 1970. First, engagement of China was important to Canada for advancing bilateral interests and also for shaping world order.

Second, engagement entailed establishing contacts at as many levels as possible. The tone was set at the Prime Ministerial level and involved nourishing strong personal relationships. Martin favoured a whole-of-government approach and encouraged every member of his Cabinet to visit China.

Third, promoting human rights, especially after Tiananmen Square in 1989, was one of several objectives and largely pursued through cooperation on governance issues and the private management of individual cases.

Fourth, Canadian governments took care, sometimes excessive, to assure China about its version of a One China Policy and carefully manage relations with Taiwan and dealing with Tibet issues.²

Warm Economics, Cool Politics

In the early months of 2006 it quickly became clear that the Conservative government was determined to take a new approach to China that can be described as “cool politics, warm economics.”

“Warm economics” echoed the emphasis of previous governments on trade promotion. The Conservatives embraced most of the Liberal’s Gateway strategy and transformed it into the Asia

¹ Address to the Canada-China Business Council, Beijing, 21 January 2005.

² For a debate on the vitality and current relevance of the consensus approach, see Bruce Gilley, “Reawakening Canada’s China Policy,” and Paul Evans, “Responding to Global China: Getting the Balance Right,” *Canadian Foreign Policy*, Volume 14, No. 2, Summer 2008, pp. 121–39.

Pacific Gateway and Corridor Initiative. It resisted protectionist pressures to limit Chinese exports. It encouraged Chinese investment, though without setting clear guidelines and rules. New trade offices were opened in China as part of the global commerce strategy. Two-way trade expanded as did Chinese investment in Canada, even though in relative terms the Canadian share of both steadily declined.

“Cool politics” was the innovation. The first public comments about China by the new government in April 2006 focused on criticisms of Chinese industrial espionage. In October 2006, the Minister of Foreign Affairs, Peter MacKay, emphasized that a principled foreign policy meant that China, like other countries, would be viewed through the lens of freedom, democracy, human rights and the rule of law. Chinese representatives in Ottawa were not able to meet him until June, he did not meet his Chinese counterpart until September, and he did not travel to China until April 2007.

Ottawa publicly suspended the bilateral human rights dialogue with Beijing. The Subcommittee on International Human Rights of the Standing Committee on Foreign Affairs and International Development, chaired by Jason Kenney, took up the task of assessing the human rights situation in China. DFAIT was effectively removed from a policy-making role. And plans for the Strategic Working Groups were shelved.

Parliament agreed, unanimously, to confer honorary citizenship on the Dalai Lama. The Prime Minister received the Dalai Lama in his Centre Block Office with a Tibetan flag displayed on his desk. Individual MPs spoke about the virtues of Taiwanese independence and self-determination for Tibet. For the first time four Cabinet Ministers attended Taiwan’s October 10th celebration in 2006. Key Conservatives pointedly contrasted the importance of building relations with democratic India rather than maintaining them with a country they described as “a godless totalitarian country with nuclear weapons aimed at us.”

The Prime Minister became publicly involved in the Celil consular case. En route to an APEC meeting in Hanoi in November 2006 he told reporters that confronting China on human rights issues was both right and popular. “I think Canadians want us to promote our trade relations worldwide, and we do that. But I don’t think Canadians want us to sell out important Canadian values—our belief in democracy, freedom, human rights. They don’t want us to sell out to the almighty dollar.” Three months later he again spoke publicly about the Celil case, reminding Chinese officials that they needed to be cautious considering China’s large trade surplus.

On at least two occasions it became difficult for the Prime Minister to arrange substantive sessions with his Chinese counterpart on the margin of international meetings. In early 2008 he announced his decision not to attend the Opening Ceremonies of the Summer Olympics in Beijing, using the opportunity to raise international concerns over the demonstrations in Tibet that April.

Cool did not mean cold. The government did not alter its One China Policy, did not make any dramatic overtures to Taiwan, and continued its aid program. Ministers began visiting China in the fall of 2006, starting with the Minister of Agriculture in October and the Minister of Natural Resources a month later. David Emerson, Minister of International Trade, and Jim Flaherty, Minister of Finance, followed in January 2007.

The Ministerial visits were low-key but welcome in China in a period that was otherwise characterized by snubs, public jousting, and cold shouldering. During his January 2007 trip, Flaherty spoke of actively working to strengthen the Canada-China relationship, engaging China as a rising economic power, working together on IMF reform, promoting economic freedoms, and recognizing Canada’s emerging role as an energy superpower. Neither he nor other ministers made any reference to the “strategic partnership,” or “friendship.”

Chinese reactions moved from puzzlement to carefully expressed anger. Ambassador Lu Shumin raised concerns in speeches and private communications throughout the fall and winter of 2006.

In February 2007, He Yafei, the Vice Minister of Foreign Affairs, stated that “I cannot say Canada is squandering the relationship now, but in practical terms Canada is lagging behind in its relations with China.” He indicated confidence and respect were lacking and that there was “room for improvement” while calling for the resumption of the high-level working groups agreed to under the terms of the strategic partnership.³ Bo Xilai, the Chinese Minister of Commerce, commented during a visit in June 2007 that relations “need better mutual trust,” and “have moved backward under Harper.”⁴

The first visit by a Chinese Minister of Finance did not occur until fall 2007. China continued to withhold Approved Destination Status that had been discussed during the Martin period. Len Edwards, Deputy Minister of Foreign Affairs, could not secure high-level meetings during his trip to Beijing in November 2007 just after Harper’s meeting with the Dalai Lama.

In January 2008, Ambassador Lu spoke to the Canada-China Friendship Society meeting in Ottawa about “positive developments and unfortunate setbacks.” “At stake is not only exchanges and interaction at the government level,” he told the audience, “Nothing undercuts bilateral relations more than the souring impression among the public. And in China the feeling is actually spreading.”⁵

Several factors help explain “cool politics.” The image of a godless, totalitarian China was shared by several MPs and staffers based less on personal exposure to China than concerns about issues including religious freedom and human rights. The influence of American neo-conservatism and organizations including the American Enterprise Institute was substantial. Several spoke forcefully about finding muscular ways to contain China through a League of Democracies and to find ways to actively promote democracy inside China.

In opposition, Reform/Alliance MPs maintained close connections with Taiwan and the Tibetan diaspora. Some in Cabinet believed that a hard line on China on human rights had support within Chinese communities (and Indian ones) in Canada and could provide electoral advantage in key urban ridings.

Philosophy of government also mattered. Beyond wanting to differentiate themselves from the China policies of the Liberals, many felt that the era of Ottawa playing a leadership role “Team Canada style” was passé. The function of government should be to assist civil society actors but not lead. In the words of one senior advisor: “We don’t do relationships. We facilitate transactions.”

By late 2007 it was clear that the approach was a failure. Ottawa was quickly depleting a reservoir of good will in official quarters in Beijing, stood virtually alone among Western countries, and was beginning to pay an economic price. Academics, business leaders, officials (privately), and much of the media were harshly critical, describing the government’s approach as aloof, introverted, fraught, confused, perverse, immature, juvenile, wobbly, amateurish, one dimensional, childish and petulant, a colossal mistake, and out of synch with allies and friends. Elite support was limited to a handful of academics, some of the right-wing press, and representatives of several NGOs. But, as we will see, it resonated with the attitudes of many Canadians.

Reset

The government had dug itself into a hole and was looking for a ladder. Journalists began to detect a shift in fall 2007. John Ivison noted a “more nuanced approach” and a “moderated tone” that focused on economics rather than morality.⁶ The new Foreign Minister, Maxim Bernier, met the Chinese Ambassador within two weeks of being appointed in May and had his Department try to resuscitate

3 *Globe and Mail*, 9 February 2007.

4 “Shèhùi pínglùn jiāzhōng liǎngguó xiānggè dàodì yǒu duō yuán,” (Commentary: How far is it between Canada and China?), in Chinese, distributed by the Chinese Embassy in Ottawa, 4 June 2007. See: <http://ca.mofcom.gov.cn/aarticle/jmwx/200706/20070604747809.html> (Accessed July 13, 2011).

5 Lu Shumin, “Canada-China Relations as We Approach the 2008 Beijing Olympic Games,” 10 January 2008. See: [www.fcfa.ca/Ottawa/doc/AmbassadorLuSpeechJan10\(web\).doc](http://www.fcfa.ca/Ottawa/doc/AmbassadorLuSpeechJan10(web).doc) (Accessed July 12, 2011).

6 “Signs Hint of a New Approach to Chinese Relations,” *National Post*, 27 September 2007. Available at: http://www.canada.com/story_print.html?id=e1f363a8-c414-4840-b549-f30af6a847ac&sponsor= (accessed July 13, 2011).

the Strategic Working Groups. Secretary of State Helena Guergis spoke at the University of Alberta in January 2008 about the commitment to “sustained high-level engagement”, “results-based cooperation”, China as a “top priority for trade and investment”, and the need for mutual respect.

Canadian and Chinese officials privately discussed ways to improve relations and “rebuild confidence” through a synchronized series of visits leading towards a meeting of heads of government. Key were the visits of the Minister of Transport, John Baird, in February 2009, Trade Minister Stockwell Day in April, Foreign Minister Lawrence Cannon in May, and Finance Minister Flaherty again in August along with a delegation that included the governor of the Bank of Canada. The Chinese Foreign Minister, Yang Jiechi, visited Canada in June. The agenda was increasingly substantial and Day’s visit, in particular, had a major impact on his own thinking and the development of what he called a “holistic” approach to the relationship. When the Dalai Lama visited Canada in September 2009 he met the Governor General but neither the Prime Minister nor the Foreign Minister.

The Harper visit to China in December 2009 symbolized the reversal, though produced little publicity in China and began with what many interpreted as a rebuke by Premier Wen for Harper for not visiting earlier. Harper did come away with agreement on Approved Destination Status and concessions on beef and pork exports. The Canada-China Joint Statement of 3 December 2009 anointed the Strategic Working Groups as a leading part of more than 40 bilateral consultation mechanisms. The statement recognized “distinct points of view” on human rights and promised more dialogue and exchanges, FIPA negotiations, collaboration in the context of the 6 Party Talks, the UN and APEC, the G20, and on issues including global health and climate change.

In Shanghai on December 4, Harper recounted the “shared history” between the two countries focusing on the Diefenbaker wheat sales, expanding trade, the Gateway, investment, energy and collaboration in the context of the Asia Pacific Partnership on Clean Development and Climate and the G20.

John Ibbotson, the *Globe and Mail*’s Political Affairs Columnist travelling with the PM, called the visit a tipping point” that included a “Damascene conversion to the importance of Asia” and a “subtle sidestep” that, without disavowing earlier sentiments, moved the Conservative government into “a new and revitalized relationship with China, while not acknowledging its earlier misdirection, and counting on no one to notice.”⁷

President Hu Jintao made a formal visit in June 2010 in advance of the G20 meeting. China finally ratified ADS and opened staged access to beef imports. The Prime Minister again focused on bilateral commercial issues, offered a slightly sentimental history of the relationship, and most importantly spoke for the first time of “the growing strategic partnership.” On the issue of human rights, he hinted at a new approach.

“Power comes not from arms but from economic power and the stockpile of moral authority a nation builds up when it upholds the universal values of freedom, democracy, human rights and the rule of law. China and Canada have begun a frank dialogue about these values. Continuing it will bring us closer together as friends and strategic partners.”⁸

On October 13th, 2010 at an event celebrating 40 years of diplomatic relations, Harper offered a glowing account of his visit to China, noted 30 ministerial visits to China since 2006, acknowledged that the “global economic centre of gravity moves toward the Pacific” and the need for dialogue on the universal principles of human rights and the rule of law. He fulsomely stated that the “Strategic

7 *Globe and Mail*, 4, 5 and 8 December 2009. See “A New Era for Canada Rises in the East” available at <http://www.theglobeandmail.com/news/politics/a-new-era-for-canada-rises-in-the-east/article1392258/> (Accessed July 13, 2011) and “For Harper, Canada’s Future is Asian” at: <http://www.theglobeandmail.com/news/politics/for-harper-canadas-future-is-asian/article1390903/>. (Accessed July 13, 2011).

8 Speech to the Canada-China Business Council, 24 June 2010. Available at: http://pm.gc.ca/eng/media_gallery.asp?media_category_id=20&media_category_typ_id=1&featureId=0&pageId=0&page=11#top (accessed July 13, 2011).

Partnership ... has never been more promising".⁹ And in Beijing, Canada's ambassador David Mulroney told an academic audience that "if ever there was a golden period in Canada-China relations it is now."

A day later John Baird reiterated the same points but subtly replaced the word "democracy" with "good governance" and spoke of a strategic partnership that is "comprehensive in nature."¹⁰

No official explanation of the shift has been offered but it seems to reflect the failure of the cool politics approach to sustain support or electoral advantage among voters of Chinese descent. The balance of forces within Cabinet and the caucus was changing. And, above all, the economic and political importance of China was becoming much more apparent to the Prime Minister, in part because of exposure to China's central role in the G20 process.

By 2010 Conservative policy had returned very close to where Paul Martin had left it five years earlier. Warmer diplomacy received elite applause but did not rest easily with several members of caucus and the broader public.

Patterns in Public Opinion

In Canada, as elsewhere, global China generates two reactions. The first is a sense that China is big, important, and getting more so. The second is a blend of uncertainty, anxiety and fear, leavened by a sense of opportunity, about what this portends. Three sets of surveys give a useful perspective on the pattern of Canadian views: those commissioned by the Lowy Institute in Australia annually since 2005,¹¹ the BBC World Service in 2005, 2009 and 2011,¹² and the Asia Pacific Foundation of Canada in 2004, 2006, 2008, 2010 and 2011.¹³

On China's growing impact:

- Lowy 2010 and 2011 found that 55% of Australians already feel that China is the world's leading economic power as compared to about 30% who feel that way about the United States.¹⁴
- BBC March 2011 survey of 27 countries found China is expected by most to overtake the USA in economic importance to their country over the next ten years. A majority of Canadians in the study believe that China will be more important to Canada than the U.S. within a decade.
- APF Canada Surveys in 2008, 2010 and 2011 found that 66%, 60% and 67% of Canadians believe that 10 years in the future Chinese power will surpass that of the United States. Canadians also consistently over-estimate existing trade with China and Asia, frequently by a factor of two or three.¹⁵

9 The speech is available at: http://pm.gc.ca/eng/media_gallery.asp?media_category_id=20&media_category_typ_id=1&featureId=11&pageId=65&page=8#top (Accessed July 13, 2011).

10 Speech available at: http://www.china.ualberta.ca/Conferences/~media/University%20of%20Alberta/Administration/Academic/China%20Institute/Documents/Min_Baird_-_Canada_China_Relations.pdf (Accessed July 13, 2011).

11 The Lowy Institute Polls, "Australia and the World," can be accessed at <http://www.lowyinstitute.org/Publication.asp?pid=1617> (Accessed July 13, 2011).

12 BBC World Service Poll, 29 March 2011, incorporating the 2005 and 2010 results, http://www.worldpublicopinion.org/pipa/articles/views_on_countriesregions_bt/683.php?b=btvoc&prt=683&nid=&id= (Accessed July 13, 2011).

13 Results and analysis for the June 2004 APF Canada poll are available at the following (all Accessed July 13, 2011). http://www.asiapacific.ca/sites/default/files/filefield/National_Opinion_Poll_04.pdf.

For September 2006 at: http://www.asiapacific.ca/sites/default/files/archived_pdf/surveys/opinion_poll2006.pdf.

For March 2008 at: http://www.asiapacific.ca/sites/default/files/archived_pdf/surveys/views_asia08.pdf.

For March 2010 at: <http://www.asiapacific.ca/sites/default/files/filefield/2010PollReport.pdf>.

And or March 2011: http://www.asiapacific.ca/sites/default/files/filefield/nop_report_apr_5_en_final_0.pdf.

Comparing the poll results is complicated because of changes in polling technique and slight variations in the wording of questions across time. Nevertheless, the pattern is consistent and tracked precisely the findings in the BBC polls in 2005 and 2011.

14 The findings parallel a Pew 2010 poll which revealed that a majority of Germans and Japanese feel the same. Even in the United States, 41% of Americans chose China as compared to 38% who chose American itself. See: <http://pewglobal.org/database/?indicator=17&survey=12&response=China&mode=chart>. (Accessed July 13, 2011).

15 Note that in the 2008 survey the question was worded to include India and China as surpassing the US within a decade. These findings reinforce a June 2008 survey conducted by Environics for DFAIT which found that 18% of Canadians felt that China was the most important foreign policy priority for Canada, second only to the US at 21% and far ahead of Afghanistan at 9% and the UK at 4%. See: <http://www.embassymag.ca/site/files/2008/7/23/SurveyReport.pdf>. (Accessed July 13, 2011); An Ipsos-Reid poll in April 2005 found that about 40% of Canadians felt China was a threat to world peace while 42% believed China will soon dominate the world. Information on the poll is available at <http://www.wilsoncenter.org/article/ipsos-reid-releases-poll-china>. (Accessed July 13, 2011); And in July 2006 in an Ipsos-Reid poll 68% believed the Chinese economy will surpass the American within a decade. As quoted in the *Edmonton Journal*, 10 July 2006. Available at: http://www.canada.com/story_print.html?id=3a2066bb-2005-47f3-90cb-4b311e342ce8&sponsor= (Accessed July 13, 2011).

On growing anxieties about China's rise:

From the Lowy Polls:

- In 2010 and 2011, 57% of Australians felt that there was too much Chinese investment in Australia compared to 50% in 2008.
- In 2011, 65% felt that China's aim is to dominate Asia, down from 69% in 2010 and up from 60% in 2008.
- In 2010, 46% believed China would become a military threat to Australia within 20 years, up from 41% in 2008. In 2011 the percentage raised further to 55%.¹⁶
- In 2011, about 60% trusted China to act responsibly in the world, the same figure as 2006.
- In 2011, 50% agreed that Australia should join forces with other countries to limit China's influence (down from 5% in 2010), with 47% disagreeing. They remained similarly split about whether the United States should give China a larger say in regional affairs, with 46% agreeing (steady with the 45% in 2010) and 47% disagreeing.

From the BBC survey:

- In 2011, negative views about China's growing economic power rose in every G8 country and are the majority position in all but the UK and Russia. In Canada in 2005 the number assessing China's economic rise positively was 53%; in 2011 it was 34%. The most positive views were in Africa.¹⁷
- In 2011, more than a third of respondents rated China's trade practices as unfair and, amongst China's largest trading partners, this ranged from 70% in Japan, 58% in Germany to 39% in Canada. Canadians rated the U.S. about the same.
- In 2011, 79% of Americans and 82% of Canadians—a much bigger proportion than the 55% global average—are concerned about the rise of Chinese military power. The trend has worsened since 2005, particularly in Canada where only 70% felt this way in 2005.

Increasing negativity about China elsewhere in the world is found in a host of other studies. A December 2010 poll in Japan revealed that less than 19% of Japanese reported friendly feelings about China and only 8% described the Sino-Japanese relationship as good.¹⁸

From the APF Canada polls:

- In 2004, only 23% of Canadians felt that the growing importance of China as an economic power is more of a threat for Canada than an opportunity. In 2006 this grew to 38%.¹⁹ The same issue was worded slightly different in the 2008, 2010 and 2011 polls which reversed the questions and asked whether China was more of an opportunity than threat. The trend was similarly negative. Those who saw China as an opportunity fell from 60% in 2009 to 48% in 2010 and rose only slightly to 43% in 2011.²⁰
- On human rights, the percentage of Canadians who felt that the human rights situation in China is better now than 10 years before has vacillated between 49% in 2004, 63% in 2006, 36% in 2008, 47% in 2010, and 45% in 2011.²¹
- On the rise of Chinese military power, the percentage of Canadians who feel it to be a threat rose from a low of 52% in 2006 to 64% in 2008, 58% in 2010 and back to 60% in 2011.²²

16 The two principal reasons cited for the concern were that the US and China would come into conflict and draw Australia into it; and that China would invade Australia to secure land and resources.

17 A Pew study in 2007 found that while China was viewed favourably in Asia, in Canada 52% saw it favourably in 2007 as compared to 58% in 2005. See: The Pew Global Attitudes Project, June 2007 at <http://pewglobal.org/2007/06/27/global-unease-with-major-world-powers/>. (Accessed July 13, 2011).

18 "Public's Affinity for China Drops to Record Low 20%: Survey," *Japan Times*, 19 December 2010. Available at <http://search.japantimes.co.jp/cgi-bin/nn20101219a6.html>. (Accessed July 13, 2011); A very useful English-language archive of the findings from Northeast East Asian surveys is the Mansfield Asian Opinion Poll Database accessible at: <http://www.mansfielddn.org/polls/index.htm>.

19 Parallel surveys in 2004 and 2006 of 300 Asia practitioners in Canada with significant professional experience related to Asia were considerably more positive. In 2004, only 9% agreed with statement that China was more of an economic threat than opportunity and by 2006 that figures was still only 19%.

20 A question posed in 2008 produced a significantly more positive assessment of the value of bilateral trade. 43% thought it would generate jobs and 50% thought it would reduce jobs. The parallel poll of Asia practitioners in Canada found a more positive assessment with 56% seeing job creation and only 20% job losses. 82% of Asia practitioners felt increased Canada-China trade would mostly help Canadian consumers, as did 73% of the general public. And, separately, Pew 2007 found that 50% of Canadians felt that China's growing economy was a good thing and 41% a bad thing (up from 34% in 2005).

21 Ipsos-Reid 2005 found that 61% don't believe China will soon be a true democracy and 52% think we should "not reward" China with expanding diplomatic and trade relations as this country still has a terrible record of human rights abuses.

22 Pew 2007 found that 66% of Canadians felt that the growing military power of China was a good thing as compared to 66% who saw it as a bad thing.

- On food and product safety, in 2008 fewer than 20% of Canadians felt that imported food and manufactured products from China are as safe or of better quality than those from other developing countries. And in the 2011 survey only 12% of Canadians believed that Chinese food products are of high quality and only 28% believed that manufactured goods from China are of high quality.²³
- On Chinese outward investment and control of Canadian companies, in 2010, 82% stated concern about the prospect of a Chinese company taking control of a major Canadian company compared to only 42% with a similar concern about a takeover by a company from the U.K.

These aggregate figures hide significant regional differences. Respondents living in Western Canada are generally more positive about China's economic impact and more open to immigration and investment from Asia. Albertans stand out as being the most open to China economically at the same time they place the greatest emphasis on human rights and democracy promotion as policy priorities.²⁴

Polls reveal some of the same concerns that frequently arise in talk shows, op eds. and the blogosphere. Public anxieties place limits on how deeply any government can embrace a China that is different in values, history and power. The Australian findings indicate similar apprehension in a context where China is its largest trading partner and the government has taken extraordinary measures to deepen public understanding of China.

Conservative policy not only reflects negativity about China, but to some extent has shaped it. It has not attempted to justify or explain the foundation of its positions nor tried to help Canadians understand internal dynamics within China.

Going Forward: Engagement in a Minor Key?

On June 29th in the first speech on China (and foreign policy) since the Conservatives won a majority government in the May 2011 election, the new Minister of Foreign Affairs, John Baird, emphasized that China is "a clear priority for our government and economy." He stated that the government is committed to "continued and sustained high-level engagement with China," and that the relationship is at "a high water mark." He reminded the audience of 40 ministerial visits to China since 2006 and addressed issues related to law enforcement, legal cooperation, impediments to business, air transport, tourism, education, people-to-people engagement and commercial relations. Upbeat in tone, he ended with an unprecedented request for advice on further steps that could be taken to upgrade the relationship.²⁵

Canada may no longer be what Premier Zhu Rongji described in 1998 as "China's best friend in the whole world," but nor is the relationship one consular case or one diplomatic incident away from a rupture. While there remain a host of bilateral issues to be resolved or managed, there is sufficient cordiality and personal chemistry at top levels to support functional cooperation on many of them. The government is again "doing" relationships, though with less flamboyance and imagination than its predecessors.

2005 Redux?

If close to the traditional approach, Conservative China policy has some distinctive features. The overwhelming focus is bilateral economic issues; it encourages multiple levels of commitment but provides no new resources and little leadership; and it does not define an integrated strategy for connecting China to broader regional and global security matters or an emerging institutional architecture.

23 Angus Reid Strategies found in 2007 that 62% of Canadians want to see an outright ban on Chinese products until China establishes stricter controls and safety regulations. Available at: <http://www.visioncritical.com/public-opinion/4457/2007-09-18-chinese-goods-press-release-pdf/> (Accessed July 13, 2011).

24 For more detail and an assessment of the policy implications, see Paul Evans, "Road to Beijing Runs through Alberta," *The Edmonton Journal*, 18 February 2009, available at: <http://www2.canada.com/edmontonjournal/news/ideas/story.html?id=1dea1ba1-5aad-4a8c-84c3-da5b5fa05de6&p=1> (Accessed July 13, 2011).

25 A summary of the speech is available on the Canada China Business Council website: <http://www.ccbc.com/CanadasForeignAffairsMinisterCallsStrengthen/tabid/350/language/en-CA/Default.aspx> (Accessed July 13, 2011).

It is engagement in a minor key and, as yet, a strategic partnership without a strategic dimension. How is China a priority in comparison to other priorities in the Americas, Europe and Asia, especially India and Japan? How to do this in a domestic context where anxiety is rising about China's ability to manage an encyclopedic range of internal problems, and appears to be more assertive in regional and world affairs?

Canada is back to the starting line at a time that other countries have been more determined, innovative and pro-active in developing their presence in China. Here Australia remains our best comparator. In April 2010, then Prime Minister Rudd called for "a deeper, textured understanding of the China in the 21st century" and the need for a New Sinology to underpin it. "A *zhengyou*, or true friend," he said is "a partner who sees beyond immediate benefit to the broader and firm basis for continuing, profound and sincere friendship." He called for Australia and China to "develop the language and the demeanour for a more sophisticated way of talking to and about each other." This demands a layered approach, a serious commitment of time and resources, and serious study.²⁶

There are two areas where a majority Conservative government must clarify and advance its own version of Rudd's "layered approach."

The first is putting strategic meat on the bones of a strategic partnership. Getting China right depends upon understanding its domestic, regional and global contexts. The defining issue in Asia Pacific security is the rise of China and the implications that this has for American power and primacy. Senior Canadian officials have been virtually silent on key security issues in Northeast Asia, Sino-Indian rivalry, and the management of difficult issues in the South China Sea, the Korean peninsula, and the weaponization of space. Equally important, Canada has been sitting on the sidelines in the regional institutions of which it is a part and is unconnected to the new ones that are being formed including the East Asia Summit process and the Trans-Pacific Partnership. Derek Burney makes the key point that "Standing aloof may give us the privilege of neutrality, but would more likely confirm a position of continuing irrelevance."²⁷

Strategy matters to China. Its Canada watchers frequently ask whether Ottawa has one. In Shanghai in November 2010, senior Chinese officials and academics analyzed the question of why China turned to Canada in 1968 as the choice of negotiating partner. Based on unprecedented access to the MFA files they found the answer in exchanges between Mao, Zhou Enlai and the senior leadership. Canada was of interest because it was close to the United States, somewhat independent of the United States, and thought in terms larger than immediate commercial relations. Pearson was on to this bigger strategic possibility after the Korean war. It informed Alvin Hamilton's thinking after he pioneered the wheat sales. Trudeau saw an opportunity to alter the Cold War by getting China into international institutions. Later Brian Mulroney and Jean Chretien saw the virtues of opening the world economy to China. And Paul Martin took this one step further in seeing engagement as creating an institutional architecture that moved China and other emerging countries from the periphery to centre stage.

It remains to be tested whether Canada still has the reservoir of goodwill, the imagination, the knowledge or the capacity to reprise and revise the Middle Power role of an earlier period. But there are issues and moments when something bigger than immediate bilateral advantage come into play. We can think of energy as a bilateral commercial matter or we can see it as an entry point into fundamental issues of energy security and conservation that are key to building a rules-based international system.

Second, the case needs to be made anew for 'why engagement?' Under previous governments the case was built on economic and strategic pillars, but also on a moral one. Trudeau embraced a form of moral relativism that did not lead him to desire to change China so much as live with it and open

26 Kevin Rudd, "Australia and China in the World," 2010 Morrison Lecture delivered in Canberra at the Australian National University, 23 April 2010. A podcast of the Prime Minister's lecture is available at: http://asiapacific.anu.edu.au/podcasts/20100423_Morrison-Lecture.mp3 (Accessed July 13, 2011).

27 Derek Burney, "Canada Must Outgrow its Juvenile Relationship with China," *Globe and Mail*, 11 April 2009. Available at: <http://v1.theglobeandmail.com/servlet/story/RTGAM.20090409.wcoessay0411/business/Business/Business/> (Accessed July 13, 2011).

possibilities for better international behaviour. Brian Mulroney and Jean Chretien both saw opening China's economy as a necessary precondition for reducing international tensions and inducing domestic political change. Paul Martin emphasized a new international architecture as a way of deepening China's commitment to international practices and standards.

Making the moral case for engagement is extremely difficult in an era in which authoritarian rule in China shows no sign of easy or early relaxation, in which China is increasingly complex and internally conflicted, and in which the growth of Chinese influence brings into question the very idea of universal values. Canadians need to be prepared for a time when *our* institutions are no longer *the* international institutions, when our role is comparatively less important, and when the affirmation of universal values is replaced by a search for shared ones.

It is also particularly difficult for a Conservative government that for ideological reasons detests Chinese communism and feels morally superior to it. It needs to explain to its party base the rationale for own form of engagement. It took the moral high ground of a principled foreign policy but beyond rhetorical exhortation did very little to act on it save for continuing projects already in motion.

To change China or to live with it? It will take wisdom, knowledge and political courage to flesh out the strategic partnership and recast the Canada-China narrative. This in turn will depend upon a more open policy process that again mobilizes intellectual talent and practical expertise to give us a chance at getting global China right.

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