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#### Master of Defence Studies

#### Even Dief' Sold Wheat: An Assessment of Stephen Harper's China Policy

## By/par

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#### ABSTRACT

The weak legitimacy of the Chinese Communist Party (CCP) owing to 25 years of market reform and the opening of the country to the world economy has radically transformed the Chinese society. The leaders of the CCP have a sense of vulnerability that if left unchecked, could cause what Susan Shirk refers to as "wag the dog" effect whereby the CCP leadership mobilizes domestic support through artificial crisis. It has also opened the door to an academic exercise of identifying potential vulnerabilities and theorizing where Canada could place itself to advance its own national interests.

Using the Strange Analysis, developed by Dr Joseph Strange of the United States Marine Corps War College, this paper will attempt to address how the Canadian government could approach the management of value differences between two countries with vastly different yet entwined economic models.

This paper will demonstrate that despite a lack of a formal China policy, Prime Minister Harper's focus on trade has resulted in the proper intersection point of priorities and realities on Canada's international front. Political reform in China will never be realized through international political pressures, public shaming and diplomatic snubbing, especially from an international lightweight like Canada. Real change will come from within China.

The advancement of trade and continuous slow and steady pressure to make China conform to international norms will ultimately set the stage for the people of China. To paraphrase Susan Shirk, overplaying the human rights issues, undercuts the many voices of the Chinese population who advocate a cooperative relationship with the West by casting doubt on their patriotic credentials.

Stephen Harper's policy reversal and the subsequent re-balancing of his China Policy has now positioned Canada to simultaneously manage value differences and still advance the national interests through trade and small aid programmes. By advancing conformity through trade regulation and attempting to force China into legalized agreements with the required enforcement mechanisms, Stephen Harper will be able to use this leverage and still pursue democratic reform and the advancement of human rights.

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#### **INTRODUCTION**

Follow whatever course of action is necessary to maintain the highest possible level of international trade.<sup>1</sup> Lester B. Pearson

With the crushing force of the global financial crisis and its impact on domestic policy, Canadian Prime Minister Stephen Harper was forced in late 2009 to reconcile the interests of Canada's private sector and the Conservative Party's tough stance on China. Harper's recent reversal on his initial strategy had the stated effect of ending what has been termed as "cool politics, warm economics" and reinvigorated a relationship based on "mutual interests rather than common values."<sup>2</sup> This policy reversal brought into sharp relief the concept that economic security of Canadians had priority over the human rights of foreigners.<sup>3</sup>

If nothing else, Stephen Harper has once again made these interesting and exciting times to be discussing Canada's political relations with China. As Bruce Gilley states, Canada has reentered an era in politics in which "old alignments and assumptions [regarding China] are being questioned and new ones put onto the table."<sup>4</sup>

It is recognized that on a global scale, Canada's trade with China is relatively minor;

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<sup>&</sup>lt;sup>1</sup> Andrew Cohen, *While Canada Slept: How We Lost Our Place in the World* (Toronto: McClelland & Stewart Ltd, 2003) 107.

<sup>&</sup>lt;sup>2</sup> Paul Evans, "Harper in China" The Star, 3 December 2009 available from <u>http://www.thestar.com/comment/article/737389;</u> Internet; accessed 24 January 2010.

<sup>&</sup>lt;sup>3</sup> Andrew F. Cooper, *Canadian Foreign Policy: Old Habits and New Directions* (Scarborough: Prentice Hall Allyn and Bacon Canada, 1997) 122.

<sup>&</sup>lt;sup>4</sup> Bruce Gilley, "Reawakening Canada's China Policy" Library of Parliament Seminar Series, March 2007, 121.

however, this policy reversal could act as a small cog in the even bigger wheel of international relations and the advancement of human rights within China. The weak legitimacy of the Chinese Communist Party (CCP) owing to 25 years of market reform and the opening of the country to the world economy has radically transformed Chinese society. The leaders of the CCP have a sense of vulnerability that if left unchecked, could cause what Susan Shirk refers to as a "wag the dog" effect whereby the CCP leadership mobilizes domestic support through artificial crisis.<sup>5</sup> It has also opened the door to an academic exercise of identifying potential vulnerabilities and theorizing where Canada could place itself to advance its own national interests.

This paper will examine a fundamental foreign policy problem that the Conservative party has been struggling with since winning a minority government in 2006. When formulating a foreign policy, what is the right balance, in terms of national interests, between the projection and concession of values in order to secure economic opportunities? Using the Strange Analysis, developed by Dr Joseph Strange of the United States Marine Corps War College, this paper will attempt to address how the Canadian government could approach the management of value differences between two countries with vastly different yet entwined economic models.

The case in point for Canada is its relationship with the People's Republic of China and specifically the CCP. Prime Minister Harper must assess the potential opportunities that China represents to Canada embodied by its growing role in the world economy and corresponding social, political, and environmental challenges. Until recently, Stephen Harper and his inner corps of advisors had viewed the advancement of human rights and the promotion of trade as two

<sup>&</sup>lt;sup>5</sup> Susan Shirk, *China: Fragile Super Power* (Oxford: Oxford University Press, 2007) 255.

mutually exclusive objectives with China. This was a significant step back from the "strategic partnership" and former Chinese President Jiang Zemin's affirmation that Canada was an "old friend" to China.<sup>6</sup>

China's rapid development over the last two decades has put it on pace to overtake the United States as the world's largest economy by 2027 and will perhaps ascend to the position of world economic leader by 2050. Its economic growth has given it over two trillion dollars of international cash reserves, a growing middle class and incredible new found clout in the global economy.<sup>7</sup> There is little doubt that even though China is a nation that seeks to be a regional great power in Asia, its actions will shape and steer the cultural, political, social, and ethnic decisions made here in North America during the twenty-first century. The ramifications of this power shift have now thrust the issue of Canada's China policy to the forefront of foreign policy discussions here in Canada.

The domestic audience in Canada has vigorously debated Canada's China policy ever since the David versus Goliath images of a lone protester standing immovable before the tanks of the People's Liberation Army at Tiananmen Square in 1989. There exists a wide gamut of academic and political thought on this issue with pro-democracy and human rights activists at one end and pro-trade and big business at the other.

<sup>&</sup>lt;sup>6</sup> Jeremy Paltiel, "Canada in China's Grand Strategy" available from <u>http://www.canadianinternationalcouncil.org/resourcece/issueareas/chinaandem</u>; Internet, accessed 26 February 2010.

<sup>&</sup>lt;sup>7</sup> Barry Carin and Gordon Smith. "Working With China Towards a New International Institutional Architecture: A Strategic Partnership With Canada on Global Issues of Mutual Interest" available from <a href="http://www.canadianinternationalcouncil.org/resourcece/issueareas/chinaandem">http://www.canadianinternationalcouncil.org/resourcece/issueareas/chinaandem</a>; Internet, accessed 21 February 2010

On one end of the spectrum lie individuals, such as Immigration Minister, Jason Kenney and political scientist Charles Burton. These hard-liners lobby for the formulation of a China policy that utilizes public diplomacy aimed directly at the CCP in an effort to transform China politically into the Canadian paradigm of democratic norms and values.<sup>8</sup>

Charles Burton, in testimony to the Standing Committee on Foreign Affairs and International Trade, has the perception that China is a threat, engaging in economic espionage, and the intimidation of diaspora communities in Canada.<sup>9</sup> While it is also true that Dr. Burton has advocated for the increased coordination and language training for trade and diplomatic staffs to facilitate a soft power approach, he has also aggressively petitioned for a hard line with Beijing and an increased focus by national security and intelligence agencies on Chinese officials inside Canada.<sup>10</sup>

In the middle of the spectrum is Dr. Bruce Gilley of Princeton, who like the hard liners, would like to see China transformed into a democracy that emulates Canadian norms and values. Dr. Gilley however, is much more moderate in his approach. He sees Canada's role as a facilitator for the people of China. Through the use of development programs and aid, such as those currently delivered by the Canadian International Development Agency (CIDA), Dr.

<sup>&</sup>lt;sup>8</sup> Jeremy Paltiel, "Canada and China: An Agenda for the Twenty First Century: A Rejoinder to Charles Burton" *Canadian Foreign Policy*, Volume 15 No 2, 2009.

<sup>&</sup>lt;sup>9</sup> Charles Burton, Minutes of 39th Parliament, 2nd Session, Standing Committee on Foreign Affairs and International Development, Thursday April 17, 2008. available at<u>http://www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=3433712&Language=E&Mode=1&Parl=39&</u> Ses=2; Internet, accessed 16 January 2010.

<sup>&</sup>lt;sup>10</sup> Charles Burton, A Reassessment of Canada's Interests in China and Options for Renewal of Canada's China Policy, *Canadian International Council*, February 2009, 15.

Gilley's theorizes that Canada should "empower the Chinese people to decide on the nature and timing of their own democracy and rights development."<sup>11</sup>

Finally, at the other end of the spectrum, Minister of International Trade, David Emerson, and Dr. Paul Evans, Director of the Institute of Asian Studies at the University of British Columbia, are strong advocates of furthering Canada's aims through the establishment of positive political relationships at the most senior levels within China and quiet diplomacy. They look for modest and incremental changes in China's position while maximizing the ability to cement the underlying element in the Canada's China relationship – economics. Evans argues that it is trade, not geopolitics that "has been the tie that binds."<sup>12</sup> Trade Minister Emerson is of the opinion that establishing economic ties with China trumps other considerations and that the Conservative Party should not let "friction over human rights get in the way."<sup>13</sup> These are the moderates who would postulate that China's transition to a democracy will eventually occur as a natural by product of free market economics and that the Canadian government should pursue an aggressive trade policy to hasten this eventuality.

Canada has a long and rich history of accepting and acting upon its sense of international responsibility. Through its sacrifice of national treasure in two World Wars, its work on the development of the United Nations, and its Nobel Prize winning intervention in the Suez Crisis, Canada has built a solid reputation as an excellent international citizen. Canadians self-identify

<sup>&</sup>lt;sup>11</sup> Bruce Gilley, "Reawakening Canada's China Policy"..., 128.

<sup>&</sup>lt;sup>12</sup> Paul Evans, "Canada's Relations With China Emergent" *Canadian Foreign Policy*, Vol 1 no. 2, (Spring 1993) 24.

<sup>&</sup>lt;sup>13</sup> John Geddes and Jason Kirby, "Tories Deadlocked Over Canada-China Relations", *Maclean's Magazine*, 27 November 2006.

as international activists. They will tell you that they are a country that has traditionally been a positive force for good in the world.<sup>14</sup>

On the other hand, within China, it is the CCP's ability to retain its absolute power that truly structures and drives Beijing's foreign policies. China will publicly say that its main foreign policy objective is realization of its traditional self-perception as a "global power."<sup>15</sup> China describes itself as a "responsible power" yet until recently, it has maintained an insistence on being passive aggressive in the international community. It has used its power as a veto vote on United Nations Security Council resolutions to impose sanctions on Sudan as well as enable a peacekeeping force from entering the Darfur region. It has refused to concede to American-led sanction requests against North Korea over illegal nuclear weapons programs. As Adam Segal, Senior Fellow in China Studies at the Council on Foreign Relations, a United States policy think tank, states "their support of pariah states and undermining what the West is trying to do on human rights issues, is clearly not in our interests."<sup>16</sup>

However, as Shirk explains, these policy positions are nothing more than the CCP taking a pragmatic approach to securing the means to ensure rapid economic growth and avoid domestic instability within China.<sup>17</sup> The core goal of CCP foreign policy is economic growth.<sup>18</sup> This is

<sup>&</sup>lt;sup>14</sup> Hector Mackenzie, "Defining and Defending a Place in the World: Canada's Vital Interests in International Affairs" *Canadian Issues*, (Montreal: September 2002) 32.

<sup>&</sup>lt;sup>15</sup> Jeremy Paltiel, "Canada in China's Grand Strategy"..., n.p.

<sup>&</sup>lt;sup>16</sup> John Geddes and Jason Kirby, "Tories Deadlocked Over Canada-China Relations" ..., n.p.

<sup>&</sup>lt;sup>17</sup> Susan Shirk, *China: Fragile Super Power...*, 6.

<sup>&</sup>lt;sup>18</sup> Ashley J Tellis and Michael Wills, *Domestic Political Change and Grand Strategy* (Washington: The National Bureau of Asian Research, 2007) 30.

reinforced by Kenneth Lieberthal's assessment that China's international goals and ultimately, its Grand Strategy are shaped purely by domestic policies and internal CCP insecurities.<sup>19</sup>

For the past forty years, Canada's position with Beijing has been to slowly bring it into the international community and along the way, exploit the relationship for maximum economic benefit. The fundamental problem that faced the Tories in 2006 and continues to plague the Government of Canada today is "now that China is here in the international community, what does Canada and the West do with them?"<sup>20</sup>

Proponents of the hard liners, individual human rights activists and collective nongovernment organizations who track and/or investigate human rights abuses fully supported Stephen Harper's initial aggressive policy with respect to Beijing, while others in the business community have been quite vocal that this policy is costing Canadians in terms of trade.<sup>21</sup>

Victor Gao, a Beijing-based expert on international relations, argues there are enormous potential gains to be made if Canada can successfully engage with China. Prime Minister Harper however, needs "to apply the appropriate importance to the relations of our two countries."<sup>22</sup> In 2008, Canada exported \$10.3 billion worth of goods to China however, Canadian exports to China are positioned to double, triple, or even quadruple in the coming five to 10 years.<sup>23</sup> In other words, Canadian leadership requires a trade policy with the Chinese that effectively

<sup>23</sup> *Ibid.*, n.p.

<sup>&</sup>lt;sup>19</sup> *Ibid.*, 29.

<sup>&</sup>lt;sup>20</sup> Daniel Lahey, "Harper's China Policy: Principle or Folly?" *McGill Foreign Affairs Review*, Vol no. 1 (January 2009) 2.

<sup>&</sup>lt;sup>21</sup> *Ibid.*, 2.

<sup>&</sup>lt;sup>22</sup> CBC News, "Harper Urged to Talk Human Rights With China" available from <u>http://www.cbc.ca/world/story/2009/12/01/harper-china-visit.html</u>; Internet, accessed 25 January 2010.

balances the values-based domestic expectations of Canadians yet dovetails with the concessions required to maintain trade with the CCP and access to Chinese markets. Canadian companies have had an extremely hard time accessing Chinese owned resources such as precious earth metals, coal and liquid natural gas.

The Conservative government is now doing exactly this by pursuing a strategy in which Prime Minister Stephen Harper is no longer treating human rights and trade promotion as mutually exclusive ideals. Is this a sell out of putting profit over principle during a period of fiscal uncertainty in the face of a global recession? This paper will argue that in advancing a China policy that focuses first and foremost on trade, Canada will be able to concurrently advance the promotion of human rights and democracy. Harper has come to terms with the fact that the future of a trading nation such as Canada rests on its ability to secure strategic lines of international trade. In a modern post-Cold War world, foreign policy is rapidly blurring the lines of traditional political alliances and gravitating towards mutually beneficial economic relationships and trade policies.

The pursuit of trade is in no means a sell out of Canadian interests and ideals. The Harper government has re-adjusted its priorities in a fashion that is consistent with the traditional approach of how Canada balances foreign trade policy with domestic policy. Lester B. Pearson, a Canadian icon, noted for his diplomatic sensitivity and political acumen, strongly believed that first and foremost, Canada needed to trade to survive. The original key figure in Canada's "Golden Age of Foreign Policy" stated in a 1951 discussion paper on Canada's foreign policy that there was a longstanding fundamental need "to follow whatever course of action is necessary to maintain the highest possible level of international trade."24

It is therefore imperative that someone conducts a careful examination of how Canadian priorities and Chinese realities intersect. This paper will demonstrate that despite a lack of a formal China policy, Prime Minister Harper has finally found the proper intersection point of priorities and realities that will simultaneously manage value differences and advance the national interests of Canada.

The paper starts by situating the reader within the historical framework that has developed and defined the key tenets of Canada's foreign policy. It will offer the reader a post-war history of Canadian foreign policy and in particular the development of Canada's relationship with China. Historically speaking, Canadian foreign policy has both led and waned in terms of international leadership on the human rights agenda. Despite a noted absence in a declaratory policy, the prevailing principle in the practical application of diplomacy continues to be the quest for balance between human rights and the security of access to markets for Canadian goods.<sup>25</sup>

The second chapter picks up on this "quest for balance" theme and examines Stephen Harper's dual China strategy and the key influences or triggers for the late-2009 policy change. It will look at the concept of values and the dangers of advocating a values-based foreign policy at the expense of all other national interests, specifically trade.

The third chapter will then shift focus and examine the other side of the equation, namely the realities of the Chinese Communist Party and the impact on both its domestic and foreign

<sup>&</sup>lt;sup>24</sup> Andrew Cohen, While Canada Slept: How We Lost Our Place in the World,... 107.

<sup>&</sup>lt;sup>25</sup> Andrew F. Cooper, Canadian Foreign Policy: Old Habits and New Directions..., 122.

policy. It will examine the People's Republic of China, its governance and the power base of the CCP using the Strange Analysis as an analytical model in order to identify opportunities for Canadian exploitation in order to confirm the likely effectiveness of the Conservative government's informal China Policy.

The paper concludes that a foreign policy that places the emphasis on a long term strategic trade program will successfully and efficiently manage value differences between the two countries and concurrently advance the national interests of Canada.

#### **CHAPTER 1 - CANADIAN FOREIGN POLICY: HISTORICAL INFLUENCES**

It is only when we have reached agreement on concepts that we can hope to progress with clearness and ease and be assured of finding ourselves on the same platform with our readers.

Prussian military strategist Carl Von Clausewitz

The first chapter of this paper will address three critical questions in order to situate the reader with a historical reference and provide definition of key concepts. The first question to be addressed is, has Canada's foreign policy changed since the post-war period? Secondly, from a historical perspective, in the Canadian context, what has put values, more specifically human rights, into a collision course with the country's trade policy? Lastly, what are the defining moments in Canada's relationship with China during this post-war period?

In order to address these questions, one must return to first principles and provide definition and historical context to fundamental elements of Canada's foreign policy. First, this chapter will address the need to define what a foreign policy is in general, and then, a look at the historical basis of Canada's value based approach to foreign policy, including the role of the United Nations and the Universal Declaration of Human Rights and assess whether or not this created a tension with Canadian trade policy. Finally, this chapter will conclude with a historical overview of Canada's foreign policy efforts with China, specifically in the early development of a trade policy.

Even though it will be argued that Canada's modern foreign policy has its roots in the late 1940s, the logical starting point of Canada's historical interplay with China is its formal recognition of China in 1970. The value in looking past 1970 would be questionable as it has been argued that Canada's policy towards the Maoist regime of was an "aberrant policy driven by some combination of Washington Cold war sentiments and ignorant misunderstandings.<sup>26</sup> Therefore, for the purposes of this discussion, any reference to post-war war period is referring to a time period starting with the 1970s. Accordingly, the examination of the Canadian government's foreign policy will begin with same period.

# A RETURN TO THE FUNDAMENTALS

When referring to the subject, almost all undergraduate level political science textbooks will come to a general consensus that a country's foreign policy, also known as an international relations policy, is the ruling government's set of policies, guidelines, decisions and actions outlining how that specific country will interact with another country or countries.<sup>27</sup>

Foreign policies are designed to simultaneously help defend or enrich a country's national interests, national security, ideological goals, and economic prosperity while maintaining its sovereignty. It is crucial to note that the foreign policy of a nation is arrived at through the deliberate methodology of a government wanting to engage in peaceful cooperation with other nations, or through coercion. Coercion, or as Thomas Schelling refers to it, "compellence" is an instrument of statecraft at the highest levels which implies the entire gamut of foreign policy options of the state are potentially in play.<sup>28</sup>

Broadly speaking, international relations theory attempts to provide a conceptual paradigm upon which foreign policies of nation states can be analyzed. Ideally a foreign policy will broadly encompass all international arenas and all economic, politic, social and military

<sup>&</sup>lt;sup>26</sup> Bruce Gilley, "Reawakening Canada's China Policy"..., 122.

<sup>&</sup>lt;sup>27</sup> Joseph Frankel, *The Making of Foreign Policy: An Analysis of Decision Making* (London, Oxford University Press, 1963) 1.

<sup>&</sup>lt;sup>28</sup> Thomas C Schelling, Arms and Influence (New Haven and London: Yale University Press, 1966) 70-72.

interactions. These interactions are assessed, quantified and qualified in an effort to maximize the benefits of multilateral international cooperation to the state.<sup>29</sup>

International relations theories which focus on a principally state-level analysis are referred to as "positivist/rationalist" theories. The two most prevalent theories in international relations and foreign policy schools of thought are "Realism" and "Liberalism". The study of international relations is best understood as a see-sawing battle between the realist and the liberal.<sup>30</sup>

While realism emphasizes the lasting inclination for conflict between states, liberalism seeks to identify several means to mitigate these conflictive tendencies. John Locke is often credited with the foundations of modern liberalism. Taking its roots from the Latin *liberalis*, "of freedom; worthy of a free man, gentlemanlike, courteous, generous", Locke saw it as the belief in the importance of individual freedom. He wrote "no one ought to harm another in his life, health, liberty, or possessions."<sup>31</sup> As Charles W. Kegley, Jr defined it, liberalism is predicated on the "application of reason and universal ethics to international relations". It is the belief that international organizations and laws can "lead to a more orderly, just and cooperative world."<sup>32</sup>

One line of liberal thought argued that trade and economic interdependence would dissuade states from the threat of using force against each other because conflict would threaten each side's wealth. US President Woodrow Wilson spawned a second line of liberal thinking

<sup>&</sup>lt;sup>29</sup> Charles Kegley Jr. World Politics: Trend and Transformation (Boston: Thomas Wadsworth, 2009) 59.

<sup>&</sup>lt;sup>30</sup> Stephen Walt, "International Relations: One World, Many Theories," *Foreign Policy*, no. 110 (Spring 1998) 29.

<sup>&</sup>lt;sup>31</sup> John Locke, Two Treatises of Government, available from <u>http://www.gutenberg.org/dirs/etext05/trgov10h.htm;</u> Internet, accessed 15 January 2010

<sup>&</sup>lt;sup>32</sup> Charles W Kegley, World Politics: Trends and Transformations..., 25.

with his notion that the spread of democracy was the key to world peace. The premise was that democratic states were inherently more peaceful than authoritarian states. A third, more recent theory posited that through the use of enduring cooperation, key international institutions such as the International Energy Agency and the International Monetary Fund could help overcome potentially destructive self-seeking state behaviour, by encouraging states seek benefits for the greater good of humanity.<sup>33</sup>

Canada is a nation that emboldens the concept that its foreign policy is driven by the ideals of liberal internationalism.<sup>34</sup> Historically speaking Canada has clearly demonstrated its desire to engage in peaceful cooperation with other nations and accordingly, it has exercised a foreign policy that has its roots firmly entrenched in multilateralism and the guiding concepts of the United Nations.

## **POST-WAR FOREIGN POLICY**

Since the post war period, it is clear that Canada has pursued these liberal ideals and has consistently advocated for universally recognized and widely accepted human rights.<sup>35</sup> Canada consistently voiced its support and advocacy for the protection of human rights and the advancement of democratic values, from its pivotal role in the drafting of the Universal Declaration of Human Rights in 1947 and 1948 to our work at the United Nations today.<sup>36</sup>

<sup>&</sup>lt;sup>33</sup> Stephen Walt, "International Relations: One World, Many Theories," ..., 31.

<sup>&</sup>lt;sup>34</sup> Bruce Gilley, "Reawakening Canada's China Policy"..., 121.

<sup>&</sup>lt;sup>35</sup> Andrew F. Cooper, Canadian Foreign Policy: Old Habits and New Directions..., 122.

<sup>&</sup>lt;sup>36</sup> Department of Foreign Affairs and Trade, "Canada's International Human Rights Policy" <u>http://www.international.gc.ca/rights-droits/policy-politique.aspx?lang=eng;</u> Internet; accessed 4 January 2010.

Canada was actively involved with the United Nations, commencing with its foundation at the San Francisco Conference of 1945 and playing a key role in drafting the original UN Charter. As the former Canadian Ambassador to the United Nations, Stephen Lewis, once highlighted, Canadians "have a lasting and visceral commitment to multilateralism which is ingrained and endemic to the Canadian character."<sup>37</sup> It was after all the United Nations, the institution which perhaps best embodies the concepts of multilateralism, which gave to Canada one of its most important and defining tenets – the concept of the human rights.

Whether it was calls for human rights and development assistance at both the Commonwealth Summit and La Francophonie in 1991 or the assistance to Haiti following the Aristide coup that same year, the Government of Canada has demonstrated a willingness to assume positions of international leadership with respect to human rights. The Government has assumed these highly visible leadership roles in order to push the agenda for international institutions to codify the principle of human rights so that other nations will also attest to this in the international arena. George MacLean has noted in his "Canadian Foreign Policy: Values, Interests and Principles", ideologically speaking, Canadian foreign policy is really a reflection of its core societal values so it is no wonder that the Canadians have pursued these international leadership opportunities.<sup>38</sup>

<sup>&</sup>lt;sup>37</sup> Tom Keating, "Multilateralism and Canadian Foreign Policy" *Canadian Defence and Foreign Affairs Institute*, available from <u>http://www.cdfai.org/PDF/Multilateralism%20and%20Canadian%20Foreign%20Policy%20-</u> A%20Reassessment.pdf; Internet; accessed 13 November 2009.

<sup>&</sup>lt;sup>38</sup> George MacLean "Canadian Foreign Policy: Values, Interests and Principles" *Hungarian Institute of International Affairs* (Budapest, 2009) 3.

However, when it comes to China and the human rights issue, the Government of Canada tends to reprioritize its values. The government has consistently continued to exercise actions that were critical of Chinese domestic policies but never in a way that would jeopardize trade and commercial links. Even following the June 1989 Tiananmen Square debacle, Canada's punitive actions were limited and mostly symbolic.<sup>39</sup>

It is therefore, of little surprise to any student of Canadian politics or history, that Stephan Harper has been inconsistent in his pursuit of a meaningful dialogue on human rights with Hu Jintao, General Secretary of the CCP and the President of the People's Republic of China.

Historically speaking, Canadian foreign policy has for many years been formulated and practiced in, around and through multilateral processes and institutions such as the United Nations. As University of Alberta's Tom Keating aptly notes, "Canada has earned a reputation as an inveterate 'joiner'" and as one of the most 'well-connected' countries in the world."<sup>40</sup> Consecutive Canadian governments dating back to Diefenbaker have taken pride in Canada's involvement in multilateral institutions such as the United Nations as way of furthering the country's national interests, national security, and economic prosperity.

As explained by the Department of Foreign Affairs and International Trade website, the UN Charter and customary international law compels all signatory nations, to which China is

<sup>&</sup>lt;sup>39</sup>Andrew F. Cooper, Canadian Foreign Policy: Old Habits and New Directions..., 123.

<sup>&</sup>lt;sup>40</sup> Tom Keating, *Multilateralism and Canadian Foreign Policy: A Reassessment...* 1.

one, the responsibility to promote and protect human rights. This is a two-fold covenant that is not simply a question of values. Firstly, it is a mutually binding obligation of all members within the international community. Secondly, it is a domestic responsibility of a state towards its citizens.<sup>41</sup> It is the apparent disregard by the Chinese Communist Party to adhere to the UN Charter and customary international law with respect to these domestic obligations that is the source of the tension in Canada's relationship with China.

The Universal Declaration of Human Rights is extremely important for Canadians because it has provided the country with a structure of human rights goals and principles to which Canadian legislation, institutions, and society can aspire. The concept of universality of human rights is in fact one of the fundamental core societal values to which George MacLean refers to. Since the Canadian government signed the Universal Declaration of Human Rights in 1948, it has been very successful in incorporating universal human rights into every applicable aspect of both Canadian law and the shaping of the country's foreign policy.<sup>42</sup>

## THE INFLUENCE OF LOUIS ST. LAURENT

Canadian political history, starting with Louis St Laurent, has demonstrated that a foreign policy strategy must enjoy a high level of acceptance by political leaders of all persuasions and indeed the general public. It must have a clear conception of the state's interests and values and must convey a unity of purpose that includes both clarity and predictability.<sup>43</sup>

<sup>&</sup>lt;sup>41</sup> Canada's International Human Rights Policy, Department of Foreign Affairs and International Trade, <u>http://www.dfait-maeci.gc.ca/rights-droits/policy-politique.aspx?lang=eng</u>; Internet; accessed 16 January 2010.

<sup>&</sup>lt;sup>42</sup> Canadian Human Rights Commission, <u>http://www.chrc-ccdp.ca/about/default-en.asp;</u> Internet; accessed 16 January 2010.

<sup>&</sup>lt;sup>43</sup> St. Laurent, Louis D. *The Foundations of Canadian Policy in World Affairs*, Duncan & John Gray Memorial Lecture, (Toronto: University of Toronto Press, 1947) 23.

In a speech that was delivered more than 60 years ago, then secretary of state for external affairs, Louis St. Laurent became the first Canadian foreign minister to go on record with the principles upon which Canada's relations with the global community would be cemented. In a keynote address to the University of Toronto and commonly referred to as the "Gray Lecture", St. Laurent implemented a major change in the direction of foreign policy.<sup>44</sup>

When Louis St Laurent delivered the inaugural John and Duncan Gray Memorial Lecture, "The Foundations of Canadian Policy" at the University of Toronto on 13 January 1947, he laid the foundation upon which Canada should conduct its foreign affairs in the future. His speech outlined five underpinning principles he believed should be adopted when developing our Canadian foreign policy. The fourth principle St Laurent advocated for was that Canadian foreign policy could be "neither consistent nor coherent unless rooted in 'human values.'"<sup>45</sup> It is this principle that appears to be providing the conceptual framework for Canada's current approach to relations with Beijing.

St. Laurent argued that there are three universal truths which define "Canadian values". Firstly, Canadians place an "emphasis on the importance of the individual". Secondly, in the conduct of human relations, moral principles are *primus inter pares* with Canadians. Thirdly, Canadians have a "standard of judgement which transcends mere material well being".<sup>46</sup> St. Laurent admonished that government, in asserting Canada's role in the world order through foreign policy, must exhibit these three guiding principles.

- <sup>44</sup> *Ibid.*, 23.
- <sup>45</sup> *Ibid.*, 23.
- <sup>46</sup> *Ibid.*, 24.

There is an obvious correlation between St. Laurent's principle of a policy based on human values and the third pillar of the current Conservative government's policy of "the promotion of values and culture." Canadian efforts in ensuring the protection of human rights through international law are equally consistent with St Laurent's fourth principle, that being the fact that "no foreign policy is consistent or coherent over a period of years unless it is based on some conception of human values."<sup>47</sup>

The inclusion of human values perhaps stems in part from St. Laurent's own religiosity but more importantly in a political sense, it was an affirmation of the Canadian position in the immerging Cold War between the East and West. Between 1945 and 1990, the division of the world into two powerhouses with stability ensured by the principal of mutually assured destruction led to a clearly defined international order. There was nothing contentious or spectacular about Canadian foreign policy as it was primarily defined by basic security relationships and alliances that clearly articulated the Government's position with respect to the Warsaw Pact countries.

This predictability with regards to international relations and Canada's policy positions was shaken with the election of the Liberal Party under the leadership of Pierre Elliot Trudeau in the 1970s. This new Liberal government was far more concerned with developing and implementing a foreign policy that was first and foremost concerned about fostering economic growth in Canada at the expense. This is a theme that the Liberal Party of Canada would continue as will be demonstrated later in this paper.

<sup>&</sup>lt;sup>47</sup> D.R. Sanschagrin's "Values and Interests in Canadian Foreign policy: A Social Psychological Perspective" NSP 9, Canadian Forces College, 13.

Although Brian Mulroney's Conservative government will forever be remembered due to two significant initiatives, the Goods and Service Tax and the Free Trade Agreement, Mulroney, with the benefit of assistance from his secretary for external affairs Joe Clark, was arguably one of the most active prime ministers pursuing a "moral foreign policy" championing the values of both free markets and individual liberties. Mulroney defended the use of force in humanitarian intervention and led the nation to war in the Gulf in 1991. He had a personal interest in children's rights and was determined in pushing the agenda as seen in Canada's participation on the Convention on the Rights of the Child (1989).

To paraphrase Kim Nossal, Head of the Political Science department at Queens University, Mulroney's disgust of apartheid in South Africa and the fervour which was brought towards developing Canada's position against it, was a tremendous demonstration of a "values based foreign policy".<sup>48</sup> As Nossal points out, Mulroney broke with the policy position traditionally held by Canada and demanded a more activist role in "pushing governments to observe human rights and good governance."<sup>49</sup>

This is significant as there is a direct nexus to Canada's current approach to international relations. As renowned academic and Conservative Party political insider Bob Plamondon observed in a 2007 interview with Golden Lake Institute, former Prime Minister Brian Mulroney had an enormous effect on the grooming of Stephan Harper and thus impacted the shaping of

<sup>49</sup> *Ibid.*, 81.

<sup>&</sup>lt;sup>48</sup> Kim Richard Nossal, "The Mulroney Years: Transformation and Tumult" Policy Options, June 2003, 80.

Harper's approach to international affairs.<sup>50</sup> As Plamondon explained it, Brian Mulroney is the elder statesman of party and that Stephen Harper "may rely on Mulroney more for his insight on international affairs than Quebec."<sup>51</sup> Plamondon further remarked that at a banquet honouring Mulroney's leadership in supporting the independence of Yugoslavia, Harper spoke glowingly about the contributions Mulroney continues to make to the country and the advice he very much cherishes from him.<sup>52</sup>

Even Harper's short tenured predecessor, Paul Martin tabled "A Role of Pride and Influence in the World". This policy document continued the historic trend and called for the advancement of core Canadian values including the pursuit of democracy and human rights and advances "the concerns of people who seek freedom, stability and democracy."<sup>53</sup> Although the Harper government's foreign policy has purposefully not been explicitly stated in any white paper, there are some striking similarities to Martin's "A Role of Pride and Influence in This World." <sup>54</sup>

To summarize, this paper has thus far looked at the post-war period in order to demonstrate the historical foundations of Canada's foreign policy. Consistent throughout this

<sup>&</sup>lt;sup>50</sup> Bob Plamondon Interview available at <u>http://www.harperindex.ca/ViewArticle.cfm?Ref=0089</u>; Internet, accessed 15 January 2010.

<sup>&</sup>lt;sup>51</sup> *Ibid.*, n.p.

<sup>&</sup>lt;sup>52</sup> Bob Plamondon is one of the leading authorities on the inner workings and history of the party. For more see **Full Circle: Death and Resurrection in Canadian Conservative Politics** (Key Porter Books) 2006

<sup>&</sup>lt;sup>53</sup> Colonel D.R. Sanschagrin's "Values and Interests in Canadian Foreign policy: A Social Psychological Perspective"... 13.

<sup>&</sup>lt;sup>54</sup> Department of Foreign Affairs and International Trade, <u>http://www.international.gc.ca/rights-droits/policy-politique.aspx?lang=eng;</u> Internet, accessed 30 March 2010.

timeframe is the recurring theme of human rights as one of the principle tenets of Canadian foreign policy. There is no doubt that this has shaped and influenced the expectations that Stephan Harper has of Canada within the international community. This does not however offer the granularity required to put forward a substantive critique of Stephan Harper's current China Policy.

As has been demonstrated by this historical review, the values tradition within Canadian culture is a constraint on the Prime minister because of China's human rights record. To paraphrase Paul Evans, CEO of the Asia-Pacific Foundation of Canada, because of the Canadian public's deeply ingrained sense of values, there will always be constraints on the depth and range of Canada's China policy.<sup>55</sup>

Despite a 1982 constitution that supposedly guarantees Chinese citizens "freedom of speech, of the press, of assembly, of association and of demonstration", China's human rights abuses include its liberal use of capital punishment, forced abortions, the social status of Tibetans, and the imprisonment of academics and political activists who publicly criticize CCP policy. <sup>56</sup>

When it comes to Canada's foreign policy and international affairs with China, the Prime Minister is expected to formulate a policy that optimizes economic prosperity for the country and yet still projects Canadian values, no matter if these are sometimes ill defined.

<sup>&</sup>lt;sup>55</sup>Paul Evans, "Canada, Meet Global China", International Journal, (Spring 2006) 290.

<sup>&</sup>lt;sup>56</sup> Human Rights Watch, *China: Scholars, Writers Press for Liu Xiaobo Release,* <u>http://hrw.org/en/news/2010/03/09/china-scholars-writerss-press-liu-xiaobo-s-release;</u> Internet; Accessed 9 April 2010.

#### CANADA & CHINA – A HISTORICAL RECAP

Upon examination of Canada's China policy to date, one can see a consistent bipartisan focus on values, and specifically, human rights in the international arena. Yet this is never at the expense of its trade policy and the development of economic opportunities with China. There has always been a balance with economic and trade policies on one hand and "values" on the other. Why then has Stephen Harper broken with this longstanding traditional approach? In order to determine whether or not Harper's fundamental shift or re-think of Canada's China policy is justified, one must determine what our historic policy towards China has been and whether or not it was effective.

The People's Republic of China was officially declared in October 1949 following a brief but intense civil war. Canada, like most countries at the time, refused to officially recognize the ruling Communist government as the legitimate authority over the people of China. The longstanding domestic debate, which endured into the 1960s, regarding the risks of granting official status to Mao Zedong's Communist government, coupled with China's self imposed restrictions on foreign trade and investment, stalled whatever initiative there was for the promotion of bilateral trade. In terms of commodity trading, the sole economic interest between the two countries revolved around Canadian wheat exports. The central argument posed by those opposing the extension of a trade policy with China, was that it would be poorly received in Washington and that Canada would be foolish to risk its economic relationship with it most important trading partner.<sup>57</sup>

<sup>&</sup>lt;sup>57</sup> Michael Holden, *Canada's Trade Policy and Economic Relationship with China*, (Ottawa: Library of Parliament, 2004) 2.

It is quite accurate to say that even though this debate was raging, Canada had economic relations with the Maoist regime in China. It was however, a very limited exchange and the circumstances of the trade, with humanitarian overtones, carried relatively little risk of political capital with the Americans. Due to the failed agricultural policies of Mao's Great Leap Forward, the simple necessity to feed its people drove China to become more active on the international scene and in the international grain markets, in particular. In front of a backdrop of a famine of biblical proportions, the Canadian Wheat Board inked a deal worth CA\$60 million dollars, sending surplus wheat and barley to China in 1960. While initial exports to China in 1960 were relatively insignificant (approximately \$CA 9 million), at the end of the 1960's, total exports had grown to as much as \$CA 185 million annually.<sup>58</sup>

As additional limited economic opportunities were furthered, the necessity to re-establish political relations became more apparent. In 1968, Canada formally signalled its intent to re-establish political ties with China and officially recognize the legitimacy of the Chinese Communist government. Despite the difficulties in stick handling Chinese insistence that countries formally recognize Taiwan as part of Chinese territory, Canada negotiated a unique diplomatic solution over the Taiwan issue which appeased both the Chinese and the United States in a political sense.<sup>59</sup>

Pierre Elliot Trudeau became the first Canadian prime minister to conduct an official visit to China which set the conditions for the Canadian-Chinese Trade Agreement of 1973 and the

<sup>58</sup> *Ibid.*, 4.

subsequent extension of "most-favoured nation status"<sup>60</sup> In fact, as argued by Jeremy Kinsmen, some have credited Trudeau's secret meetings with the Chinese in Stockholm in 1969 as clearing the way for the shift in the formal policy of the United States regarding China and aiding U.S. President Richard Nixon's 1972 visit to the People's Republic of China. This was an important phase in formally re-establishing coherent relations between the United States and the People's Republic of China and a feather in Canada's cap.<sup>61</sup>

It was actually quite ironic because Trudeau had no interest in playing Canada's traditional middle power roles as honest broker and helpful fixer. As Andrew Cohen points out, the policy document, "Foreign Policy for Canadians" put out by Trudeau's government in 1970, was considered first and foremost self-interest. Trudeau was unapologetic of this fact stating that "we're now more interested in what is good for Canada, not in making external policy."<sup>62</sup>

Even though it appears that Trudeau's Liberal government had ushered in a new era of China-Canadian relations, it is important to note that this was not an ideological or cordial political relationship that focused on China. Initially, it was about sending a message to the Americans. The consensus among the policy elite at the time felt that Canadian policy "was subservient to American will"<sup>63</sup>

<sup>&</sup>lt;sup>60</sup> "Trudeau on Peking Peace Mission" <u>http://archives.cbc.ca/politics/international\_politics/clips/2211/;</u> Internet, accessed 15 January 2010.

<sup>&</sup>lt;sup>61</sup>Jeremy Kinsmen, "Who is my Neighbour? Trudeau and Foreign Policy", *London Journal of Canadian Studies*, Vol 18 (2002/2003): 108.

<sup>&</sup>lt;sup>62</sup>Andrew Cohen, While Canada Slept..., 134.

<sup>&</sup>lt;sup>63</sup> Brian Tomlin, Norman Hilmer and Fen Hampson, *Canada's International Policies: Agenda, Alternatives and Politics*, (Oxford: Oxford University Press, 2008) 309.

Upon taking office in 1968, Trudeau made it one his foremost foreign policy priorities to "emancipate Canadian foreign policy from foreign interest" by which he meant the heavy reliance upon the United States.<sup>64</sup> Relations with the Chinese were simply the practical application of Trudeau's burning desire. Despite the extremely limited trading ability of the Chinese, the optics of establishing a trade policy and the renewed relations with the PRC were the necessary measures to be taken in order to send a message to the Americans. As Paul Evans notes, politically speaking, Trudeau's objective was "not to change the Chinese state but to work with it". In the course of the many official visits and interchanges, Canadian values, human rights specifically, were not disregarded but at the same time "they did not receive significant public attention or concerted governmental action."<sup>65</sup>

The economic results of Trudeau's approach to China appear to validate his methodology. The official recognition of China and the development of a clear trade policy naturally led to a significant expansion of trade between the two nations. Canadian exports to China had more than doubled, and the increased accessibility meant that a wider variety of Canadian products, particularly natural resource-based products, were now making their way into the Chinese market.

In 1982 the Liberals, again under Trudeau's leadership, merged the Trade Commissioner Service with External Affairs with the direction to "aggressively pursue international export markets." In the development of foreign policy, priority was given to economic matters.<sup>66</sup> As a result, the 1980s saw the continuation of the significant growth in Canadian-Chinese trade. From

<sup>&</sup>lt;sup>64</sup> *Ibid.*, 309.

<sup>&</sup>lt;sup>65</sup> Paul Evans, "Canada's Relations with China Emergent"..., 13.

<sup>&</sup>lt;sup>66</sup> Andrew Cohen, While Canada Slept..., 134.

1978 to 1988 Canadian exports grew by an average of almost 12.5% annually. Two way trade between the two countries had reached the \$CA 1.0 billion plateau by 1980, increasing to \$CA 3.6 billion by 1988.<sup>67</sup>

Deng Xiaoping's market reforms in 1978 following the death of Mao Zedong and several other party "hard liners" enabled another surge in the quantity and value of Canadian trade with China. Deng's "Open Door Policy" took direct aim at lifting restriction on foreign commercial relations and investment in China. Reaping the benefits of earlier trade relations, Trudeau took full advantage of Deng's Open Door, signing the Treaty of Canadian-Chinese Economic Cooperation in 1979.<sup>68</sup>

This treaty was significant in terms of potential business opportunities, as it identified the contributions that Canada was willing to make to Chinese economic development.<sup>69</sup> This was significant as it made the leap from agricultural and resources based exports to high tech good and services, light industry and communications.

The prospect of economic recovery and forecasted growth in the trade sector, resulted in the most lopsided victory in Canadian political history.<sup>70</sup> Brian Mulroney came to office, promising a complete and transparent review of Canada's foreign policy. Mulroney's desire to project an image of openness and public participation in the formulation of foreign policy

<sup>&</sup>lt;sup>67</sup> Michael Holden, Canada's Trade Policy and Economic Relationship with China..., 6.

<sup>&</sup>lt;sup>68</sup> *Ibid.*, 5.

<sup>&</sup>lt;sup>69</sup> Michael Holden, Canada's Trade Policy and Economic Relationship with China..., 5.

<sup>&</sup>lt;sup>70</sup> Brian Tomlin, Norman Hilmer and Fen Hampson, *Canada's International Policies...*, 312.

accelerated the development of human rights activism and special interest groups who had a voice in Canada's policy with China.<sup>71</sup>

In June of 1989, Mulroney heard the public's voice and felt the concerted efforts of these special interest lobby groups. The PRC's violent suppression of student demonstrators during the Tiananmen Square protests, as well as the subsequent authoritarian crackdown on any reference to democratic reform put a significant strain on China-Canadian relations. On the diplomatic front, Brian Mulroney temporarily withdrew Canada's ambassador, issued protests though several diplomatic channels and very publically chastised the PRC.<sup>72</sup> The "special relationship" between Canada and China that had commenced during the Trudeau era, came to a grinding halt. In reality however, it was primarily only on the diplomatic front where things ground to a standstill.

Despite the condemnation and the world's response, Canada, like Japan and the U.S. continued to trade with China. It is quite true that Canada endorsed the suspension of foreign loans by the World Bank, Asian Development Bank, and the world's governments. It is also true that External Affairs Minister Joe Clark described the incident as "inexcusable" but trade was still taking place.<sup>73</sup> Relations were obviously strained, but the two nations continued to trade nonetheless.

In fact, since 1990, only 6 months after the Tiananmen Square massacre, bilateral trade between Canada and China has increased by an average of 17.4 % annually.<sup>74</sup> Canada was not

<sup>&</sup>lt;sup>71</sup> *Ibid.*, 313.

<sup>&</sup>lt;sup>72</sup> Paul M Evans, "Canada's Relations with China Emergent"..., 13.

<sup>&</sup>lt;sup>73</sup> Michael Holden, *Canada's Trade Policy and Economic Relationship with China...*, 6.

<sup>&</sup>lt;sup>74</sup> *Ibid*., 10.

the only nation that was not willing to sacrifice economic growth for principle for very long. Global foreign direct investment (FDI) in China or the measure of foreign ownership of productive assets, such as factories, mines and land, has ballooned from just under US\$ 25 billion in 1990 to US\$ 448 billion a little over a decade later.<sup>75</sup> Canada's current direct investment footprint in China is approximately CA\$ 1.8 billion, up exponentially from 1990 levels of CA\$ 36 million and 2003 levels of CA\$ 542 million.

The real effect of the Tiananmen Square massacre, however, was the Canadian public was now emotionally and actively engaged in the mental exercise of deciding whether Canada had the right balance of principle and profit in its China policy.<sup>76</sup> Much as World War II shaped Louis St Laurent's call for a government that was active in promoting a values-based foreign policy, the horrific events in China, the former Yugoslavia and the Invasion of Kuwait, acted as a siren call for the Canadian public to demand the government place a significantly heavier emphasis on the projection of values.

In 1994 the Liberals under Jean Chrétien, mindful of the demands of the people, attempted to drastically reinvigorate Canada's China policy. Chretien introduced a new China policy founded on four key pillars. The policy focused on economic partnerships; sustainable development; human rights, good governance and the rule of law; and peace and security <sup>77</sup>. Even though the principle of human rights was on the agenda, it was definitely not the cornerstone of the policy. As was evidenced by the composition of Team Canada's official visits to Beijing and Shanghai in 1994 and 1996, the focus again was squarely on economics and

<sup>&</sup>lt;sup>75</sup> *Ibid.*, 12.

<sup>&</sup>lt;sup>76</sup> Paul M Evans, "Canada's Relations with China Emergent"..., 14.

<sup>&</sup>lt;sup>77</sup> Bruce Gilley, "Reawakening Canada's China Policy"..., 123.

developing business opportunities. The largest trade mission to date, it was comprised of 350 business executives, nine provincial premiers and two territorial leaders. This decade saw federal and provincial level reciprocal visits to and from China that boosted bilateral commercial, developmental, immigration and diplomatic programs.<sup>78</sup>

Following the re-establishment of trade initiatives with China, the government attempted to engage the Chinese authorities on the issue of human rights, opening a dialogue process in 1997. The foreign minister at the time, Lloyd Axworthy, had meetings with the Chinese foreign minister, Tang Jiaxuan, and the premier of the state council of China, Li Peng. Axworthy was bluntly informed that if Canada wanted to continue the present good relations it enjoyed with China, it should follow the lead of France, Germany, Italy, and Spain, which had decided not to sponsor the resolution at the UN Human Rights Commission in Geneva in March 1998 to call China to task over human rights.<sup>79</sup> In other words, China implied that it was not going to change and if Canada wanted to continue the favourable trade position it enjoyed, it should not call China to task on human rights in such a public forum.

In 2001, armed with the largest trade mission ever assembled in the nation's history, Chrétien and Team Canada re-visited Beijing, Shanghai and Hong Kong.<sup>80</sup> The culmination of these efforts came to fruition when President Hu Jintao visited Canada in 2005 and met with Liberal Prime Minister Paul Martin. Canada was declared "China's best friend in the world" and

<sup>&</sup>lt;sup>78</sup>*Ibid.*, 123.

<sup>&</sup>lt;sup>79</sup> Charles Burton, Minutes of 39<sup>th</sup> Parliament, 2<sup>nd</sup> Session, Standing Committee on Foreign Affairs and international Development, April 17 2008 available at http://www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=3433712&Language=E&Mode=1&Parl=39&Se s=2: Internet, accessed 16 January 2010.

<sup>&</sup>lt;sup>80</sup> Lois Harder and Steve Patten, "The Chretien Legacy: Politics and Public Policy in Canada" University of Alberta Centre for Constitutional Studies, 134.

the two leaders announced a "strategic partnership" with the intent to double trade within five years.<sup>81</sup>

Despite Chrétien and Martin's best efforts to influence the Chinese Communist Party, there was little change in the Chinese position regarding human rights. An independent assessment of the Canada-China Bilateral Human Rights Dialogue in 2005 was commissioned by DFAIT. This report, which was also the starting point for a study of Canada's China policy by the Commons Subcommittee on International Human Rights, heard testimony which indicated that the past policy of "quiet diplomacy" had not led to any discernible progress in China's human rights record.<sup>82</sup> This was echoed in the Reporters Sans Frontiers and Amnesty International 2006 Annual Report on China.<sup>83</sup> Hu Jintao justified the censorship, fines and rapid imprisonment as the necessary actions to quell a deliberate "coloured revolution" led by human rights activists and liberal journalists.<sup>84</sup>

To summarize, the objective of this chapter was to address three principle questions. Firstly, has Canada's foreign policy changed since the post-war period? The answer is no. Canadian foreign policy has always been deeply rooted in values, however not at the expense of

<sup>84</sup> *Ibid.*, n.p.

<sup>&</sup>lt;sup>81</sup> Embassy of the People's Republic of China in Canada, "China, Canada Agree to Establish Strategic Partnership" available from <u>http://www.chinaembassycanada.org/eng/xw/t211494.htm</u>; internet accessed 15 January 2010.

<sup>&</sup>lt;sup>82</sup> Charles Burton, Minutes of 39<sup>th</sup> Parliament, 2<sup>nd</sup> Session, Standing Committee on Foreign Affairs and international Development, April 17 2008 available at http://www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=3433712&Language=E&Mode=1&Parl=39&Se s=2; Internet, accessed 16 January 2010.

<sup>&</sup>lt;sup>83</sup> Reporters Without Borders, "China 2006", <u>http://en.rsf.org/spip.php?page=article&id\_article=20779;</u> Internet, accessed 13 April 2007.

trade. Secondly, from a historical perspective, in the Canadian context, what has put values, more specifically human rights, into a collision course with the country's trade policy? Simply put, it is our deeply ingrained emotional and constitutionally mandated obligation to the Universal Declaration of Human Rights.

Lastly, what is the history of Canada's relationship with China during this same post-war time period? Throughout periods of rule by both hardliners and moderates in China, Canada has enjoyed a symbiotic relationship that has been primarily defined by our requirement to trade in order to survive.

#### **CHAPTER 2 - CANADA'S CURRENT CHINA POLICY**

I think Canadians want us to promote our trade relations worldwide. We do that. But I don't think Canadians want us to sell out important Canadian values of belief in democracy, freedom and human rights–they don't want us to sell that out to the almighty dollar.<sup>85</sup>

Prime Minister Stephan Harper

The development of a coherent China-Canadian policy has become an increasingly important issue since Stephen Harper and the Conservatives came into office in 2006. In particular, trade with China appears to be an economic imperative, especially as Canada and the world claw their way out of a global financial crisis.

The second chapter of this paper will analyze Harper's dual China strategy. It will address the questions of what was Harper's diplomatic approach to China upon entering power in 2006, why was this stance originally taken and why has it recently changed to a campaign of private diplomacy. The analysis will then shift to analyze why the Harper government made the shift, the concept of "Canadian values" and look at what potential problems governments encounter by advocating the export of Canadian values through the medium of public diplomacy with China.

# HARPER'S ORIGINAL POSITION ON CHINA

Prime Minister Harper came into power with a minority government in 2006 and was immediately engulfed in a relationship with China that appeared to be teetering on top a precipice. Former Prime Minister Paul Martin had just received President Hu Jintao for a series of key leader engagements in Ottawa. Despite cordial outward appearances and the announcement of a "strategic partnership", relations were severely strained diplomatically.

<sup>&</sup>lt;sup>85</sup> Charles Burton, "A Principled Approach" ..., n.p.

Canada's refusal to extradite Lai Changxing, the ringleader of a multi-billion dollar smuggling ring, and the owner of a 3.6 billion dollar tax bill to the Chinese government, was pushing Canada's China relations to the brink.<sup>86</sup> Martin had apparently opened the door to a reconciliation of sorts but Harper fully slammed it shut upon entering office.

Already starting off on precarious ground, Harper's government lost traction in April 2006, when then Minister of Foreign Affairs, Peter McKay very publically accused China of waging a campaign of industrial espionage in Canada.<sup>87</sup> Later that year, Harper criticized China over a case involving Htuseyin Celil, a Canadian activist jailed in China for alleged terrorist links. Canada continued to push the proverbial buttons within the Chinese ruling elite when Parliament unanimously adopted a motion giving honorary Canadian citizenship to the Dalai Lama, the Tibetan spiritual leader that has been living in exile since China annexed the region in 1958.<sup>88</sup>

Harper was one of the few world leaders who did not attend the 2008 Beijing Olympics, a very public snub to a very prominent "coming out party" for China, a growing regional giant, and arguably, a superpower. The Prime Minister publicly criticized China's human-rights record, remarking that China must realize that its growing wealth and importance in the world – combined with playing host to the Olympics – has prompted greater and deeper scrutiny of its domestic policies, and in particular a spotlight on its human rights record. For the first three

<sup>&</sup>lt;sup>86</sup> Daniel Lahey, "Harper's China Policy: Principle or Folly?" *McGill Foreign Affairs Review*, Vol 1 Issue 1 January 2009

<sup>&</sup>lt;sup>87</sup>Robert Fife, "Government Concerned About Chinese Espionage" CTV News available from <u>http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20060414/china\_espionage\_060414/20060414?hub=TopSto</u> ries; Internet, accessed 1 February 2010.

<sup>&</sup>lt;sup>88</sup> John Geddes and Jason Kirby, "Tories Deadlocked Over Canada-China Relations", *Maclean's Magazine*, 27 November 2006.

years under Stephen Harper's leadership, the Government of Canada did not seek out opportunities to engage China. The term "strategic partnership," which is a term to define key close relations with countries in the world, was no longer used to describe bilateral relations.<sup>89</sup> For all intents and purposes, Canada had dropped China from Canadian foreign policy priorities.

This drew widespread criticism that Harper's foreign policy was perhaps a little too radical for Canadians and was ineffective with the Chinese. It perhaps resonated within the international community and possibly the Chinese, as if there had been a significant shift in Canada's China policy that harkened back to the isolationist approach of the early 1990s after Tiananmen Square. But the question remains, why did Stephen Harper come into office with "guns a' blazing" on the China file?

#### WHY PUBLIC DIPLOMACY?

There are three main reasons why the Conservatives were very aggressive with pursuing a policy of public diplomacy. First and foremost, the Conservatives, in their role as the official opposition, were very vocal in criticising the Liberal government for their apparently "unprincipled approach to China."<sup>90</sup> As the Prime Minister, Stephen Harper felt that it was absolutely necessary to immediately institute a policy that was different from the Liberals lest his already shaky minority government appear hypocritical and have the public lose confidence early in its fledgling existence. In other words, national interests were supplanted by partisan politics.

The Liberal method, starting with Chrétien, of engaging China on human rights was through "quiet diplomacy", in other words, by confidential government-to-government dialogue.

<sup>&</sup>lt;sup>89</sup> Wenran Jiang, "Canada Resumes Summit Diplomacy with China", *The Jamestown Foundation China Brief*, no. 1, January 2010, 8.

<sup>&</sup>lt;sup>90</sup> Paul Evans, "Canada Meet Global China" ..., 294.

Even though he brokered the "strategic partnership" with Hu Jintao, former Prime Minister Paul Martin was very clear that he was not about to turn a blind eye to human rights violations for the sake of trade with China. The subject of human rights was brought up in discussions, but it was neither a public snub nor a lambasting of China's human rights record.<sup>91</sup>

Secondly, ideologically speaking, a tougher approach would be more in line with Harper's conservative Western Canadian values, as well as the traditional values-based foreign policy that Canada has always pursued as seen in the first chapter. A graduate student of economics at the University of Calgary, Harper reflects typical Canadian views and has been "a staunch believer in smaller government, traditional values and letting citizens have greater control over their lives."<sup>92</sup> At the heart of Stephen Harper's foreign policy is the deep conviction for, or commitment to, the values of international order, rule of law, justice and democracy and respect for human rights. As has been shown in the previous chapter, there is nothing new or radical in these quintessential Canadian foundations.

Their relevance and thus their endurance comes from the fact that they form the nucleus for the "liberal internationalist middle power paradigm" that academics, legislators and citizens alike view as predominant features of a successful Canadian foreign policy.<sup>93</sup> In other words, Canada has and continues to leverage its core societal values of respect and fair play in order to

<sup>&</sup>lt;sup>91</sup> Charles Burton, "A Principled Approach...," 14.

<sup>&</sup>lt;sup>92</sup> CBC News, "Stephen Harper, A Cerebral Partisan", available from <u>http://www.cbc.ca/news/canadavotes/leadersparties/leaders-harper.html</u>; Internet, accessed 3 February 2010.

<sup>&</sup>lt;sup>93</sup> Duane Bratt and Christopher Kukucha, *Readings in Canadian Foreign* Policy (Oxford: Oxford University Press, 2007) 31.

garner more decision-making power and greater responsibilities in international organizations to the benefit of all Canadians.

The third and probably one of the most important influences, was the sharp division within the Harper's own cabinet exacerbated by an ignorance and lack of China policy expertise.<sup>94</sup> The Harper government has consistently argued that its foreign policy positions are driven by principle. However, on China policy even those on the inside were questioning how the policy is being developed. As it has been oft described, foreign policy making is the interaction between various political delegates and structures formed by social relationships.<sup>95</sup> The delegates and their specific needs and wants are working either against or in parallel to each other, as well as structures such as the state, multinational corporations and international norms and rules. In Harper's own party, it was two specific camps working at odd with one another. One side of the spectrum are those who prefer a hard line, public stance, while at the other end are those who insist the way to approach China is with through private diplomacy using cooperation, outreach and patient encouragement. Those lobbying for this position believed that Canada could endure a tepid diplomatic relationship s<sup>96</sup>

In a Global TV interview that aired in June of 2009, one Tory insider, speaking on condition of anonymity, said "the government's criticism of Beijing has been driven by the

<sup>&</sup>lt;sup>94</sup> John Geddes and Jason Kirby, "Tories Deadlocked over Canada-China Relations" *Macleans*, November 27 2006, available from

http://www.thecanadianencyclopedia.com/index.cfm?PgNm=TCE&Params=M1ARTM0013013; Internet, accessed 25 January 2010.

<sup>&</sup>lt;sup>95</sup> Marc Lanteigne, *Chinese Foreign Policy* (Abdington, Routledge Taylor & Francis Group, 2009) 1.

<sup>&</sup>lt;sup>96</sup> Wenran Jiang, "Canada Resumes Summit Diplomacy with China", *The Jamestown Foundation China Brief*, no. 1, (January 2010): 8.

personal convictions of Immigration Minister Jason Kenney, rather than any political calculation."<sup>97</sup> Kenney is long time critic of China's human rights abuses and has been active in lobbying the Prime Minister for a much tougher stance in traditional Chinese issues such as Taiwan, Tibet and political freedoms.<sup>98</sup>

The initial stance taken by the Harper government upon first coming to power was a deliberate and calculated political risk based on domestic conditions.<sup>99</sup> The 2006 Asia Pacific Foundation of Canada public opinion poll entitled Canadian views on Asia determined that 72% of Canadians either strongly or somewhat agree that the promotion of human rights in Asia should be a major priority of the government of Canada.<sup>100</sup> Angus Reid Public Opinion polls found that in 2007, 76% of respondents opted for human rights over trade.<sup>101</sup>

By coming out and assertively pursuing an aggressive foreign policy in a very public fashion, Harper created a recognizable agenda focused on democracy, human rights and open markets. The majority of Canadian foreign policy experts concur with the assessment that this

<sup>&</sup>lt;sup>97</sup> CANWEST News, "Catering to Minorities Puts Pressure on Foreign Policy" available from <a href="http://news.globaltv.com/world/Catering+minorities+puts+pressure+foreign+policy/1695307/story.html">http://news.globaltv.com/world/Catering+minorities+puts+pressure+foreign+policy/1695307/story.html</a>; Internet, accessed 26 January 2010.

<sup>&</sup>lt;sup>98</sup> John Geddes and Jason Kirby, "Tories Deadlocked over Canada-China Relations" *Macleans*, November 27 2006, available from

http://www.thecanadianencyclopedia.com/index.cfm?PgNm=TCE&Params=M1ARTM0013013; Internet, accessed 25 January 2010.

<sup>&</sup>lt;sup>99</sup> Rachel Pulfer, "Canada and China: Why Is This Man Frowning?" Canadian Business Magazine, January 2009.

<sup>&</sup>lt;sup>100</sup> <u>http://www.asiapacific.ca/sites/default/files/archived\_pdf/surveys/opinion\_poll2006.pdf;</u> Internet, accessed 3 february 2010.

<sup>&</sup>lt;sup>101</sup> Angus Reid Public Opinion Poll, "Canadians Urge for Focus on Human Rights as Prime Minister Visits China, 2 December 2009, available from <u>http://www.angus-</u>reid.com/polls/view/canadians\_review\_bilateral\_ties\_with\_china/; Internet, accessed 1 February 2010.

deliberate and strategic policy decision was initially guided by human rights concerns.<sup>102</sup> It was in stark contrast to the tact taken by Canadian politicians at the end of the 1990s and early 2000s. By maintaining a policy of quiet diplomacy from 1988 to 2005, it could be argued that Canada has provided "tacit sanction to China's violations of the rights of Chinese citizens.<sup>103</sup> As the argument goes, frank and public diplomacy has placed Canada back on its way to becoming a principal power in the world.

## **A FRESH REFLECTION**

The Harper government has recently backed off in the last year, from publicly chiding China, opting instead for more quiet diplomacy. The Department of Foreign Affairs and International Trade (DFAIT) website states that international institutional inability to respond to the new phenomena of globalization and the subsequent impacts of globalization, international terrorism, changing cultural demographics and drastic environmental patterns is causing "fresh reflection and focus on priorities that will shape our Nation's future".<sup>104</sup>

According to Paul Evans, the Conservative government's era of "cool politics, warm economics" is over.<sup>105</sup> Stephen Harper's government has finally found the crossroads of priorities and realities. It is true that Canadians still strongly believe that their country's long-

<sup>&</sup>lt;sup>102</sup> Peter Shawn Taylor, "The Harper Doctrine" *Macleans Magazine*, February 2007 available from <u>http://www.macleans.ca/article.jsp?content=20070205\_140347\_140347</u>; Internet, accessed 27 January 2010.

<sup>&</sup>lt;sup>103</sup> Charles Burton, "A Principled Approach"..., 14.

<sup>&</sup>lt;sup>104</sup> Department of Foreign Affairs and Trade, "The 1995 Policy Review and since"..., section 5.

<sup>&</sup>lt;sup>105</sup> Rachel Pulfer, "Canada and China: Why Is This Man Frowning?"..., n.p.

term policy with China should focus on human rights.<sup>106</sup> But it is also true that Canada must seek multinational cooperation in order to deal with the number of simultaneous global issues that will directly impact its national security and national prosperity. In terms of priorities, in the terms of national interest, the road to effectively handling international finance, climate change, H1N1 pandemics, nuclear proliferation and international terrorism, runs right through Beijing. China is now an indispensable player on the world stage. As Stephen Harper himself puts it, simple pragmatism has forced this shift in policy. "I don't think my fundamental beliefs have changed in a decade. But certainly my views on individual issues have evolved, and I deal with the situation as I find it."<sup>107</sup>

In his 2003 award winning book, *While Canada Slept*, Andrew Cohen opines that Canada should reconsider its balance between public and private diplomacy. Without the development of a clearly articulated foreign policy objectives following a meaningful and true national introspection, Cohen argues that Canada will exacerbate the gap between simple rhetoric and reality.<sup>108</sup> Although the Harper government has not articulated a foreign policy with China, Cohen's argument nonetheless makes infinite sense when trying to understand why Stephen Harper recently changed his approach with China.

To put it in even simpler terms and paraphrase, David Bercuson, Director of the University of Calgary's Centre for Military and Strategic Studies, there simply comes a point

<sup>&</sup>lt;sup>106</sup> Angus Reid Public Opinion Poll, "Canadians Urge for Focus on Human Rights as Prime Minister Visits China"..., n.p.

<sup>&</sup>lt;sup>107</sup> CBC News, "Stephen Harper, A Cerebral Partisan"..., n.p.

<sup>&</sup>lt;sup>108</sup> Andrew Cohen, "While Canada Slept"..., 181.

when you are defeating your own cause by being a so-called hardliner even though the reality is you really don't have a lot of impact on the whole situation anyway.<sup>109</sup>

# **SUBTLE CHANGES**

The Harper government has made the policy shift quite apparent to the Chinese government, not by any formal policy announcement, but rather by a couple of subtle yet not so insignificant moves and signals. It is the opinion of this author, that these subtle signals are the validation of the thesis that Prime Minister Harper has found the proper intersection of principles and realities and this management of value differences has advanced the national interests of Canada.

In the first three years in office, neither Stephen Harper nor any high ranking Government of Canada official paid an official visit to China. In 2008, Stephen Harper opted out of attending the opening ceremony of the Beijing Olympic Games and added even more substance to the official snub by indicating to the press that Canada would not sell bitumen-based crude oil to "countries with poor environmental records."<sup>110</sup> This policy of disengagement directly impacted the advancement of Canadian national interests.

According to Statistics Canada, Canadian 2007 exports to China, principally the sales of commodities such as metals, potash and chemicals, were valued at CA\$ 9.3 billion. In the time period immediately following the Olympic Games until November 2008, trade of those same commodities dropped so significantly that prices for those goods dropped as much as 40%.<sup>111</sup> It

<sup>111</sup> *Ibid.*, n.p.

<sup>&</sup>lt;sup>109</sup> CANWEST News, "Catering to Minorities Puts Pressure on Foreign Policy" available from <u>http://news.globaltv.com/world/Catering+minorities+puts+pressure+foreign+policy/1695307/story.html</u>; Internet, accessed 26 January 2010.

<sup>&</sup>lt;sup>110</sup> Rachel Pulfer, "Canada and China: Why Is This Man Frowning?" ..., n.p.

must be noted however, that these losses may have been accelerated due to the global financial crisis.

The first and most significant policy change signal to the Chinese was the drastic turnaround in the amount of official visits to Beijing. The Harper government embarked on a series of proactive engagements seeing four federal ministers, (Stockwell Day (International Trade), Lawrence Cannon (Foreign Affairs), John Baird (Transport) and Jim Flaherty (Finance)) visiting China in a period of four months. This rash of official visits culminated with Prime Minister Harper's visit to Beijing in early December 2009. It must be noted however that these talks were centred on trade and economic opportunities for both countries and not human rights. Official human rights bilateral talks between Canada and China have not occurred since 2005.

Despite a rare show of Chinese emotion with a "public scolding" of Harper by Chinese Premier Wen Jiabao, the impact of the visit was immediately felt in tangible economic benefits. Canada received "approved destination status" for Chinese middle-class tourists. As Wenrang Jiang from the University of Alberta explains, it is predicted that in the next five years, China will become the largest tourist nation in the world. There is now the potential that hundreds of millions of dollars will be poured into the Canadian tourism industry.<sup>112</sup> In addition, the Chinese recently lifted a ban on Canadian pork products, which should see an increase of exports of up to 15% for a pork industry that has been beleaguered by the H1N1 pandemic.<sup>113</sup>

In the first four years under Harper's leadership, the Conservatives were consumed by publically criticizing and using diplomatic language that chided China on human rights issues

<sup>&</sup>lt;sup>112</sup> Wenran Jiang, "Canada Resumes Summit Diplomacy", *The Jamestown Foundation China Brief*, no. 1, January 2010, 9.

<sup>&</sup>lt;sup>113</sup> Reuters, "Canada Pork Exports Seen Down 10-15% on Swine Flu" The Financial Post, 4 May 2009.

and, in particular, the Huseyin Celil file.<sup>114</sup> This culminated in Harper publically scolding Beijing and insisted on bringing up the issue with Chinese President Hu Jintao during an Asia-Pacific Economic Cooperation conference in Hanoi, Viet Nam. The Chinese officials attempted to first cancel bilateral discussions and then conceded to a fifteen minute discussion, clear indications that the Communist Chinese Party was extremely unhappy with Harper's tenacity.<sup>115</sup> This prompted the infamous statement by Harper that Canadians did not want a government that would sell out human rights to the almighty dollar.<sup>116</sup>

That specific sound bite was significant as it was a clear indication that Harper had prioritized human rights and values over trade with China. However, the second subtle policy change signal to the Chinese has been the language used by the Conservatives. Gone are the public condemnations for China's human rights record. Now, the strategic message is about working with the Chinese to advance mutual interests. For example, the Prime Minister has publically declared its intention to place "mutual interests rather than common values" as the foundation of Canada's relationship

with China.<sup>117</sup>

In announcing the opening of new commercial offices in China, Harper spoke of "good and frank dialogue on fundamental values" while "enhancing and expanding our relationship, to

<sup>116</sup> *Ibid.*, n.p.

<sup>&</sup>lt;sup>114</sup> Huseyin Celil is a Canadian immigrant from China's Xinjiang region who was arrested in Uzbekistan on charges of terrorism. Since China does not recognize dual citizenship and does not have a legal mechanism for renouncing Chinese citizenship, Beijing refused to acknowledge his Canadian citizenship and grant Celil access to Canadian consular officials.

<sup>&</sup>lt;sup>115</sup> Charles Burton "A Principled Approach" ..., 14.

<sup>&</sup>lt;sup>117</sup> "Harper in China", The Star 3 December 2009, available from <u>http://www.thestar.com/comment/article/737389</u>; Internet; accessed 3 February 2010.

build upon mutual successes." These statements were made and highlighted for specific effect as they were front and centre on the Prime Ministers website.<sup>118</sup> In addition, the Prime Minister's recent speech to the Canadian Chamber of Commerce in Shanghai called for the enhancement and expansion of "mutually beneficial economic relations with China."<sup>119</sup> As Charles Burton states, the "goals of Canada's foreign policy with China are to promote Canada's prosperity through trade and investment."<sup>120</sup> By all accounts, the Harper government certainly appears to be making a concerted effort for a renewed focus on trade vice the previous efforts of condemnation for human rights abuses.

# VALUES & INTERESTS

Prime Minister Harper has recently stated that his government will build on trade and business opportunities with China without compromising "Canadian values." Harper further defined these Canadian values as "the things we live by; those are the things that give us the prosperity and peaceful and pluralistic society that we enjoy.<sup>121</sup> According to Denis Stairs, theses values specifically include equality, democratic governance, tolerance and respect

<sup>&</sup>lt;sup>118</sup> "PM Heralds Stronger Cooperation With China", available from <u>http://www.pm.gc.ca/includes/send\_friend\_eMail\_print.asp?URL=/eng/media.asp&id=3007&langFlg=e;</u> Internet, accessed 3 February 2010.

<sup>&</sup>lt;sup>119</sup> Stephen Harper, "Canada and China: A Good and Frank Relationship to Build On, Shanghai, China, 4 December 2009.

<sup>&</sup>lt;sup>120</sup> Charles Burton, "A Reassessment of Canada's Interests in China and Options for Renewal of Canada's China Policy"..., 1.

<sup>&</sup>lt;sup>121</sup> "Canadians Review Bilateral Ties With China" available from <u>http://www.angus-</u> reid.com/polls/view/canadians\_review\_bilateral\_ties\_with\_china/; Internet, accessed 1 February 2010.

for diversity and sustainable environment.<sup>122</sup> This slight nuance of stating that Canada will "build on trade and business opportunities without compromising values" by Prime Minister Harper is a solid indication that he and his cabinet have righted the imbalance in Canada's approach to foreign policy with China. It is a sign of positive engagement and a willingness to work with the Chinese towards mutually beneficial economic goals.

Notwithstanding this, a December 2009 Angus Reid Public Opinion poll found that 63% of Canadians believe human rights and minority rights are more important than the trading relationship when asked about how Canada should approach its relationship with China. Even though this is down from a similar survey in 2007 in which 76% of respondents opted for human rights over trade, Canadians still strongly believe that their country's long-term policy with China should focus on human rights.<sup>123</sup>

Despite this, as has been demonstrated, Stephen Harper has executed a shift in policy away from a values-based policy to an interest based one. To some, this may look counterintuitive. A politician not listening to the masses stands to face defeat at the next election. But Canadians need to understand the danger in advocating a values-based foreign policy in order to understand why Harper has made this shift.

As this Angus Reid survey suggests, Canadians are very typical of liberal internationalists who like to who esteem foreign and domestic policies that first and foremost project values. The main critique of liberal internationalists is that they attempt to loosely

<sup>&</sup>lt;sup>122</sup> Denis Stairs et al, "In the National Interest: Canadian Foreign Policy in an Insecure World" *Canadian Defence and Foreign Affairs Institute*, 13.

<sup>&</sup>lt;sup>123</sup> Angus Reid Public Opinion Poll, "Canadians Urge for Focus on Human Rights as Prime Minister Visits China" ..., n.p.

characterize national interests in unrestrained and impractical terms, without always promoting or highlighting the necessary costs and risks of such an unrestrained objective. As Colin Dueck highlights in his commentary about the American experience, the result is that "sweeping and ambitious goals are announced, but then pursued by disproportionately limited means, thus creating an outright invitation to failure."<sup>124</sup>

As noted by Hector Mackenzie, Senior Departmental Historian within the Department of Foreign Affairs and International Trade, all countries must consider the various factors that shape the realization of their national interests in the international sphere. Canadians, like the citizens of most nations, tend to be quite ethno-centric in their belief that their country's role in the international community is truly unique. Most Canadians would agree that the world would be better off if other nations would simply follow their lead.<sup>125</sup> But as Stairs *et al* state, it is dangerous and foolish to try and re-shape the world in Canada's image. A trading nation such as Canada, cannot afford to offend others by being seen as "Boy Scout imperialists, seeking to impose its practices and ideas on a world that it judges to be in need of enlightenment", especially not its second largest trading partner.<sup>126</sup> Denis Stairs has argued that the values projection efforts of the Liberal governments of Chretien and Martin, for example, "encourages

<sup>&</sup>lt;sup>124</sup> Colin Dueck, "Hegemony on the Cheap: Liberal Internationalism From Wilson to Bush" *World Policy Journal*, December 22, 2003.

<sup>&</sup>lt;sup>125</sup> Hector Mackenzie, "Defining and Defending a Place in the World: Canada's Vital Interests in International Affairs"..., 32.

<sup>&</sup>lt;sup>126</sup> Denis Stairs et al, "In the National Interest: Canadian Foreign Policy in an Insecure World" ..., 13.

excessive moralizing: Canadians...have grown alarmingly smug, complacent and selfdeluded."<sup>127</sup>

To paraphrase Kim Richard Nossal, after enduring years of the Liberal party foreign policy in which Canadians were told that the *primary* aim of their foreign policy was to project Canadian values abroad, the population has lost sight of the ability to critique this policy for its effectiveness.<sup>128</sup> Nossal rightly makes the argument that prior to Harper's recent shift in policy, Canadians had allowed values to "*turn into* Canada's foreign policy objectives instead of just *determining* them."<sup>129</sup>

The danger of projecting a values-based foreign policy that places Canadian values as a foreign policy objective, is that it paints Canada into a corner in which it must been seen as a global activist to avoid the image of "pulpit diplomacy" and hypocrisy.<sup>130</sup> The effects of growing internal pressure and constraints on foreign policy have diminished the nation's ability to conduct middle-power activism. Academics and political analysts posit that Canada is "ill equipped to play great-power politics in international relations."<sup>131</sup>

A values-based foreign policy establishes an agenda that Canada cannot possibly meet. The four instruments of foreign policy are trade, diplomacy, development aid, and military action. Canada cannot unilaterally commit one or all of these foreign policy instruments to every

<sup>&</sup>lt;sup>127</sup> Kim Richard Nossal, "The World We Want?: The Purposeful Confusion of Values, Goals and Interests in Canadian Foreign Policy" 3.

<sup>&</sup>lt;sup>128</sup> *Ibid.*, 4.

<sup>&</sup>lt;sup>129</sup> *Ibid.*, 4.

<sup>&</sup>lt;sup>130</sup> Fen Osler Hampson and Dean F Oliver, "Pulpit Diplomacy: A Critical Assessment of the Axworthy Doctrine" *International Journal* 53 No 3 (Summer 1998) 1.

<sup>&</sup>lt;sup>131</sup> Brian Tomlin, Norman Hillmer and Fen Hampson, *Canada's International Policies: Agendas, Alternatives and Politics* (Oxford: Oxford University Press, 2008) 15.

case of social injustice, rights deprivation or poverty. It therefore must be selective, opening the door for questions of ulterior motivation and hypocrisy, a zero sum game for Canadians. It will lead to the implication that Canadian values are simply cover for material or economic interests in the instances where Canada does choose to intervene. This effectively nullifies the efforts of altruistic or ethically motivated action, and thus weakens any influence gained or sought within the international community.

Canada cannot afford a policy such as this, both financial and materially. The fiscal realities of the global financial crisis and domestic priorities, such as a deficit budget and stimulus make an expansive values-based foreign policy vision too rich for Canada. Finance Minister, Jim Flaherty has indicated that the global meltdown had hit Canada harder than the government had previously thought. In an effort to deal with this, Ottawa will make stimulus its top priority through 2010-11. The realities are the total deficit facing Canadians for this year and the next five years will be C\$164.4 billion.<sup>132</sup>

With massive deficits, shrinking diplomatic staffs and capacity in the foreign affairs department, and a military that is on the verge of obsolescence and despite the guaranteed 2% funding to reconstitute, Canada cannot simply afford the bill for the resources required to project a values-based foreign policy.

The bitter irony is that if Stephen Harper were to truly commit Canada to a values-based foreign policy and force "Canadian values" on a global scale, Canada would be in essence telling other nations governments and by extension their citizens how to think, regulate and organize

<sup>&</sup>lt;sup>132</sup> Allan Dowd, Reuters, "Update 3 Canada's Budget Deficit to Linger After Recovery", available from <u>http://www.reuters.com/article/idUSN1041051120090910</u>; Internet, accessed 8 February 2010.

themselves in a legal and political sense. Does this not therefore sound like the very concept that Canadians are trying to change within China? A values-based foreign policy is an ethnocentric policy that attempts to coerce the world to the Canadian way. As Kim Nossal so eloquently summarizes, this is a dangerous policy option for it publically endorses the concept that it is "perfectly legitimate for a nation to try and create the world they want." <sup>133</sup>

On what merit then should a state, such as Canada, determine the substance of its foreign policy? For most Canadian lawmakers and bureaucrats who provide counsel, regardless of their party affiliation, the answer would be simply whatever is in the national interest. But what is national interest? While arguably there is no definitive answer to this question, most people would link the concept of national interests to those activities which contribute significantly to national security and the current and future economic prosperity of a country. Given that, it then becomes readily apparent that a foreign policy must reflect a sliding spectrum that finds a balance or compromise between national values and national interests.

In his paper, *Is There a Grand Strategy in Canadian Foreign Policy*, David Pratt argues that where the interests of great and small powers converge, "opportunities exist for both to positively influence outcomes especially within alliance arrangements". If one agrees with his notion that a state's "diplomatic efforts may result in influence with the great power well beyond that which, it might otherwise be expected to wield," one can argue that Canada could leverage its trade relationship with China to effect change in the advancements of human rights. The key is to allow it to happen on China's timeframe within the evolutionary process of society migrating to a free market system. This is the essence of managing value differences and still

<sup>&</sup>lt;sup>133</sup> Kim Richard Nossal, "The World We Want?: The Purposeful Confusion of Values, Goals and Interests in Canadian Foreign Policy"..., 5.

advancing the national interests of Canada. With Harper finding the proper balance point with China, Canada's interests are complemented by its values, instead of defined by them.

#### **CHAPTER 3 - CHINA'S DOMESTIC POLICY**

In the empty shape where Chinese Communism once stood, an awesome figure is now taking shape. It has yet to be given a name.<sup>134</sup>

Now that this paper has examined one side of the equation, namely the current Canadian approach to weighing priorities and national interests, it is essential to examine the other side of the equation, namely the realities of Chinese domestic policy. For it is Prime Minister Harper's ability to balance of priorities and realities with the government's China Policy with China that validates the central thesis and demonstrates its probabilities of success in application.

The evolutionary history of Chinese power and authority has been a succession of dynasties ruled by emperors whose legitimacy was determined principally by their ability to retain the allegiance of the people. It was an effective and highly evolved culture that rose to be an incredible empire. By the end of the  $18^{th}$  century, China was at its zenith, stretching from the China Sea to Central Asia and even into Siberia. From the first battles of the *Shen Nong Shi* (the Holy Farmers) and the *Fu Sui* (Tribes of Axe and Flint) in the twenty-sixth century B.C. until the end of the Qing Dynasty in 1911, it remained a civilization where "Chinese culture was the focus of people's loyalty" and thus lacked a sense of nationalism based on loyalties to state.<sup>135</sup> A comparative examination of the national strategies and the extant foreign policies of the successive leadership of the CCP, namely Mao Zedong, Deng Xiaoping, Jiang Zemin and Hu

<sup>&</sup>lt;sup>134</sup> A. James Gregor, A Place in the Sun: Marxism and Fascism in China's Long Revolution (Boulder, Westview Press, 2000) xiii.

<sup>&</sup>lt;sup>135</sup> Shunde Jin, "Patterns in Chinese History", *The Ohio State University*, Spring 1998, available from <u>http://cohums.ohio-state.edu/deall/jin.3/c231/default.htm</u>; Internet, accessed 18 February 2010.

Jintao reveals an evolutionary shift away from coercive and revolutionary power both inside and outside of China, towards a strategy of economic and trade incentives for foreigners and reassurance of the domestic population. Whereas Mao focused on military power and Deng Xiaoping focused on comprehensive national strength, Hu Jintao has relied almost exclusively on "soft power".<sup>136</sup> This presents a challenge for the West, for as the Chinese civilization and national identity continues to evolve, so too must the West's approach to correctly identifying motivators and effective power levers in its foreign policy efforts. This chapter will examine the People's Republic of China, its governance and the power base of the Chinese Communist Power using the Strange Analysis as an analytical model in order to identify opportunities for exploitation in order to confirm the likely effectiveness of the Conservative government's informal China Policy.

#### THE STRANGE ANALYSIS

The Strange Analysis, developed by Dr Joseph Strange of the United States Marine Corps War College, is a based upon the military concept of center of gravity. It examines a state and determines the vulnerabilities by focussing on the "End state or Key Objectives" and derives Critical Capabilities, Requirements and Vulnerabilities.<sup>137</sup> It therefore establishes the relative strengths and vulnerabilities of two "competing" nations as they position themselves within the bilateral relationship in the pursuit of desired objectives. Understanding these strengths and weaknesses of other states is essential if a state wants to develop opportunities for advancing its national interests.

<sup>&</sup>lt;sup>136</sup> David Lampton, The Three Faces of Chinese Power: Might Money and Minds..., 10.

<sup>&</sup>lt;sup>137</sup> Joe Strange and Richard Iron, "Understanding Centers of Gravity and Critical Vulnerabilities" available from <u>http://www.au.af.mil/au/awc/awcgate/usmc/cog2.pdf</u>; Internet, accessed 11 February 2010.

A state's political *centre of gravity* are those characteristics, capabilities or localities from which the state derives its freedom of political manoeuvre, national strength or will to project power.<sup>138</sup> The origin of the military concept of Centre of Gravity in policy and doctrine is generally credited to Clausewitz's famous and oft-cited passage from *On War*:

One must keep the dominant characteristics of both belligerents in mind. Out of these a certain center of gravity develops, the hub of all power and movement, on which everything depends. That is the point against which all our energies should be directed.<sup>139</sup>

Because the analysis is being used in the geopolitical arena as opposed to a military context, it is necessary to define and adapt some key concepts from their primarily military connotation and application. In foreign policy terms, "end state" is the political situation or relationship to be attained with another state which indicates that the strategic objectives of a foreign policy have been achieved. It is extremely difficult to reach a true end state as it is often quite intangible. For example, the three pillars of Canada's current foreign policy are the promotion of prosperity and employment; the protection of our security within a stable global framework; and the promotion of the values and culture.<sup>140</sup> How does one place a measurement of effectiveness on these to determine if Canada has attained this or if they are even on the right path to reaching this end state? Therefore, foreign policy success must be measured through the attainment of specific objectives or goals. These specifics define the set of conditions that must be in place in order to achieve loosely defined policy goals. This author would posit that

<sup>&</sup>lt;sup>138</sup> Canada. Department of National Defence, Canadian Forces Joint Publication 5.0 *The Canadian Forces Operational Planning Process* (Ottawa: DND Canada, 2008) 1-3.

<sup>&</sup>lt;sup>139</sup> Carl Von Clausewitz, *On War*, Michael Howard and Peter Paret, eds. and trans., Princeton, NJ: Princeton University Press, 1984, pp. 595-596.

<sup>&</sup>lt;sup>140</sup> Department of Foreign Affairs and Trade, "Canada in the World" <u>http://www.dfait-</u> <u>maeci.gc.ca/foreign\_policy/cnd-world/menu-en.asp;</u> Internet; accessed 8 November 2009.

defining measures of effectiveness is arguably the most important concept in foreign policy campaign design, as it defines and clarifies what is to be achieved by the application of foreign policy instruments.

Critical capabilities are those inherent capabilities which allow the centre of gravity to function. It is those things which the centre of gravity must do in order to exert or project political power or leverage.<sup>141</sup> A derivative of these critical capabilities (normally expressed as a verb) is the critical requirements (normally expressed as noun). Critical requirements are those essential conditions, resources and means for a critical capability to be fully operational or effective. Critical vulnerabilities are those aspects or components of the critical requirements which are deficient or vulnerable to exploitation.<sup>142</sup> It is these, critical vulnerabilities, which must be targeted for exploitation by Canada's China Policy in hopes of furthering Canadian national interests. All efforts, in terms of foreign policy with China, must be subordinate and supporting those primary efforts which seek maximise the exploitation.

How does Canada ascertain or determine China's critical vulnerabilities? The first step is to determine how China decides on its domestic and foreign policies and the goals that Beijing is pursuing in order to arrive at a geopolitical strategic end state. Before delving too deep into the Strange Analysis, one must look at the historical roots of the Chinese Communist Party (CCP), for just as in the Canada example in previous chapters, this is what truly shapes future policy from Beijing.

<sup>&</sup>lt;sup>141</sup> Canada. Department of National Defence, "Canadian Forces College Guide to CF Operational Planning Process..., II-10/17.

<sup>&</sup>lt;sup>142</sup> *Ibid.*, II-10/17.

## HISTORICAL ROOTS OF THE CCP

Although the Chinese civilization is over five thousand years old, this paper will only review Chinese foreign policy since the Chinese Revolution of 1949, in order to ensure the analysis remains relevant to the current regime in Beijing. Since this Revolution, the function of governance for the Chinese people has been executed by on single political actor, the CCP.<sup>143</sup>

It is critical to understand the role of the CCP within China as it is what enables the strategic centre of gravity for China. As was stated earlier, a state's *centre of gravity* are those characteristics, capabilities or localities from which the state derives its freedom of political manoeuvre, national strength or will to project power. In this sense, the power of the CCP or more specifically what Amitai Etzioni refers to in his *A Comparative Analysis of Complex Organizations* as "normative power" which enables international political manoeuvrability, national strength and power projection for China. Normative power "relies on the capacity to motivate through the force of idea and win compliance through creating group norms with which individuals wish to identify."<sup>144</sup> It is the power of influence of the CCP or this normative power which defines the fundamental struggle between the West and China. It is this power that the West must target for slow and gradual erosion if it hopes for a successful transition to democracy within China.

The CCP's roots were part and parcel of an intellectual movement that sought an end to the stratified China ruled by warlords known throughout China as the May Fourth Movement, or the New Culture Movement, which began in 1911. Fanning the flames of a patriotic revolution

<sup>&</sup>lt;sup>143</sup> Marc Lanteigne, Chinese Foreign Policy..., 3.

<sup>&</sup>lt;sup>144</sup> David Lampton, *The Three Faces of Chinese Power: Might Money and Minds...*, 10.

seeking a return to Asian pre-eminence, early attempts at representational democracy gave way to anti-imperialism as Marxist-Leninist doctrine was rapidly taking hold.<sup>145</sup> The resultant political upshot of the New Culture Movement was to politicize and radicalize the populace, and in particular, Chinese students. These New Culture revolutionists forced changes within the political and social agendas through the wide publication and distribution of their theories of government, education, culture, economics, and Western science. Never before in the annals of the grand Chinese civilization had political and social agendas been discussed so fervently and even more importantly, and so publicly. This was the beginning of the end of an era described in Chinese textbooks as the "century of humiliation."<sup>146</sup>

Within China, the Communist Party itself was fundamentally divided on how China should re-ascend and restore its traditional seat of power within Asia. On the one hand were the Kuomintang (KMT) under the leadership of Chiang Kai-shek, on the other were the rural agitators that had been raising peasant armies for the communist struggle. Principle among these rural leaders was Mao Zedong who had been incredibly successful at gaining the confidence of the masses and thus raising a peasant army in Hunan province.<sup>147</sup>

Four years of civil war between the KMT and the CCP ensued with the KMT initially able to rise as the dominant party. The KMT's victory however, was short lived. Their failure to develop the political change required to appease the masses ultimately lead to the CCP claiming

<sup>&</sup>lt;sup>145</sup> Tyrone Pile, "Dragon at the Crossroads: The Uncertain Future of Governance in China", National Strategic Studies Course 5, Canadian Forces College, 6.

<sup>&</sup>lt;sup>146</sup> Peter Gries, *China's New Nationalism: Pride Politics and Diplomacy* (Berkeley: University of California, 2004) 45.

<sup>&</sup>lt;sup>147</sup> Modern China, The Chinese Communist Party, available from <u>http://wsu.edu/~dee/MODCHINA/COMM.HTM;</u> Internet, accessed 22 February 2010

the People's Republic of China in Beijing on 1 October 1949. The key to Mao Zedong's success was his refusal to focus efforts and resources on reinforcing the proletariat's powers and authorities but rather placing the emphasis and scarce resources on the appeasement of the peasant population. Mao was victorious because he was able to educate, indoctrinate and motivate the masses.<sup>148</sup> The incredible importance of appeasing the populace is a concept within the Chinese culture that will be subsequently re-addressed in this chapter.

With the expulsion of the KMT to Taiwan, Mao was now faced with an international system that was at odds with regards to a popular consensus on how to approach China. This international uncertainty led to three distinct events which dramatically influenced early CCP perceptions of the international system and the subsequent formulation and implementation of Mao Zedong's foreign policy.

# INFLUENCES ON MAO ZEDONG'S FOREIGN AND DOMESTIC POLICIES

The first event was in 1949 when the PRC unsuccessfully attempted to attain a seat in the United Nations. Beijing refused to permit dual recognition of both itself and the KMT representing the Republic of China, now exiled in Taiwan. The West's slow acceptance of the Maoist government in Beijing and the initial isolationism significantly influenced China's early foreign policy and actually steered it towards deepening pre-existing relations with the Eastern Bloc nations of the Soviet Union.<sup>149</sup> This was codified in the first National Congress of the CCP. The leadership of the CCP formally established priorities to reinforce linkages with the

<sup>&</sup>lt;sup>148</sup> Tyrone Pile, "Dragon at the Crossroads: The Uncertain Future of Governance in China"..., 7.

<sup>&</sup>lt;sup>149</sup> Marc Lanteigne, *Chinese Foreign Policy..., 3.* 

Soviet Union and Warsaw Pact countries and a direct enunciated a clear policy to oppose Western imperialist practices.

The second major event in the history of the CCP which shaped and influenced the Party's development was the 1966 Great Proletarian Cultural Revolution. Launched by Mao to promote a strong and independent China, it was a colossal failure. Political infighting within the CCP and internal strife within the state saw a vast reduction of foreign diplomatic contacts within Beijing. The state imploded as those accused of moderate tendencies as well as teachers, writers and academics were persecuted and often arrested. Deng Xiaoping, the economic reformist who would eventually led China to economic and social reforms necessary for a market economy and its successes today, was forced into exile.<sup>150</sup>

The third formative event and perhaps the most drastic in terms of its effect on domestic policies within the CCP was the 1989 Tiananmen Square massacre which left the fate of the CCP hanging by a very tenuous lifeline. The CCP had just witnessed the collapse of the Berlin Wall in Germany, the overthrow of Ceausescu's Communist regime in Romania and successive collapses of communist governments throughout Eastern Europe. The domestic policy of the day was to violently oppress any and all actions which may have brought about the same fate to the CCP. <sup>151</sup> Deng's lesson from Tiananmen was to ensure that the CCP places political stability above everything else. In other words the CCP will do anything to stay in power and the principal strategy to ensure this is to prevent large-scale social unrest.

<sup>&</sup>lt;sup>150</sup> *Ibid.*, 3.

<sup>&</sup>lt;sup>151</sup> Susan Shirk, *China: Fragile Superpower...*, 38.

If one accepts that the universal consensus that the PRC's end state then is to regain the nation's former status as a great power, and that the power of the CCP is the national centre of gravity, one can then begin to analyze the capabilities and the requirements necessary to attain this goal.<sup>152</sup>

Based on the breakdown of the CCP using the Strange Analysis, there are three critical capabilities that the CCP has to maintain in order to achieve China's strategic end state. First and foremost, the CCP has to maintain the sanctity of state sovereignty. The critical requirement therefore is the maintenance of a "party state". In other words, there is negligible distinction between the organization of the government and the structure of the CCP. The aim of the CCP is to remain in power and therefore, every policy decision be it domestic or foreign is first and foremost designed to reinforce this idea of self-preservation.<sup>153</sup> As Dr Marc Lanteigne, Professor of International Relations at the University of St Andrews describes it, "the Party maintains its right to remain as the paramount political actor within the country and the right to maintain democratic centralism."<sup>154</sup> Dr. Lanteigne goes on to describe democratic centralism to be understood as subordinating the individual to the organization or the central committee.<sup>155</sup>

The values that truly define the Chinese identity are the Confucian values as they

<sup>155</sup> Ibid., 24

<sup>&</sup>lt;sup>152</sup> Ashley J Tellis and Michael Wills, *Strategic Asia 2007-08: Domestic Political Change and Grand Strategy* (Seattle, National Bureau of Asian Research, 2007) 12.

<sup>&</sup>lt;sup>153</sup> Susan Shirk, *China: Fragile Superpower...*, 37.

<sup>&</sup>lt;sup>154</sup> Marc Lanteigne, Chinese Foreign Policy..., 24.

apply to society and governance.<sup>156</sup> Central to this is the primacy of the state in its role as the guardian of civilization. As Martin Jacques, author of *When China Rules the World*, explains, the state is a critical force in society and the economy. It is because of this the CCP will never make international considerations or a foreign policy decision that does not reinforce the preservation of the CCP as its priority.<sup>157</sup> Unlike in Western societies, the state historically, really has had no competitors within China. It was able to act in isolation and put into effect policies that ensured its survival with very little repercussions. Until the acceleration brought upon by globalization, it did not have to negotiate with the church, or the merchant class, or the judiciary, or an elite class.<sup>158</sup> The state had the unique ability to formulate, implement and adapt domestic and foreign policy as it saw fit and on its own timetable. The maintenance of the party state is a critical capability of the CCP that must be understood by Canadian politicians.

The CCP has been unwavering in its insistence that it is the only institution capable of administrating and managing the country's increasingly diverse yet intertwined domestic and international policies. Two decades of economic reform and an opening to the world has radically transformed Chinese society. During the period of Mao's rule, policy development was traditionally reserved for the elite few within the highest ranks of the Party. But with the Deng's economic reforms and the recent exponential influence of globalization the number of both foreign and domestic policy actors and influences has resulted in a significantly more

<sup>&</sup>lt;sup>156</sup> Martin Jacques, "When China Rules the World" *Macleans Magazine*, available from <u>http://www2.macleans.ca/2009/07/13/macleans-interview-martin-jacques/</u>; Internet, accessed 12 January 2010.

<sup>&</sup>lt;sup>157</sup> Susan Shirk, "China Fragile Superpower"..., 8.

<sup>&</sup>lt;sup>158</sup> Martin Jacques, "When China Rules the World"..., n.p..

multifaceted policy development process.<sup>159</sup>

Hu Jintao, the current Chinese President, has recently given clear indications that his administration will continue this trend. In December of 2009, Hu Jintao released a five-pronged foreign policy agenda, entitled "Viewpoints about the Times", re-affirming China's readiness to play a larger, and potentially a significantly more constructive role in global affairs.

Some China experts, such as the Jamestown Foundation, a non-partisan Washington DC think-tank have assessed that these are positive signs that China wishes to move beyond its inward looking prerogative towards policy making. "Hu Jintao's five theories on "the profound changes [in the world situation], constructing a harmonious world, joint development, shared responsibilities, and enthusiastic participation [in global affairs]" marked the first time that a contemporary Chinese leader had arrived at a comprehensive set of theories with an international perspective.<sup>160</sup>

Other notable Chinese policy experts such as Robert Sutter are not so convinced that there has been any real change in the Chinese position. He argues that the CCP's preoccupations with domestic challenges, nationalism and security concerns will continue to complicate Beijng's rise and future forays in foreign affairs. In his assessment of the foreign policy priorities of Chinese leaders, the importance of foreign concerns will remain a related but subordinate imperative relative to the CCP's domestic priorities. <sup>161</sup>

<sup>&</sup>lt;sup>159</sup> Marc Lanteigne, "Chinese Foreign Policy"..., 35.

<sup>&</sup>lt;sup>160</sup> Willy Lam, "Hu Jintao Unveils Major Foreign-Policy Initiative" *China Brief*, Vol 9 Issue 24, 3 December 2009, 3.

<sup>&</sup>lt;sup>161</sup> Robert Sutter, *Chinese Foreign Relations: Power and Policy Since the Cold War*, (Lanham: Rowman & Littlefield Publishers, Inc., 2007) 59.

## **THE CCP & THE STRANGE ANALYSIS**

## **CRITICAL VULNERABILITY #1**

This decentralization of the upper tiers or echelons of the CCP has introduced a possible critical vulnerability that Canada's China Policy may be able to exploit. The result of this multifaceted policy development process is a gradual shift within the CCP from the reactionary or crisis management approach to foreign policy to a considerably more proactive process which seeks out options for either unilateral *and* multilateral approaches.<sup>162</sup>

This increased reliance on multilateralism has the potential to gradually erode the CCP's firm grasp on its autonomy as it is required to slowly gravitate towards a democratically-driven, rules based international order. As Sutter argues, there are numerous contradictions and tradeoffs that Chinese leaders will have to conduct in order to avoid major confrontations, costly commitments, or mistakes that could undermine their one-party rule as they deal with an international environment. In addition to posing numerous challenges, these contradictions and tradeoffs will also afford opportunities.

The multilateral approach to trade is an area that China is slowly becoming more comfortable with and that Canada is renowned for. As pointed out by University of Cincinnati's Thomas Moore, China holds membership in every significant global and regional economic forum for which it qualifies.<sup>163</sup> It is a member of global organizations such as the World Trade Organization, the World Band, and the International Monetary Fund. Regionally it has taken an active leadership role in the Asia Pacific Economic Cooperation forum, the Shanghai

<sup>&</sup>lt;sup>162</sup> Marc Lanteigne, "Chinese Foreign Policy",..., 35.

<sup>&</sup>lt;sup>163</sup> Guoguang Wu and Helen Lansdowne, *China Turns to Multilateralism*, (Abingdon, Routledge Taylor & Francis Group, 2007) 35.

Cooperation Organization and the Association of South East Asian Nations. In fact, China has a somewhat renewed vigour for multilateralism as demonstrated in its aggressive pursuit of numerous free trade agreements, most notably the ASEAN-China Free Trade Agreement (ACFTA).

China's increased use of multilateral free trade agreements, 28 countries or regions since 2001, suggests that Chinese foreign policy is irreversibly moving in a more economically liberal direction.<sup>164</sup> As Thomas Moore highlights, "China's pursuit of institutionalized cooperation signifies a growing commitment to a rules based, norm driven, international order."<sup>165</sup> In essence, it is heading down a *gradual* path that that will impact its autonomy.

This is not to say that China is on the verge of democracy. The leadership in Beijing is keenly attuned to this impact, preferring to include pacts which reinforce the principles of sovereignty, territorial integrity and non-interference in domestic affairs. Keeping the economy growing by a minimum of 7% annually is an immediate political imperative of the CCP because it is self-preservation.<sup>166</sup> This has however opened a vulnerability crack that Canada may choose to exploit through the aggressive use of international trade and its influence within these multilateral agencies and organizations.

An additional way to leverage this opportunity is through the use programs such as the Canadian International Development Agency (CIDA). CIDA funds, expertise and training to the people of China and through small projects such as Project A034693-001: Labour Rights: Prevention of Labour Trafficking.

<sup>&</sup>lt;sup>164</sup> *Ibid.*, 36.

<sup>&</sup>lt;sup>165</sup> Ibid., 36.

<sup>&</sup>lt;sup>166</sup> Susan Shirk, "China: Fragile Superpower" ..., 10.

This \$4,000,000 project is designed to continue the improvement of labour rights in China. Its goal is to reduce trafficking in women and children migrant workers for labour exploitation.<sup>167</sup> This is achieved through Canadian organizations which provide the necessary expertise and training to the Chinese. Funding does not go to the Chinese government but is used to empower the people of China. By educating and training the people on individual rights and the requirements of the government to protect these rights, Canada reinforces the concept that the gradual policy change must occur if the CCP wishes to prevent large-scale social unrest and the possibility of an internal uprising.

By advancing conformity through trade and labour regulations and attempting to force China into legalized agreements with the required enforcement mechanisms, Stephen Harper could use this leverage and still pursue democratic reform and the advancement of human rights. But how does a relatively small country like Canada go about with wrestling a fire breathing dragon such as the Chinese into the legal corner in order to force concessions?

Multilateralism and the increased dependency upon international organizations make China more susceptible to coercion by structural power. Structural power is another form of soft power in that the structure of the international system shapes the rules, norms and relationships of international actors.<sup>168</sup> If the international system shapes the rules and norms, there is a requirement to conform in order to be effective.

There are academics who posit that China is indeed becoming socialized due to the nature of economic norms, particularly free trade and domestic marketization.

<sup>&</sup>lt;sup>167</sup> Canadian International Development Agency, "Labour Rights: available from <u>http://www.acdi-</u> <u>cida.gc.ca/CIDAWEB/cpo.nsf/vWebCSAZEn/3AB97F62471E4EF88525765F00371C3B</u>; Internet, accessed 16 April 2010.

<sup>&</sup>lt;sup>168</sup> David Lampton, *The Three Faces of Chinese Power: Might Money and Minds...*, 10.

Alastair Johnston of Harvard University offers evidence of Chinese behavior that suggests China is susceptible to this status quo orientation. The move into economic institutions in particular reflected the growing convergence of the Chinese leadership's interests with the ideology and interests of status quo institutions such as the WTO, World Banks etc. As many Chinese policy experts conclude, Chinese leaders realize that economic growth—hence their legitimacy—comes from integration into the global capitalist institutions. Alastair Johnston's research indicates that CCP leadership recognizes fundamentally that is party survival is hinged upon participation within these organizations not isolation from them or attempts to alter them fundamentally.<sup>169</sup>

Another way to view this is to look at the relationship between "stability" and system or institutional "openness." Ian Bremmer asserts that the stability of a nation can become out of balance as it opens itself up to external pressures and institutional capacity fails to meet domestic demands.<sup>170</sup> If Prime Minister Harper continues to prioritize his China Policy with a focus on trade policies, within the confines of the international economic institutions (i.e. IMF, G20, World Bank), there is a better economy of effort to pressure Chinese conformity to his values agendas (i.e. human rights, democracy, etc).

Proof that this pressure to conform is already significantly shaping CCP foreign policy can be seen in Beijing's long standing principle of "non-interference in the internal affairs of other countries"<sup>171</sup>

<sup>&</sup>lt;sup>169</sup> Alastair Jonhnston, "Is China a Status Quo Power" International Security, 27 vol 4, (Spring 2003) 17.

<sup>&</sup>lt;sup>170</sup> Ian Bremmer, *The J Curve: A New Way to Understand Why Nations Rise and Fall* (New York, Simon & Schuster, 2006).

<sup>&</sup>lt;sup>171</sup> Willy Lam, "Hu Jintao Unveils Major Foreign-Policy Initiative"..., 3.

China is one of the strongest defenders of a more traditional absolutist concept. Along with a large number of other developing countries, it is by and large fighting as a conservative power to reaffirm sovereignty and internal autonomy against challenges from evolving concepts of human rights, domestic governance, and humanitarian intervention. It has a very pragmatic approach to multilateralism and is traditionally reluctant to show support to sanctions or interfere with the governance of the states it deals with.<sup>172</sup>

Despite this, China has recently been seen to use its influence to address regional issues that have a sovereignty nexus. It has begun to work within the international community to assist with nuclear non-proliferation issues within North Korea and Iran. In November of 2009, China un-characteristically issued a statement regarding its "serious concerns about the military applications of Iran's nuclear program." In addition, Beijing joined a coalition of 26 nations endorsing an International Atomic Energy Agency resolution that demanded that Tehran halt operations at its Qum uranium enrichment plant.<sup>173</sup>

This is a significant step for Beijing, especially in light of its traditional close relationship with Tehran and China Petrochemical Corporation's \$100 billion dollar investment in Iranian oil and gas purchases as well as the development of Yadavaran oil field.<sup>174</sup> The CCP leadership gets around this apparent *non-sequitor* by seeking what it refers to as a "new security concept"

<sup>&</sup>lt;sup>172</sup> Ashley Tellis and Michael Wills, *Strategic Asia 2007-08: Domestic Political Change and Grand Strategy* ..., 33.

<sup>&</sup>lt;sup>173</sup> Willy Lam, "Hu Jintao Unveils Major Foreign-Policy Initiative"..., 3.

<sup>&</sup>lt;sup>174</sup> Marc Wolfensberger, Iran Invites Sinpec Head to Sign \$100 Bn Dollar Oil and Gas Deal, Bloomberg.com available from

http://www.bloomberg.com/apps/news?pid=20601080&sid=aEGZ4sBCjHQE&refer=asia; Internet, accessed 23 February 2010.

that sees the formation of bilateral partnerships that are less than alliances and more than friendships.<sup>175</sup>

## **CRITICAL VULNERABILITY #2**

The second critical requirement of the CCP is to maintain the momentum of industrialization in order to build collective national power. The resultant critical requirement therefore is domestic stability through prosperity and standard of living. The critical vulnerability is China's energy security dilemma or more specifically, its heavy reliance upon fossil fuels. Energy security has been defined as the need to obtain sufficient and stable supplies of energy at prices which are suitable and under conditions which do not endanger national values and objectives.<sup>176</sup> Canada, as an energy and resource exporter, could leverage China's reliance on energy imports to effect change that effectively addresses Canada's foreign policy priorities.

China has and will continue to have great demand for many of the raw materials required to feed its powerful economy and keep the domestic population stable by giving them the lifestyle that they have come to expect. China is one of the world greatest consumers of fossil fuels with a voracious appetite that is only going to expand. Despite years of self-sustainability in the energy sector, China has been a net importer of oil products and petroleum since the mid-1990s. It has seen its dependency steadily rise causing a correlative impact on concessions within its foreign policy. China is now the second largest crude and refined oil consumer in the world with estimates that by 2020, 77% of all oil consumed in China would come from imports.

<sup>&</sup>lt;sup>175</sup> Ashley Tellis and Michael Wills, *Strategic Asia 2007-08: Domestic Political Change and Grand Strategy* ..., 31.

<sup>&</sup>lt;sup>176</sup>Daniel Yergin, "Energy Security in the 1990s" Foreign Affairs vol 67 no. 1, (Fall 1998) 111.

The CCP has been actively engaged in addressing this issue, launching several studies into the problem of energy security and reducing its effects.<sup>177</sup>

Canada on the other hand is the fifth largest energy producing country in the world. It is the world's 3<sup>rd</sup> largest producer of natural gas and 7<sup>th</sup> in oil production. In fact, rightfully or wrongfully, Prime Minister Harper has consistently referred to the country as an energy superpower.<sup>178</sup> The relevant issue is how Canadian energy exports can be used as leverage against a powerful nation, in order to advance the national interests and desired values projection. As Annette Hester of the Canadian Defence and Foreign Affairs Institute indicated in 2007, "success will depend on whether Harper is able to seize this opportunity to unite the country behind economic and political goals."<sup>179</sup>

It appears that Prime Minister Harper has been able to do just that. Coincident with Harper's recent policy reversal on China, on 2 December 2009, the Conservative government gave PetroChina the go-ahead for a \$1.7 billion acquisition of Athabasca Oil Sands Corporation's MacKay and Dover oil sands deposits in Alberta.

It goes without saying that China's consistent economic acceleration has been a direct result of globalization and the economic reforms put in place by Deng Xiaoping. Deng's transition to a more market based economic paradigm has enabled China to become one of the wealthiest nations in the world. Hu Jintao has said that China's relations with the world have

<sup>&</sup>lt;sup>177</sup> Marc Lanteigne, *Chinese Foreign Policy...*, 52.

<sup>&</sup>lt;sup>178</sup> Annette Hester, "Canada as the "Emerging Energy Superpower: Testing the Case" available from <u>http://www.cdfai.org/PDF/Canada%20as%20The%20Emerging%20Superpower.pdf</u>; Internet, accessed 22 February 2010.

experienced "historic changes" and that the Chinese people were embracing an era in which opportunities were exceeding challenges.<sup>180</sup>

# **CRITICAL VULNERABILITY #3**

In other words, the final critical capability of the CCP leadership is the ability to keep pace with globalization and expand on the government's limited institutional capacities to appease the people. The critical requirement is to balance conservative and reformist influence within the Chinese population and the CCP's goal of self preservation. To remain in power, the CCP must preserve its core interests of sovereignty and the absolute authority of the state.<sup>181</sup> As Deng Xiaoping stated upon reflection of the near collapse of the CCP following the quelling of the Tiananmen Square uprising, "of all China's [read CCP] problems, the one that trumps everything is the need for stability. And we cannot care what foreigners say."<sup>182</sup>

The critical vulnerability that Stephen Harper's China Policy must seek to exploit is the tension that exists between Beijing's political ideology and its domestic economic methodology. In attempting to have the best of both worlds, the CCP has been steadfast in its efforts to meld and fuse its centralized political structure with its rigid controls to a free market economic paradigm. In other words, the primary problem in China is the lack of a distinct separation between state and society.

The CCP has been extremely hesitant to impose international human rights standards, despite being a signatory to the Universal Declaration of Human Rights, due to the Chinese fundamental concept of sovereignty. As Jeremy Paltiel indicates, the Chinese concept of

<sup>&</sup>lt;sup>180</sup> Willy Lam, "Hu Jintao Unveils Major Foreign-Policy Initiative"..., 3.

<sup>&</sup>lt;sup>181</sup> Marc Lanteigne, *Chinese Foreign Policy*, ..., 7.

<sup>&</sup>lt;sup>182</sup> Susan Shirk, *China: Fragile Superpower...*, 38.

sovereignty is intrinsically linked to the rule of law. Contemporary thinking within the CCP places the emphasis on the universal jurisdiction of the state and its absolute ability to regulate society though law.<sup>183</sup> As China becomes mores deeply entwined in the complex interdependencies of the global free market system with its multinational corporations, trade laws and foreign investment, the CCP will be forced to expand and adapt the government's limited institutional capacities and legal frameworks. Because of this, Stephen Harper is absolutely correct to focus his efforts on developing a comprehensive trade policy as the capstone for his China Policy.

Trade will be the primary mechanism for delivering real change and the advancement of human rights and democracy. The development of trade will ultimately lead to privatization and the concept of property rights, labour rights etc. As trade and globalization will push the necessity for these fundamentals, there will be a requirement to adapt Chinese law to recognize these rights.<sup>184</sup> As the legal mechanisms will be in place to support the concept of private rights, the fundamental concept of individual rights will have to be addressed which will open the door to the advancement of human rights.

The legitimacy of the CCP is retained by it ability to continue economic reform and continuing to advance the standard of living for its 1.2 billion citizens. Out of sheer selfpreservation, the CCP will have no choice but to gradually adapt the legal frameworks within a modernized Chinese system. This will necessitate positive changes which will see the opportunity for the advancement of human rights issue in China.

<sup>&</sup>lt;sup>183</sup> Guoguang Wu and Helen Lansdowne, *China Turns to Multilateralism ...*, 202.

<sup>&</sup>lt;sup>184</sup> Susan Shirk, *China Fragile Superpower* ..., 59.

The sheer size of the Chinese middle class consumer base, one of the key things that the CCP has drawn its source of economic power and influence from, is also a critical vulnerability for the CCP as was previously stated. Because the ruling CCP historically did not have to negotiate with social or economic institutions since assuming power in 1949, there was no other focus point for retribution or frustration should the CCP fail to meet expectations. A senior Australian Defence official stated that "China fears China itself" or in other words, Beijing is always cognizant of the real threat to party is an internal threat. He furthered that the security of the state and thus the Party is at risk from the 1.3 billion looking at the aggregate effects of domestic failures, specifically, "coal mines, strikes and bloody stuff."<sup>185</sup>

Historically speaking, the major cause of internal strife within the country has been centered on the accountability of the ruling body, the standard of living and the widening income gaps between the coastal trading regions and the agrarian interior regions. Attention must therefore be devoted by the CCP to the more equitable distribution and quality of economic benefits.<sup>186</sup>

Since the installation of economic reforms by Deng Xiaoping in the late 1970s, China has been recapturing its share of global Gross Domestic Product (GDP). Figures produced by the International Monetary Fund (IMF) show a dramatic increase from 5.61 percent in 1990 to 15.83 percent by end 2007.<sup>187</sup> In fact, Deng provides significant insight into this critical requirement during his final address to the CCP. His counsel to the Party that "China must watch out for the Right but mainly defend against the Left" meant that China was rapidly moving down a path to

<sup>187</sup> Ibid., 78.

<sup>&</sup>lt;sup>185</sup> David Lampton, The Three Faces of Chinese Power: Might Money and Minds..., 207.

<sup>&</sup>lt;sup>186</sup> Ibid., 79.

greatness, but with this greatness comes a requirement to adapt. The CCP is caught in a precarious position of always having to shield itself from those Party members who oppose reform and advocate isolationism to preserve its domestic power at the expense of the greater goal of socio-economic power and regional domination.<sup>188</sup>

As was previously stated, the Strange Analysis allows one to examine a state and determine the vulnerabilities by focussing on what it is the state must be capable of (Critical Capabilities), what it needs to execute this capability (Critical Requirements) and what weaknesses or deficiencies are exposed by these constraints (Critical Vulnerabilities). Understanding the strengths and weaknesses of the CCP is essential if Canada wants to develop opportunities for advancing its national interests. This analysis has offered that China does indeed have some significant vulnerabilities, mainly domestic stability, energy security and internal ideological imbalance within the Party itself.

As Stephen Harper positions Canada within the bilateral relationship, Canada's China Policy must use "smart power" to exploit these weaknesses in the Chinese system, in the pursuit of the Canadian national interests. Dr Joseph Nye, Distinguished Service Professor at Harvard's John F Kennedy School of Government, coined the term "smart power" or the "capacity to define goals and implement policy with the most efficient use of resources"<sup>189</sup> For Prime Minister Harper, this has recently come to mean his ability to balance domestic priorities and Chinese realities. As has been demonstrated, a foreign policy that is places the emphasis on a

<sup>&</sup>lt;sup>188</sup> Marc Lanteigne, *Chinese Foreign Policy...*, 8.

<sup>&</sup>lt;sup>189</sup> David Lampton, *The Three Faces of Chinese Power: Might Money and Minds...*, 9.

long term strategic trade program will successfully and efficiently manage value differences between the two countries and concurrently advance all national interests of Canada.

### A QUESTION ANSWERED

The crux of grand strategy lies therefore in policy, that is, in the capacity of the nation's leaders to bring together all of the elements, ..., for the preservation and enhancement of the nation's long term best interests ... it operates at various levels, political, strategic, operational, tactical, all interacting with each other to advance the primary aim."<sup>190</sup> Yale University's Dr. Paul Kennedy

Any state, regardless of its size, has vital and fundamental long term interests that it must protect. It is essential to the very survival of the state. The strategies states employ to protect these interests vary greatly, but those that are successful always balance ends and means.<sup>191</sup> This paper has attempt to answer whether or not Stephen Harper's recent reversal on the China policy is an indication that the Conservatives have found the right balance in an effort to further national interests.

Since the late 1970s, China's domestic economic model has undergone a dramatic transformation to a market economy. Since Deng Xiapoing's economic reforms, there has been an evolutionary shift as internal domestic factors have gradually given way to external pressure points. Chinese economic development has become increasingly influenced by the complex financial interdependencies of the global village.

Deng's transition to a more market based economic paradigm has enabled China to become one of the wealthiest nations in the world. The Chinese economy has now become one

<sup>&</sup>lt;sup>190</sup> Paul Kennedy, Grand Strategies in Peace and War, (New Haven: Yale University Press 1992)

<sup>&</sup>lt;sup>191</sup> David Pratt, "Is There A Grand Strategy in Canadian Foreign Policy?" *Journal of Military and Strategic Studies*, Vol 10 No 2 Winter 2008, 9.

of the most integral links in the chain of the global economy.<sup>192</sup>

Canada's most important trading partner, the United States, has given clear indications that it has taken notice of the incredible importance of China. The Secretaries of Commerce and Energy are both Chinese-Americans. Barack Obama's Secretary of Treasury, Timothy Geithner, the man assigned the task of leading the American economy out of the global recession, has an M.A. in International Economics and East Asian studies from Johns Hopkins University's School of Advanced International Studies and is fluent in both Mandarin and Cantonese. Secretary of State, Hillary Rodham Clinton's first formal visit abroad was to China.<sup>193</sup> It is no mistake that these key positions have a correlation to the critical vulnerabilities of the CCP which were identified in the previous chapter.

Bilateral relations between the governments of Canada and the People's Republic of China are a matter of strategic interest to Canada with commercial and trade ties linking Canada with the world's third largest and fastest growing economy of obviously vital importance.<sup>194</sup> In a January 2010 interview with CBC News, Carleton University's Jeremy Paltiel said that Harper's initial tough stance with Beijing did little to improve relations with Beijing. "The consensus [was] that Canada has ignored China and done little to foster better relations, even as China's

<sup>&</sup>lt;sup>192</sup> Shuxen Chen and Charles Wolf Jr, *China, the United States, and the Global Economy*, (Santa Monica, Rand Corporation, 2001) 11.

<sup>&</sup>lt;sup>193</sup> Jeremy Paltiel, "Canada and China: An Agenda for the Twenty-First Century", available from <u>http://www.carleton.ca/cfpj/Without%20subscription/15-2Paltiel.pdf;</u> Internet, accessed 14 January 2010.

<sup>&</sup>lt;sup>194</sup> Barry Carin and Gordon Smith, Working With China Towards a New International Institutional Architecture: A Strategic Partnership With Canada on Global Issues of Mutual Interest, available from

economy was growing."<sup>195</sup>

That being said, Harper's recent policy change in response to changing economic conditions at the global, regional and local level has had significant effects on the Canada-China relationship. The problem writ large with Stephen Harper's initial stance with China was that his emphasis on the protection of human rights and the advancement of democratic values came at the expense of Canadian commercial interests and thus did not adequate advance all of Canada's national interests.

This paper attempted to answer a fundamental question regarding the formulation of Canada's China Policy. When formulating a policy for China, how should the government approach the management of value differences between two ideologically opposed yet economically entwined states?

This paper has demonstrated that despite a lack of a formal China policy, Prime Minister Harper's focus on trade has resulted in the proper intersection point of priorities and realities. Political reform in China will never be realized through international political pressures, public shaming and diplomatic snubbing, especially from an international lightweight like Canada. Real change will come from within China. The advancement of trade and continuous slow and steady pressure to make China conform to international norms will ultimately set the stage for the people of China. To paraphrase Susan Shirk, overplaying the human rights issues, undercuts the many voices of the Chinese population who advocate a cooperative relationship with the West by

http://www.canadianinternationalcouncil.org/resourcece/issueareas/chinaandem; Internet, accessed 21 February 2010.

<sup>&</sup>lt;sup>195</sup> CBC News, "Harper Urged to Talk Human Rights With China, available from <u>http://www.cbc.ca/world/story/2009/12/01/harper-china-visit.html</u>; Internet, accessed 25 January 2010.

casting doubt on their patriotic credentials.<sup>196</sup> Stephen Harper's policy reversal and the subsequent re-balancing of his China Policy has now positioned Canada to simultaneously manage value differences and still advance the national interests through trade and small aid programmes.

As has been shown through the use of the Strange Analysis, this re-worked policy should successfully and efficiently manage value differences between the two countries and concurrently advance all national interests of Canada. As was previously stated, the Strange Analysis allows one to examine a state and determine the vulnerabilities by focussing on what it is the state must be capable of (Critical Capabilities), what it needs to execute this capability (Critical Requirements) and what weaknesses or deficiencies are exposed by these constraints (Critical Vulnerabilities). Understanding the strengths and weaknesses of the CCP is essential if Canada wants to develop opportunities for advancing its national interests. This analysis has offered that China does indeed have some significant vulnerabilities, mainly domestic stability, energy security and internal ideological imbalance within the Party itself.

Canadian foreign policy has always been deeply rooted in values, but not at the expense of trade. Throughout periods of rule by both hardliners and moderates in China, Canada has enjoyed a symbiotic relationship that has been primarily defined by our requirement to trade in order to survive. David Pratt argues that where the interests of great and small powers converge, "opportunities exist for both to positively influence outcomes especially within alliance

<sup>&</sup>lt;sup>196</sup> Susan Shirk, *China: Fragile Superpower* ..., 262.

arrangements."<sup>197</sup> If one agrees with his notion that a state's "diplomatic efforts may result in influence with the great power well beyond that which, it might otherwise be expected to wield," one can logically argue that Canada will leverage its trade relationship with China to effect change in the advancements of human rights.

## POLICY RECOMMENDATIONS

Prime Minister Harper should continue to prioritize his China Policy with a concerted focus on trade policies, within the confines of the international economic institutions (i.e. IMF, G20, World Bank). By doing so, there is a better economy of effort to pressure Chinese conformity to his values agendas. By advancing conformity through trade regulation and attempting to force China into legalized agreements with the required enforcement mechanisms, Stephen Harper will be able to use this leverage and still pursue democratic reform and the advancement of human rights.

Canada is the world's 6<sup>th</sup> largest oil producer. In 2008, Canada's total oil production was 3.4 million barrels a day; output is expected to rise further with increased development of oil sands. Canada has the world's second-largest proven reserves (after Saudi Arabia) at 176 billion barrels, 170 billion of which are in the oil sands.<sup>198</sup> Canada, as an energy and resource exporter, must develop a means to leverage China's reliance on energy imports to effect change that effectively addresses Canada's foreign policy priorities without compromising its commitment Canada-US energy relations.

<sup>&</sup>lt;sup>197</sup> David Pratt, "Is There a Grand Strategy in Canadian Foreign Policy"..., 15.

<sup>&</sup>lt;sup>198</sup> Foreign Affairs and International Trade, "Canada-US Energy Relations" <u>http://www.canadainternational.gc.ca/can-am/bilat\_can/energy-energie.aspx?lang=eng;</u> Internet, accessed 13 April 2010.

A true test of this will be the decision of the recent CA \$4.6 billion acquisition of a minority stake the Syncrude oil-sands project by Sinopec. The purchase gives a Chinese state-controlled petro-chemical company a veto over the crucial decision of whether the company should upgrade more oil in Alberta or export raw bitumen for processing. In the last election campaign and before his reversal on Canada's China Policy, Prime Minister Harper said his government would prevent any company from exporting raw bitumen to take advantage of weaker environmental rules in other countries.<sup>199</sup>

One of Canada's most prominent experts of China, Paul Evans, CEO of the Asia-Pacific Foundation, a Vancouver based think tank, would readily concur with Harper's new approach as being a necessary compromise. The stated objectives of the Harper government are the promotion of democracy, human rights, freedoms and rule of law. In coming to terms with the challenges presented by the CCP, Evans sees Harper working a pragmatic policy similar to that of John Diefenbaker's approach to China.<sup>200</sup>

Diefenbaker was a major figure in development of Canadian post-war foreign policy. During what has been described as the Golden Era Age of Canadian diplomacy, Diefenbaker, a stern critic of Communists in the U.S.S.R. and China, advocated the expansion of democracy and passionately defended human rights. But Diefenbaker's approach, like Stephen Harper recent policy reversal, was based on pragmatic reasoning that maintaining trade with China was in the greater national interests of the country. As Paul Evans observes "Diefenbaker fought his whole

<sup>&</sup>lt;sup>199</sup> Shawn McCarthy and Gordon Pitts, "Oil Sands Deal Gives China Crucial Veto On Exports" *The Globe and Mail*, 13 April 2010.

<sup>&</sup>lt;sup>200</sup> Peter Shawn Taylor, "The Harper Doctrine" Macleans Magazine, February 05 2007.

life for human rights but even Dief sold wheat to the Chinese."<sup>201</sup> This is the essence of managing value differences and while advancing the national interests of Canada and for Stephen Harper, this is the new reality of dealing with China.

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