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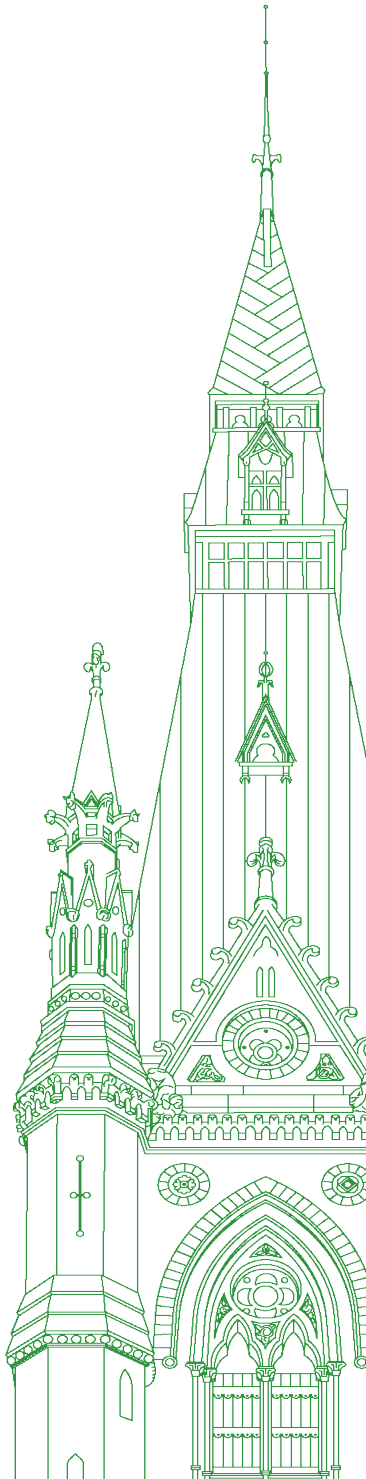

Chair: Mr. Ken Hardie

Special Committee on the Canada–People's Republic of China Relationship

Tuesday, November 15, 2022

● (1835)

[*English*]

The Chair (Mr. Ken Hardie (Fleetwood—Port Kells, Lib.)): I call the meeting to order.

Good evening, one and all. Welcome to meeting number seven of the House of Commons Special Committee on the Canada–People's Republic of China Relationship. Pursuant to the order of reference of May 16, 2022, the committee is meeting on its study of the Canada-People's Republic of China relations, with a focus on the Canada-Taiwan relations.

Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022. Members are attending in person in the room and remotely by using the Zoom application.

At this point, we'll welcome some of our guests today.

Mr. Genuis, it's good to see you.

Ms. Sgro, it's good to have you here. I'm a little intimidated, because Judy was the first chair who handled a committee that I was on when I first got here in 2015. There you go.

Sameer, it's good to see you.

Taleeb Noormohamed is lurking there. Yes, there he is, at the bottom of the screen. It's good to have you on board.

Now I have a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mike, and please mute it when you're not speaking.

For interpretation for those on Zoom, you have the choice at the bottom of your screen of "floor", "English" or "French". Those in the room can use the earpiece and select the desired channel.

I would remind you that all comments should be addressed through the chair.

For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can, and we appreciate your patience and understanding in this regard.

Now, especially for the benefit of Mr. Bergeron, we want to make sure that everybody has had their tests. The audio was good when we checked it, but we've had examples in the recent past of things that checked out well at one part of the day, and then by the time we got to the committee, it wasn't so good. It's always going to be on an edge, but we'll see how we do.

With that, I'd like to welcome our witnesses for the first hour.

We have Dr. Tong Lam, associate professor at the University of Toronto, and Colin Robertson, senior advisor and fellow of the Canadian Global Affairs Institute. They are appearing as individuals.

Gentleman, welcome to the Canada-China committee.

Mr. Lam, you have five minutes for an opening statement.

Dr. Tong Lam (Associate Professor, University of Toronto, As an Individual): Thank you, Chair, and thank you to the special committee.

It's an honour for me to be here this evening.

What we call Taiwan today is a product of a long history. For centuries the island existed at the edge of successive dynastic empires until it was colonized by the Empire of Japan in the last decade of the 19th century.

After the end of World War II, when the Communists defeated the Nationalists in the Chinese Civil War, the Nationalist government retreated to Taiwan. In order to maintain its rule as an outsider, the Nationalists began a period of martial law for nearly four decades.

In the late 1980s, due to domestic and international pressures, Taiwan began a series of democratic reforms, and the first direct presidential election took place in 1996. Since then, Taiwan has experienced multiple changes of government and four democratic elections with a high level of public participation. This happens at every level of the government.

In other words, in spite of the four decades of martial law under the Nationalist government until 1987, the Nationalist government, which was once regarded as the foreign occupier, has remade itself and is now considered to be a legitimate Taiwanese political party by the public.

Taiwan's elections have been so lively that until recently presidential elections were a tourist attraction for many mainland Chinese, to the point that there had been a small industry of election tourism. Of course, Taiwan has been also a major destination for Chinese-speaking political activists in exile.

It is perhaps fair to say that the peace and economic prosperity in the past few decades have been grounded on the One China framework, or more precisely, the interpretation of the framework that has been generally agreed upon by the two sides of the Taiwan Strait, along with the international community, including Canada—even though the international community too has their own interpretations of the idea of One China.

In the past few decades, however, mainland China has become a rather different place. Among other things, it has become a new superpower that's integrated in the global economy. It's also important to point out that the Chinese government's foreign policy at least partially is driven by what they have come to call the “century of humiliation”, which refers to the period after the First Opium War, from the middle of the 19th century until the founding of the People's Republic of China under the Communist Party in 1949.

This was a period when the period's dynastic empires, and later the Chinese republic, were subjugated to, and invaded by, foreign powers. In this narrative, the separation of Taiwan from China is seen as a humiliation and a problem that needs to be corrected.

Whether we share this particular unspoken narrative or not, it is vital to recognize the powerful emotion behind China's current claims on Taiwan. Meanwhile, Taiwan too has become a very different place in the past few decades. Democratization has led many Taiwanese to reflect on their own past, including the experience of Japanese colonialism and the military rule under the Nationalists. For many Taiwanese, especially the younger generations, the accumulation of those experiences, however traumatic, has turned them into a different people.

Taiwan today has a vibrant civil society that cherishes progressive values. For instance, LGBTQ rights in Taiwan are often seen as the most progressive in Asia and, as in Canada, same-sex marriage has been legalized. Also, Taiwan embraces ethnic and linguistic diversity and has also began to address or pay attention to the welfare of the indigenous population with its own program of truth and reconciliation.

Similarly, the Taiwanese government and the public generally have a strong ecological awareness, since Taiwan's early democratic movement was linked to its elemental activism.

To make a long story short, the changing political and economic landscape on both sides of the Taiwan Strait in the past few decades has eroded the foundation of the fragile peace and security that we have all benefited from, as the two sides seem to be moving away from one another.

That doesn't mean that war is inevitable. Most people in Taiwan, regardless of the politics, would like to see the continuation of the status quo, and Canada could help the picture of the status quo by strengthening its ties with Taiwan, particularly at the civil society level.

To sum up, whether it is colonialism, empire, typhoons or earthquakes, or the public health crisis, the Taiwanese people are always aware of their own precarity. So far they have not just survived it but have also prospered, and I hope there will be space for them to continue to do so in the future.

Thank you.

● (1840)

The Chair: Thank you, Dr. Lam.

We'll now go to Mr. Robertson for five minutes or less.

Mr. Colin Robertson (Senior Advisor and Fellow, Canadian Global Affairs Institute, As an Individual): Chair, thank you.

I made my first visit to Taiwan in the spring of 1988, six months after being posted as consul to the British Crown colony of Hong Kong. Hong Kong was China's entrepôt to the world and our best entree into the rest of Asia. It was also home to an expatriate population of Canadians that, after the Tiananmen Square massacre when Hong Kongers flocked to Canada, is now the largest in Asia.

I was also accredited to China. Every four months, I would travel north by rail to Guangzhou to attend to our consular cases while reporting on the economic developments in China. I watched the transformation of Shenzhen from bucolic rice paddies and water buffalo to a booming frontier town of bamboo scaffolding and raucous growth. Today Shenzhen is China's Silicon Valley and home to its tech champion, Huawei.

I had already visited Beijing, stoked in the coal smoke with its hutungs and bicycles. My visit to Taipei reminded me very much of Beijing. The people were ethnically the same—Han Chinese—but they had backed the wrong side in the civil war. The Republic of China's Kuomintang party and the People's Republic of China's Chinese Communist Party ruled in much the same autocratic fashion.

For the west, the iconic Asian leader of the time was Singapore's Lee Kuan Yew. Lee argued that the Asian way, or at the least the Chinese way, was a benevolent but autocratic government that accorded no priority to human rights. It seemed a fair assessment.

Fast forward to 2019, when I returned to Taiwan. Months earlier, I had visited Shanghai and Beijing, now modern and bustling cities. Taipei had kept pace, but there was one fundamental difference. As we drove into the city, we passed Taipei's “White House”, the home of President Madam Tsai Ing-wen. There was a demonstration. I asked what it was about. It was in support of freedom of the press. An oligarch with ties to China wanted to buy a local newspaper, something the public opposed. For them, it was part of the long-running PRC disinformation and cyber-campaign designed to disrupt Taiwanese democracy.

Taiwan has become a vibrant and lively democracy with peaceful transitions between parties, a free press, independent judiciary and a competent and arguably the most uncorrupt civil service in Asia. In its annual assessment of political rights and civil liberties, Freedom House gives Taiwan a score of 94 out 100. Canada scores 98, and the U.S. gets 83. China gets 9.

I had dinner with their digital affairs minister, Audrey Tang. Tang is transgender. Taiwan was one of the first Asian nations to recognize LGBTQ rights.

Tang told me that applied technology, notably semiconductors, was the means by which Taiwan leapt into the ranks of developed nations. She said that China is relentless in its campaign to destabilize and intimidate the Taiwanese through disinformation, cyber-warfare and intrusions into its airspace, but the Taiwanese people will defend their democracy. They rely on the U.S. and wish that we in the west were less cowed by China.

I'll conclude with an observation and three recommendations.

My observation is that Taiwan belies the Chinese Communist Party belief that Chinese and Asian people prefer and do best under autocracy. In that sense, Taiwan undermines the foundational belief and thus the legitimacy of the Chinese Communist Party. For Xi Jinping, Taiwan is the heretic state. Xi is determined to reunify Taiwan with the mainland, by force if necessary. Vladimir Putin feels the same about Ukraine.

As to recommendations, my first is that now that the CCP has snuffed out the liberties guaranteed by the UN-sanctioned agreements to grow representative government in Hong Kong, Taiwan is the best place in the Indo-Pacific to monitor the mainland. Taiwan's think tanks and intelligence about China are without peer. With China a hotbed for pandemics, but inclined to cover up, Taiwan's proximity gives us early warning.

Second, we should do more to support Taiwan through trade and investment and people-to-people ties. Let's market Canadian schools and universities and promote Canada as the destination for tourism and immigration.

This committee should officially visit Taiwan. We need to resume ministerial visits based on shared interests like trade, innovation, health and regional security. The last minister to visit was then industry minister John Manley in 1998. We should also support Taiwan's legitimate aspirations to join institutions like the CPTPP, the World Health Organization and the Montreal-based ICAO.

Third, China is actively challenging our rules-based order and, as we know, covertly attempting to disrupt democratic governments. I applaud the committee's discussion of Chinese disinformation and cyber-intrusions, including intellectual property theft and attacks on critical infrastructure, but what about allegations of money laundering, secret police, co-opting officials and campaign funding for parliamentary candidates?

● (1845)

We must stay engaged with the People's Republic of China for reasons of geopolitics, climate change, pandemics and nuclear proliferation, as well as trade and our people-to-people ties, but we must re-examine our policy on Chinese state-owned enterprises. We need to add teeth—sanctions—to the declaration on arbitrary detention to deter further Chinese hostage taking.

Thank you, Chair.

The Chair: Thank you, Mr. Robertson.

We'll go to our first round of questioning.

For six minutes, we have Mr. Chong.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Thank you, Mr. Chair.

Thank you to our witnesses, Dr. Lam and Mr. Robertson, for coming to appear in front of us today.

I'd like to ask some questions of Mr. Robertson.

You have experience in Washington. You have experience in the Canada-U.S. relationship. Many people believe that Beijing will invade Taiwan in the next three to four years. If that happens, what will Washington's response be and how will that impact Canada?

In other words, will Washington's response be kinetic or non-kinetic? Will it be in military or non-military blockades, or sanctions? What do you think Washington will do if Beijing invades Taiwan?

Mr. Colin Robertson: Sir, I think that there's certainly a great concern that it will happen. I think what you're going to see—and it's already started—is the effort to turn Taiwan into a porcupine, as they say, which is to provide it with enough capacity that it would be very expensive for the Chinese to invade.

I think there is a rethinking within Taiwan about some of the weaponry they need in order to ensure that porcupine capacity. Much of that capacity, of course, will come from the United States, but the Taiwanese have already begun things like construction of their new submarines, for example, and anti-ballistic-missile defence.

I think that will be what they will do, in the belief that the best deterrence.... In NATO, we feel the best deterrence to Russian aggression is strong defensive capacity that will force the Russians, in the case of NATO, to think twice before going into a NATO country. The same would apply to Taiwan.

If the worst should happen, there is considerable division, sir, as you probably know, within American thinking-group circles about how the United States will respond and its capacity to respond. Much, of course, would depend on what the Chinese did and whether they were taking out some of the American bases in Guam and Okinawa, for example. You can be sure the United States will have some form of response—kinetic, but I think cyber is increasingly going to enter into the equation.

You hope it doesn't get there, but I think the best approach now is to help Taiwan create sufficient deterrent power so that Chinese generals think twice and advise Xi Jinping that this is going to be extremely difficult and costly.

I think the American signals—and I'm quite confident that President Biden said this to Xi Jinping yesterday—are that if they were to proceed, there would be a response from the United States that would do great harm to China.

● (1850)

Hon. Michael Chong: What should Canada be doing to prepare for any eventualities?

Mr. Colin Robertson: Our first concern always, sir, is our citizens. We have a good team in Taiwan. A number of Canadians are there. There are those with links to Canada as a consequence of student ties and immigration. The first thing is to make plans for the worst case, which I think is something we should be doing.

At the same time, we should also be helping as best we can to make a contribution, if we are in a position to do so, to deter China from wanting to go into Taiwan. Of course, that means more frequent visits by our frigates, probably with Australia and the United States. My great fear is that the Chinese will decide to do something, just as they did with the two Michaels, to make an example of an ally of the United States.

With freedom of navigation in the Taiwan Strait, we've been sending our frigates through on a regular basis, sometimes with the United States and sometimes with our allied partners. I think that's important, so that the Chinese get the impression—and the impression we want to leave, which is correct—that it is not just the United States they're dealing with. It's other countries, like Canada, that have an interest in continuing the current situation in Taiwan.

Hon. Michael Chong: In addition to sending a frigate through the Taiwan Strait in concert with allies, in addition to ministerial visits, and in addition to tightening trade and investment ties, what other things should Canada be doing to deter Beijing's aggression against the island?

Mr. Colin Robertson: I think we're going to see an Indo-Pacific strategy in, I hope, the coming weeks; it's been promised for some time. I hope there is a component in there that includes a significant reinvestment in our deterrent capacity, particularly as it relates to our military. I do think that's what counts. It's what the Australians are doing. It's what some of our allies are doing. I think it's what we should be doing.

At the same time, of course, we're good on the diplomatic side, making those representations through our representation in Beijing and in the dealings that Minister Joly had yesterday, for example, with her Chinese counterparts.

Hon. Michael Chong: Just very quickly, what can Canada and Canadian businesses be doing to harden themselves against a potential invasion by Beijing of Taiwan, in the event that this happens? What are the economic measures we should be putting in place to ensure that we're not completely sideswiped by a potential invasion?

The Chair: Please give a brief answer, if you could, Mr. Robertson.

Mr. Colin Robertson: Sure. I'll be very brief.

It all comes down to cyber. I think just as our banks are hardening themselves, and our governments have appreciated intrusions, so should broader businesses as well that do any kind of business there—our farm agri-food industry, for example, and our energy industry.

● (1855)

The Chair: Thank you.

Mr. Oliphant, you have six minutes or less.

Hon. Robert Oliphant (Don Valley West, Lib.): Thank you, Mr. Chair.

I'd like to thank both Professor Lam and Mr. Robertson.

It's good to see you again, Mr. Robertson.

I want to follow up a little bit on Mr. Chong's questioning. I have two areas that I'd like to talk about. One has to do with security in the traditional sense of the word. I come at it a little differently from Mr. Chong in that it's less on the side of assuming that there will be an invasion and more on the side of how to protect the status quo. When I speak to people from Taiwan, they are generally concerned about maintaining the status quo, which allows them to have a free democracy, a vibrant business community and a cultural community that we have come to love.

As opposed to deterrence in the military sense, are there diplomatic engagements and defensive engagements as well that you could see protecting the status quo in the kind of gentle standoff that continues at this time?

I'll go to Mr. Robertson first.

Mr. Colin Robertson: Thank you, sir.

Yes, I'm a former diplomat, so I put the first emphasis on diplomacy, but as I was saying to Mr. Chong, you need hard power to back up the soft power approach that is traditionally our approach. That means engagement. I strongly believe that we should engage on issues that we can work on with the People's Republic of China. On climate, health concerns, nuclear proliferation and a number of areas, we can and should be working together. We have significant trade, which benefits Canadians.

I think the more engagement we have, the better, while at the same time passing the message that we aren't going to upset the current status quo with regard to the status of Taiwan, because of course the great fear of Xi Jinping is that we're going to recognize Taiwanese independence. I don't see that happening. I don't see the Americans doing that, even though there are some American members of Congress who would like to see that. I think the Taiwanese people, as you correctly point out, sir, are certainly not inclined to do that. They would like to keep the current status quo.

We would do so at the same time, in collaboration with our other allies. I think through working with Australia, working with like-minded Korea and Japan, and with partners in the CPTPP, again, it's engagement. There has to be, from my experience, another side within China. Yes, it's a one-party state, but certainly from my long experience with China, there are factions within China. Right now there is one faction that's in the ascendancy, as we saw at the National People's Congress, but you can be sure that behind the scenes, sir, there are others who would not necessarily agree with the current fairly aggressive approach.

Hon. Robert Oliphant: My approach on this would be to defuse and de-escalate while defending. We need to do all of that at the same time.

I want to talk a little bit about the cybersecurity aspect as well as the traditional security aspect and election interference. Before the 2020 presidential election, there were overt and aggressive signs that China was wanting to or willing to or actually engaging in interference in the Taiwan election. It didn't work. The president was re-elected and the status quo remained.

Are there some tools or techniques that Taiwan has developed to counter misinformation and election interference—the kinds of activities we're worried about in Canada as well—that we can learn from?

I'll go to Professor Lam first, and then Mr. Robertson.

Dr. Tong Lam: Thank you for that question.

I think earlier Mr. Robertson actually mentioned Minister Audrey Tang, the digital minister. I think one of the things they set up was a rapid response centre to any form of misinformation or disinformation. In other words, anything that comes out would be very quickly verified. I think that's something extremely useful and important for any liberal democracy. As we have seen in the past few years, one source of the confusion is that the general public does not necessarily know when you have a large amount of information, including a lot of disinformation and misinformation, that often becomes confusing to the point that people have difficulty aligning themselves with the policy of the government precisely because they somehow question those.

I think Taiwan definitely has systems in place. There's a lot that Canada could learn from those, for example.

● (1900)

The Chair: Mr. Robertson, could we ask you to turn your camera off?

We are still having some bandwidth issues, and perhaps if you turn your camera off, the audio will be improved.

Mr. Colin Robertson: Okay.

Is that better?

The Chair: Yes, it is. It sounds better. Thank you.

Go ahead.

Mr. Colin Robertson: Okay. Sure.

Yes, I agree with Professor Lam. I also sit on the defence advisory board, which reports to the deputy minister of National Defence and the chief of the defence staff. I recently participated in a project—this is not secret—looking at disinformation.

Just to answer the question, I learned an awful lot. There are two places from which I think we can learn a lot. The first is Taiwan. They encounter cyber-intrusions daily. Again, Minister Tang likes Canada and visits Canada. There is a lot we can learn from them.

The other group would be the Baltic nations—Estonians, Latvians and Lithuanians. I think they are the furthest ahead because, in the case of the Baltics, they are the subject of cyber-attacks from Russia. Of course, China, has been practising on Taiwan for some time.

To Mr. Oliphant's question, yes, there is an awful lot we can learn from this. I believe our intelligence agencies are in touch. If the parliamentary committee would visit, they would learn an awful lot from this. I think it would help inform parliamentarians, who, I believe, should be well informed on this aspect. You are ultimately the guarantor of our democracy.

The Chair: Thank you.

We now to Mr. Bergeron for six minutes or less.

[*Translation*]

Mr. Stéphane Bergeron (Montarville, BQ): Thank you, Mr. Chair.

I would also like to thank the witnesses for being with us here this evening and helping us with this part of our mission or mandate: the consideration of relations with Taiwan.

Indeed, in a speech Ms. Mélanie Joly, the Minister of Foreign Affairs, gave recently at the Munk School of Global Affairs and Public Policy, she warned that Canadian companies that do business with the People's Republic of China do so at their own risk. She also said that Canada would seek to deepen its economic ties with Taiwan.

Mr. Lam, what do you think a statement such as this means for Canadian businesses?

[*English*]

Dr. Tong Lam: Without being a trade expert, I think it seems increasingly common sense that trade and commerce have been weaponized. Of course, that's not just by China. It's quite common. However, China's being an economic superpower means that when they choose to weaponize trade, it is quite a powerful weapon. I think that's something any Canadian business that wants to invest in China might want to consider. I would not have advised them to do business, but I think the implications of those choices are pretty obvious.

[*Translation*]

Mr. Stéphane Bergeron: My next question is for both witnesses.

Don't you think that bringing Taiwan into the Trans-Pacific Partnership and signing a foreign investment promotion and protection agreement could be ways of making Ms. Joly's affirmation come true, i.e., that Canadian companies who do business with the People's Republic of China do so at their own risk and that we need to deepen our economic ties with Taiwan?

If ever we had to decide between having the People's Republic of China and Taiwan as a member of the Trans-Pacific Partnership, if we had to choose who gets to be a member first, or we had to exclude one or the other, how should we deal with the People's Republic of China and Taiwan in the context of the Trans-Pacific Partnership?

● (1905)

[*English*]

The Chair: Mr. Lam, go ahead.

Dr. Tong Lam: Thank you for the question.

In the kind of situation in which a specific industry could make choices, I think the choice is pretty obvious. This is one area we could think about. To be realistic, at this moment in time there are lots of areas where Taiwan simply cannot replace China. I think those are the challenging questions.

Again, if there are choices in a particular industry or a particular area, one of the things I think a lot of people have pointed out is that Canada should also definitely think about the critical supply chains, the resilience of the critical supply chains. Taiwan could obviously be a partner for that, but once again, only if they could provide that kind of industry in a particular area.

[*Translation*]

Mr. Stéphane Bergeron: Thank you, Mr. Lam.

Mr. Robertson, what do you think?

[*English*]

Mr. Colin Robertson: Thank you.

Under the current circumstances, China would not pass the test of joining the CPTPP when it comes to state-owned enterprises and transparency. It won't be a question; we won't have to choose. Taiwan, in my belief, and from what I've seen, would qualify. We wouldn't be put in that position of having to choose between one or the other, because you have to reach a certain standard. I think the Chinese recognize that as well, but the Taiwanese, under the current circumstances, would reach....

Again, to the extent possible, we want to avoid antagonizing China, but in this case they simply would not qualify without making radical changes, which I do not believe they are prepared to make.

[*Translation*]

Mr. Stéphane Bergeron: Thank you so much.

Actually, I have another question for you, Mr. Robertson.

In your July 2022 review of the book *This Is How They Tell Me The World Ends: The Cyber Weapons Arms Race*, you stated that Taiwan is one of the best prepared countries in terms of cybersecurity. You probably know that the National Security and Intelligence Committee of Parliamentarians published its report on cybersecurity a few months ago.

What are the lessons that Canada could learn from Taiwan's experience in this field?

[*English*]

Mr. Colin Robertson: Again, I think there's an awful lot we can learn.

I think our officials and our representative offices in Taiwan are exploring it. Again, I would recommend that members of Parliament, this committee, visit Taiwan and make that one of their stops. Certainly, my experience when I visited Taiwan was that they shared an awful lot, and I learned an awful lot.

I recently did the report with the defence advisory board. The Taiwanese were very forthcoming with the information and best practices that they were prepared to share. I know we have some good Canadian teams, groups, that are looking at cybersecurity, and they have learned from the Taiwanese example as well, because they've been subject to it.

Again, it's all a question of being under constant assault, as they have been for quite some time. In many ways the Chinese are the probably the best at it, even superior in some senses to the Russians. They seem to hire lots of very smart, young hackers, but the Chinese do this extremely professionally, as we have learned with intrusions, for example, into our grids and pipelines.

The Chair: Thank you, Mr. Robertson.

We'll now go to Ms. McPherson for six minutes or less.

Ms. Heather McPherson (Edmonton Strathcona, NDP): Thank you, Mr. Chair.

Thank you very much to the witnesses for their testimony.

There have been some very interesting responses. Of course, I think all of us in this room are trying to determine how we can best support Taiwan and deal with the constant but increasing threat that we are seeing against Taiwan.

Obviously, there's the fact that Taiwan is a democracy. The work that they do on the sustainable development goals and to support the LGBTQ community is very important. They align with all of our values.

I want to ask a few questions about the Indo-Pacific strategy that we are hopeful to hear about. We did hear some rumours of what will be in that Indo-Pacific strategy, though, again, it's a long-awaited strategy that we have not yet fully seen. We did hear from the minister that Canada will oppose the escalation of military action against Taiwan and seek to deepen our economic ties with the self-governing island.

This is a bit of a tricky question, and I'm trying to ask it in a way that I can get the answer but not appear in any way to support what China is doing.

Is there a risk of Canada increasing its economic relationship with Taiwan as being seen as enraging to the Chinese government? Would there be that risk there in other ways that we can mitigate that, because I think it is very important that Canada does play that increased role?

Perhaps, Dr. Lam, I could start with you.

● (1910)

Dr. Tong Lam: I think the question is about how we approach this. I think there are symbolic acts that often end up simply provoking China, but then there are things that could be done with great substance at the lower level. I can think about economic ties. Definitely that's one possibility, but I think there's also collaboration on the issue of public health, issues about indigenous people and civil society in general.

I think it is important that whatever policy Canada, as a democracy, ends up pursuing in support of Taiwan has to have received broad public support. I think it's extremely important for democracy to make citizens understand that we're talking about a place with real people.

I know there's a lot of talk about Indo-Pacific strategies and semiconductor industries, and all these are important, but at the same time we shouldn't talk about Taiwan as if the place were an abstract. This is a real place with real people with social texture, a very vibrant film industry, popular culture. We think about the Korean K-wave; one could argue that there is a T-wave.

I think those things need to be elevated, and I don't think they will be provoking China at all by these low-level civil society ties.

Mr. Colin Robertson: The answer to your question is yes. We do have to be quite diplomatic and circumspect in how we do things because we do not want to see Canadians once again taken hostage.

The way around that, in my view, is with diplomacy. We now have a new ambassador in Beijing, which is good, because she will get access to levels that others could not get access to. It engages the Chinese ambassador here in Ottawa.

The principle of "no surprises" is one that applies to all diplomacy, and that's talking with the Chinese before we do things. Megaphone diplomacy I do think we should avoid. The Chinese practise it, but we do so at our peril, because they are bigger and they will take revenge bluntly. It comes, as we've seen, in our pork, our beef and in things like that.

Use all the links we've got, all the business ties we have—there are Canadian business linkages that go back decades—and keep informed through diplomacy. At the same time, we have to be forthright about the defence of our values, but in such a way that we don't sound preachy at the same time that we make our point.

Again, as much as possible, quiet diplomacy is the route forward. I've observed Prime Minister Mulroney and Prime Minister Chrétien, and I thought they managed the Chinese relationship pretty well. They were pretty clear about speaking to them around human rights, but they did so behind closed doors and the Chinese did not feel embarrassed.

It's certainly my experience that Chinese, for some of the reasons Dr. Lam pointed out—from the "hundred years of humiliation", as they call it—are very sensitive, and face is hugely important. We need to be sensitive to that on our part as well, because ultimately we have big interests in China and we are much more useful to the rest of the world when we maintain that relationship with China.

Ms. Heather McPherson: Thank you.

Dr. Lam, you spoke about the Taiwan culture and supporting that culture and expanding it. You talked about civil society and enlarging the roles or the partnerships with civil society.

One of the other aspects we heard about in this committee is that students from Taiwan have chosen to come to Canada in quite large numbers. Of course, that was stopped during COVID. Is that another way that we could be working to strengthen our ties with Taiwan to make sure those opportunities are available to students again?

Dr. Tong Lam: Absolutely. I think currently there is a lot of student traffic between Canada and Taiwan. I think those are ways in which to exercise Canada's soft power. Canada is also a brand name globally, especially in certain areas, and high education is one of the areas where we have a brand.

We attract a lot of students from Taiwan and there's a lot of exchange between these two countries at the level of high education, and also between scholars and so on. I think this is actually a very important point because we do not simply attract students from Taiwan. We attract students from all over the world, including China. China is one of the biggest sources of international students for Canadian universities.

In other words, Canada is actually in a great position to foster those kinds of social ties between not simply Canadians and Taiwanese but also between Chinese and Taiwanese. I think actually it's a great opportunity for us to mitigate any kind of potential tensions at the higher levels. I think, as Mr. Robertson said earlier, diplomacy and conversations are extremely important.

Sometimes the lower-level conversations are also very important, because when people realize that we're talking to "real people", when a mainland Chinese student actually talks to a Taiwanese student, they realize they are actually similar and share a lot of things. I think that war then becomes less likely.

● (1915)

The Chair: Thank you, Professor Lam.

Now we'll go to Mr. Kmiec for five minutes or less.

Mr. Tom Kmiec (Calgary Shepard, CPC): Thank you, Mr. Chair.

My first question is for Professor Lam.

You said in your opener that Taiwan is host to a lot of democracy activists who leave mainland China to continue their activism. Can you perhaps explain who these people are? How does Taiwan protect them from, say, rendition back to the mainland and from persecution by the government in Beijing when they travel overseas, or are these people basically, then, unable to leave Taiwan while they continue their activism?

Dr. Tong Lam: As far as I know, the beginning of that really started in 1989 when some of the student leaders of the uprising in Tiananmen Square fled to Taiwan, and some continued to stay.

I think the most recent wave, obviously, was some of the activists from Hong Kong who fled to Taiwan, and they continue to live there. I think they have publications. I don't really follow them very closely, but I know of their existence.

I lost track on answering the question about the Taiwanese government's protection when they do international travel. As far as I know, some of the early generations of activists are definitely travelling around the world.

Mr. Tom Kmiec: I'll just continue on that thread.

I want to better understand if it is a policy of the Government of Taiwan to basically be a welcoming place for dissidents from mainland China, whether that be Hong Kong or Beijing or any of the provinces.

Dr. Tong Lam: Yes, I would say that in general it has been welcoming.

I should add that for the past few decades, there was major youth activism in Taiwan, including the occupation of the legislatures a few years ago. A lot of this traffic is going back and forth in different directions. Some scholars have pointed out that some of the activism in Hong Kong was actually inspired by their Taiwanese counterparts. There is a lot of traffic among the young activists, and Taiwan, because of what's going on elsewhere, has become this hotbed for Chinese-speaking political activists.

Mr. Tom Kmiec: Canada has a very anemic approach, I'd say, when it comes to helping Hong Kong activists who are trying to leave. Their preference is usually to go to the United Kingdom. Many of those who come here are worried about being able to stay here as permanent residents in the long term.

Would it also help the Government of Taiwan if Canada took a bigger approach to relieve some of that pressure and offer itself up as a secondary destination? People leaving from Hong Kong and mainland China could go to Taiwan, and then co-operation between the Canadian government and the Taiwanese government would ensure that those activists could then come here. They could continue their activism from Canada instead of from Taiwan so that it's not always a Beijing-Taiwan conflict of hosting all these dissidents; Canada could host them here as well.

In the long term, they would just add to our communities because they are typically very strong democracy activists. They would just add to our already long history of hosting people like this.

● (1920)

Dr. Tong Lam: I think probably it would be a good idea, but I want to point out that having a more relaxed policy in Canada doesn't automatically mean that those activists from Taiwan will end up in Canada. They have very different cultural, economic and social contexts. Those are the choices people make due to different circumstances.

You definitely have strong points about the choice between the U.K. and Canada because, for the moment, anyone who has an overseas British passport can just land in the U.K. They can't do the same thing in Canada, which sort of prevents us from being the destination for those people. However, most of them are not activists.

Mr. Tom Kmiec: How much time do I have, Mr. Chair?

The Chair: You have enough time for a short question and a short answer.

Mr. Tom Kmiec: This will be for Mr. Robertson.

You spoke about more support for universities and colleges to do more in Taiwan. Can you just elaborate on that?

Mr. Colin Robertson: Sure.

I think that university presidents' going and doing, kind of, marketing with, perhaps, provincial ministers would be a good thing. Again, the people-to-people ties.... That is our great asset in the world. One of our great assets is that our universities and higher education are highly regarded.

We have the capacity in Canada. Taiwan is a good place to attract people to come to Canada. The more of these ties we have throughout Asia, which includes China.... Let them see how democracy works. They go back and they say, “This stuff actually does work in places like Canada.”

We are a pluralistic society. There is a reason the Aga Khan set up his Global Centre for Pluralism in Canada. It works here. We're not perfect—we have warts—but we're better than the rest of the world. That would also be my evaluation from my diplomatic career.

The Chair: Thank you.

Thank you, Mr. Kmiec. Now we will go to Ms. Sgro for five minutes or less.

Hon. Judy A. Sgro (Humber River—Black Creek, Lib.): Thank you very much, Mr. Chair.

Thanks very much to the committee for allowing me to sit in here for a few minutes today, especially as you're studying Taiwan.

We recently came back with the parliamentary friendship group that visited in spite of the push-back. The committee stayed tough and stayed strong. Right up until we got there, I wasn't sure we were going, but we got there and nobody backed down in spite of emails and threats and the rest of it that was going to create World War III.

You know, your colleagues and mine all stayed tough and had an absolutely wonderful visit. We were so impressed on their national day with the speech the president delivered about standing up against any kind of military force, about how they were not going to rely solely on their friends and neighbours, about how they have invested billions of Taiwanese dollars into the defence system and created an all-out defence mobilization agency to protect them, and about how they were not going to stand back and let anybody push them around.

I think Ukraine has clearly created a big fear of the reality of the monster they have next door to them. I would really like to encourage the committee to visit Taiwan because I think it would be very beneficial to everyone.

We visited a lot of the businesses there. Northland Power is wind and solar. It has a huge investment there and is bidding on multi-million-dollar projects for wind and solar, and it will probably will be successful.

The University of Waterloo is signing an MOU with Taiwan right now on issues of semiconductors and various other things. Taiwan has offered to share its knowledge with academics from Canada when it comes to semiconductors and other things. It very much believes in sharing knowledge. That was very impressive.

One thing that was also really very helpful—and you heard this from Professor Robertson on the issue of your friends—is that when things are tough, that's when you need your friends to stand by you. There was a steady stream of parliamentary friendship groups going to Taiwan. We left, and another one arrived. Every week there was another country showing up in Taiwan in order to send the message clearly to China that Taiwan has a huge number of friends.

However, we have to be very careful diplomatically to continue to.... I don't think we need to tiptoe as much as we do, but I think we have to use diplomacy. It's what Professor Robertson was indicating. Taiwan got where it is because it is very diplomatic. It is quiet, and it continues to advance everything that's going to be necessary to protect itself. It's very strong economically. It has huge budget surpluses that we could only dream about, but it's investing them in areas of protection and infrastructure.

I'd like to ask Mr. Robertson or Mr. Lam about the issue of the CPTPP. That is something that Taiwan very much should be part of, wants to be part of and has a campaign to be part of. Do you think there would be much push-back? I think everybody is tiptoeing around because they're afraid to do anything, even on our visit, that is going to trigger anything. Do you think that if the CPTPP turned around and invited Taiwan to be part of it—even though China knows it doesn't deserve to be there in any way, shape or form—it would trigger a very negative reaction for Taiwan?

● (1925)

The Chair: Dr. Lam, would you like to start?

Dr. Tong Lam: Thank you.

I don't know how to answer this question. It's really hard to speculate on how China would respond. Given its particular take on history and its understanding of its place in the world, I think it's extremely important: We need to have a channel that's capable of communicating with them so that it's understood that this is not an act of provocation. I think anything would have to be done in such a way.

If the question is specifically on whether it will provoke them, I think anything could potentially be read in such a way. Any acts that particularly would be seen as either isolating them or changing them are, I think, the biggest fears they would have. I think those are some of the parameters that one would have to consider for any kind of policy.

Hon. Judy A. Sgro: Mr. Robertson, would you comment?

Mr. Colin Robertson: China won't like it, but remember that when China came into the World Trade Organization and they were part of that, we recognized plurilateral trade agreements. Taiwan is also part of the World Trade Organization, so you can argue that it's simply a continuation of something that China has already agreed to do.

But of course they will react. I will say this: My five years in Hong Kong convinced me that the big challenge ahead of us is not between right and left or between our parties but between open and closed systems. That, I think, will be the fundamental challenge for our time.

On your observations about democracy and standing with your friends, we can't be shy about it, because if we are, we're going to lose it.

On supporting Taiwan to become a member of the CPTPP, they would qualify. They are an important economy. I think they would legitimately qualify. I think China wouldn't like it, but if they followed through on the logic of their having joined the WTO and recognizing the rules of the WTO, they'd have to accept it.

The Chair: Thank you very much.

That brings us to the end of our first panel.

Thank you, Professor Robertson and Dr. Lam, for your time with us this evening. Thank you.

We'll suspend briefly while we bring in our second panel.

Just as a quick note to everyone, our—

[*Translation*]

Mr. Stéphane Bergeron: I apologize for interrupting you, Mr. Chair.

[*English*]

The Chair: Yes, sir, go ahead.

[*Translation*]

Mr. Stéphane Bergeron: Can we not have some time, even if it's only a minute, to speak with this group of witnesses again?

[*English*]

The Chair: We have pretty much run the hour and we have a vote coming up, which will subtract from the time of our second panel. Unfortunately, we'll cut it off right now and launch the second panel. I offer my regrets there.

I have just a quick note. Our third panel tonight, based on our experience last week, will not appear because they did not have the appropriate headset. We'll go through, have the vote, and that will be it for our session tonight. We want to give everybody ample time in the second panel, which is why we'll bring them on now.

● (1930)

[*Translation*]

Mr. Stéphane Bergeron: Thank you, Mr. Chair.

[*English*]

The Chair: Thank you.

● (1930)

_____(Pause)_____

● (1930)

The Chair: We're back in session.

We're pleased to welcome our second panel. We have Dr. Justin Massie, a full professor at Université du Québec à Montréal and co-director of the Network for Strategic Analysis. From the Macdonald-Laurier Institute, we have Jonathan Berkshire Miller, director of the Indo-Pacific program and a senior fellow.

In the first panel, by the way, we were fairly loose on the time. If we can keep to the allotted amount of time, everybody will get two opportunities to ask questions.

With that, we will invite Dr. Massie to give his opening statement of five minutes or less.

Sir, welcome to our committee.

[*Translation*]

Dr. Justin Massie (Full Professor, Université du Québec à Montréal, and Co-Director, Network for Strategic Analysis, As an Individual): Thank you, Mr. Chair.

Good evening, everyone.

My presentation today will deal with three issues that are essential if we wish to understand Canada's position on the Indo-Pacific region in general and, more specifically, Canada's relationship with Taiwan.

The first issue is to clearly define the interests that Canada must defend. The second issue is to determine how vigorously we wish to defend those interests. Finally, the third issue is to determine to what extent we would like to attain our level of ambition and what measures we would take to do so.

My field of expertise is security and defence. Therefore, I'm going to concentrate on what I see as being Canada's fundamental interests in the region.

The first interest is to keep the peace, that is to say prevent Taiwan from being invaded and also prevent Taiwan from declaring its independence. We are living in extremely tense times, given the invasion in Ukraine and China's increasing power. Many analyses show that China's power could peak toward the beginning of the 2030s.

In its national security strategy, the United States recognizes that it is in decline and can do little to counter China's increasing power. All the research shows that countries whose power is waning are more inclined to take risks in tense situations.

The People's Liberation Army of China will hit its target before 2027 thanks to its efforts to scale up and modernize. China's new white paper on Taiwan clearly indicates China's desire to annex Taiwan against the will of the Taiwanese people.

Obviously, it is in our interest is to preempt any aggression on behalf of the Chinese army and maintain the status quo, i.e., the one-China policy, which confers a kind of de facto independence to Taiwan without recognizing it as such.

Our second fundamental interest in the region is to ensure free movement in shipping lanes, for example by preventing a possible Chinese blockade in the East China Sea or the South China Sea and reinforcing international law multilaterally in the field of marine safety. There is currently a lack of regulations and no multilateral consensus on conditions for accessing and using common shipping routes in the region.

Our third interest is to reduce Canada's vulnerability to hostile Chinese acts that do not constitute open conflict as such. We saw an example of this this week with Hydro-Québec. This type of situation renders Canada extremely vulnerable. We have to increase the resilience and security of our supply chains. We also have to decouple certain sectors, not the more mundane ones, but rather the strategic industries, such as high-tech and mining. Finally, we have to fight against disinformation and hostile interference targeting elections, for example.

Our fourth interest is diversifying and strengthening commercial ties in the region in general, such as those with Taiwan, but also with other partners in the region, like Japan, Australia, India, South Korea and members of the ASEAN, the Association of Southeast Asian Nations. We should particularly seek to enhance non-governmental ties with Taiwan in matters of information and through parliamentary, academic, commercial and technological exchanges, to name but a few.

There is another important aspect to the unfortunate situation that we are living right now, and that is the fight against the effects of climate change. The various summits on climate change show that this issue is becoming a source of tension. Canada has to incorporate climate change into its agenda when dealing with China.

Allow me to come back to a second aspect, which is the level of ambition that we can set. Canada does not have unlimited resources to draw upon. The resources that we invest in the Indo-Pacific region will not be available for other regions, whether it be Europe, the Canadian Arctic, Africa or elsewhere. So we have to define our level of ambition. I believe we can define the role that Canada can play according to our interests.

I think Canada enjoys a much greater leadership role in certain areas, such as our strategy to counter disinformation and political interference. However, when it comes to reinforcing our cybersecurity capacity, infrastructure and institutional resilience, as well as our military defence capacities, Canada is more able to make a contribution rather than truly influence matters or even take on a leading role.

When I was talking about deterrence, I was talking about deterrence by denial, which is more frequently known as the porcupine strategy. We have to give Taiwan the capacity to offer an asymmetrical defence against China. Canada does have some limited capacity, as we can see in the present situation in Ukraine. This also applies to shipping lanes: Canada only has 12 frigates and is currently struggling to maintain two frigates in the region.

● (1935)

Canada is modernizing its fleet, but it will take a lot of time and require a lot of money. We are still unsure as to how many warships Canada would be able to send. That will very much limit its capacity.

The same goes for our rapid force deployment capacity. We can see that in the context of the war in Ukraine; Canada needed a lot of time to build up a contingent in Latvia. This requires resources that are difficult to find right now because of personnel shortages within the Canadian Armed Forces.

[*English*]

The Chair: Dr. Massie, I'm sorry. I'll have to interrupt you now. Your five minutes are up.

We want to turn things over now to Director Berkshire Miller for five minutes or less.

Mr. Jonathan Berkshire Miller (Director and Senior Fellow, Indo-Pacific Program, Macdonald-Laurier Institute): Thank you, chair and members of the committee, for the invitation to speak before you again today on the very important topic of Canada's interests in the Indo-Pacific and our relationship with Taiwan.

On the topic of the day, in my belief, Canada should recognize the benefits of a more robust relationship with Taiwan. For too long, successive Canadian governments have failed to seize opportunities to bolster ties with Taipei, largely as a result of fear that expanded ties with Taiwan would lead to punitive measures or other repercussions in the relationship with China.

In effect, we have allowed the parameters of our Taiwan relationship to be boxed in at the edges by China. In my view, this formula is far too simple. Of course, Canada has its One China policy, but that does not mean we should avoid taking steps to bolster relations with Taiwan, even if they're diplomatically unofficial in nature.

Mr. Chair, frankly put, Taiwan plays a pivotal role in the Indo-Pacific and is a robust democracy in a region where resilient and sustained democratic values are scarce. Taiwan also has a thriving civil society and an advanced technology base and shares core values with Canada on freedom of speech, open elections and the rule of law.

In this context, how should we prioritize relations with Taiwan and seize these opportunities?

First of all, I think there needs to be a recognition that Taiwan's security is our security. Taiwan's place in the Indo-Pacific order is ignored or quietly dismissed as politically inconvenient at our own peril.

On trade matters, Canada—in tandem with other partners, such as Japan, as the largest economy right now in this agreement—should be vocal in its support for Taiwan's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or the CPTPP. That's probably the worst acronym I can imagine, but that's not to be said.

Complementing this would be the swift finalization of a foreign investment protection agreement, or FIPA, through which both sides agreed to explore talks earlier this year.

On the security matters, the maintenance of peace and stability in the Taiwan Strait is of paramount interest both to Canada and its regional allies and partners. Geostrategically, Taiwan is in the middle of the first island chain in the western Pacific, acting as the strategic spine connecting the East China Sea in the north and the South China Sea in the south. It's important to understand this maritime continuum, as all states in the region, including China, depend on its open lines of sea communication in order to facilitate open trade and move energy supplies and many other materials.

Any contingency or clash over Taiwan would have momentous implications for Canada and our allies. This would not be a conflict in which we could insulate ourselves. The potential for regional spillover would be acute.

A telling example of this is that Japan's southwest archipelago sits just on the northern edge of Taiwan. The island of Yonaguni, for example, in Japan is less than 70 miles from Taiwan. Frankly, the idea that a conflict over Taiwan could be narrow and not impact the wider region is a fantasy.

While it remains unclear if the leadership in Beijing has politically made the choice to invade Taiwan, we are seeing an unprecedented level of economic and military coercion in recent days, as well as a provocative series of ballistic missile tests and military exercises around Taiwan earlier this year after the visit of U.S. Speaker of the House Nancy Pelosi.

The upcoming Indo-Pacific strategy should recognize a few important points on Taiwan.

First, it should acknowledge that Taiwan's security and stability in the Taiwan Strait are of the utmost importance.

Second, it should specifically identify the desire to enhance economic engagement with Taiwan's dynamic economy and look for more areas for Canadian innovators and entrepreneurs to engage in a shared ecosystem premised on reliable and secure supply chains.

Third, and finally, it should identify that the Indo-Pacific region needs more co-operation in the provision of public goods and specifically identify an example of where Taiwan could help. An example of this is through its co-operation in the World Health Assembly.

In conclusion, Mr. Chair, the Indo-Pacific region is rightly garnering attention in Ottawa, albeit quite late, as the global centre of geo-economic and geostrategic gravity. In the pursuit of our interests and values, it is essential to view Taiwan as a part of the solution—not a part of the problem—toward stability in this dynamic region.

Thank you, Mr. Chair and members of the committee, for your time. I look forward to questions.

● (1940)

The Chair: Thank you very much, Director Miller.

Now, for our first six minutes, we'll go to Ms. Dancho.

Ms. Raquel Dancho (Kildonan—St. Paul, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for being here.

Mr. Miller, I'm going to start with you. I would like to start off with your assessment. Whether allies come to the aid of Taiwan or not, do you believe that it will establish what the other Asian countries that may be threatened by China in the future will do and if they'll stand up to China or not?

I'm just wondering what your thoughts are. Do you think the rest of Asian countries are watching how we react and if we come to the defence of Taiwan or not?

Mr. Jonathan Berkshire Miller: Well, I think that absolutely they will be looking at this. I think that for too long when a lot of countries in the region have looked at Canada, the view has been one-sided. I think they've seen a Canadian government interested in investment and trade, but they haven't seen the other side of that coin, which is a robust sort of commitment to security in the region.

Another thing to be reminded of on this point is that a lot of countries in the region are also heavily invested in a contingency over Taiwan. I think there's the example I mentioned of Japan being 70 miles away from Taiwan. There's no way that a contingency or a conflict happens over Taiwan and Japan doesn't find itself somewhat involved in it.

Again, the idea of thinking of this as a narrow U.S.-China contingency doesn't make a whole lot of sense.

● (1945)

Ms. Raquel Dancho: Do you feel that if the U.S. does nothing, then Japan could be the one to act? Is that what you're saying?

Mr. Jonathan Berkshire Miller: I don't believe that Japan will act in isolation, but I think that if the United States is engaged in a conflict, then Japan, likely Australia and potentially even the Phillippines, as a treaty ally, would play a role. What type of role I think would take a much longer discussion, and I think that's not public, but I think they would play some sort of role in such a contingency.

Ms. Raquel Dancho: It does seem that if the Americans would, Taiwan may fare a lot better in defence, if they could. I think that's a given. If they don't, then I appreciate your perspective that others would come to the aid of Taiwan.

It seems that when the Americans discuss Taiwan, they rarely mention Canada at all. It seems that they don't feel we're a relevant player in the Indo-Pacific. We're not in AUKUS or part of the quadrilateral security dialogue, and we really haven't been doing a whole heck of a lot to equip our Arctic for defence.

I'm just wondering if you can weigh in with your thoughts on that. In the mind of the U.S., are we a relevant player in the Indo-Pacific in terms of Taiwan or others, and is that important?

Mr. Jonathan Berkshire Miller: I think you've hit the nail on the head there. Look at the United States' Indo-Pacific strategy: I did a quick PDF search of “Canada” and it came up zero times. There's no mention of Canada.

In discussions with Americans, they won't say that they're doing this to punish you—that it's from certain decisions in your relationship with China—but “it's just that we didn't think of you”.

Is it worse to be punished or to be irrelevant in these discussions? I would argue that the irrelevance is probably a worse sort of outcome, but I think that's the reality right now on this specific matter.

Ms. Raquel Dancho: Do you think that's because we haven't made ourselves a relevant player at the table in the Indo-Pacific? It seems to me that when we had the situation of the two Michaels, the Americans could have done a lot more to support us in that. They did not. Is part of the reason they did not move mountains to come to our aid that we haven't shown that we're a relevant player? I'm just wondering if that has anything to do with it. Would they have done more to help us if we were doing more to help ourselves—and our allies—and to ensure that we're part of the conversation at the table with the Indo-Pacific?

Mr. Jonathan Berkshire Miller: Well, with regard specifically to the issue of the detention of the two Michaels, I couldn't give you a firm answer. There were a lot of different moving parts. There were different administrations in the United States that spanned over it. This was a judicial decision as well.

I think there were a number of different angles, but I do think the core point that the United States principally hasn't thought of Canada as the most favoured partner in the Indo-Pacific is definitely a fair assessment.

Ms. Raquel Dancho: Can you comment at all on what we should be focusing on? Canada, as we know, is a smaller country compared to the U.S. or China, but I do think there are things that we could be doing, particularly in the Arctic. Can you comment at all?

If we're going to do anything, I think we need to show some strength. It seems like the Arctic would be a natural place to start, given that China is now saying that it's a near-Arctic state, so to speak. It obviously wants to play a role in what happens in the Arctic.

Do you agree? Where should we begin in this regard?

Mr. Jonathan Berkshire Miller: I do think the Arctic is a key area. I also think the North Pacific is. Look at Operation Neon. We've been engaged in it for several years to ensure that North Korea isn't able to circumvent sanctions. I think this is another tangible example of the Canadian military playing a role. We need to start finding more of these niches. We do have good capabilities, and these are some examples.

Ms. Raquel Dancho: I believe the last time you were here, you mentioned Canada's Indo-Pacific strategy. We don't have the concrete one yet. What has been written so far has been, to quote you, “overly focused on economics and investment” and needs to “realize the severe security challenges...in this region”.

With some of my remaining time, can you elaborate on that? Do you feel the signals we're getting from the forthcoming Indo-Pacific strategy from Minister Joly will meet the needs you outlined the last time you were at this committee?

Mr. Jonathan Berkshire Miller: Again, I'm a big fan of the CPTPP. It's great for our businesses and it's a great way to engage with our key partners, but the reality is that it should be just one piece. We can't go to Japan, South Korea, Philippines and Viet Nam to have discussions just on trade. They're all facing significant security concerns across the board.

I do hope that the Indo-Pacific strategy addresses this. I have seen some nuggets of goodness so far in what I've seen on this. The reality is that we have to make sure that this is a long-term commitment. This cannot be a box-ticker, a one-year or two-year effort. This needs to be for the long term.

● (1950)

The Chair: Thank you, Director Miller.

Ms. Raquel Dancho: Thank you very much.

The Chair: Now we'll go to Ms. Sgro for six minutes or less.

Hon. Judy A. Sgro: Thank you very much again.

Mr. Miller, we talk about investments, security, moving the dial along and becoming relevant rather than irrelevant in some ways. There are 60,000 people who currently live in Taiwan who are Canadian citizens. There are many investments. Northland Power, for example, is bidding on large multinational projects in offshore wind. When we visited them a couple of weeks ago, I asked them a question about the future, given some of the ongoing issues with China. People were very confident that no one was going to pull a trigger or do something dramatic. They were confident that things would continue to go along the way they are now and that the investment of Canada's pension funds and so on was in a good place.

What's your thought on that?

Mr. Jonathan Berkshire Miller: It's an interesting discussion right now of decoupling, for example, in the Chinese case and finding areas that we should decouple or sectorally segregate. One of the arguments against that always comes to the supply chains. If we were to do something with China, we have supply chains that connect through Japan, South Korea and a lot of other alliances. It's interesting that when Taiwan gets brought up, that same comparison and discussion don't come up.

From my point of view, Taiwan is very important in the supply chains, especially in the tech supply chains. We think of semiconductors first and foremost, but many of the other sectors there are very crucial to some of our investors. It's really important to keep in mind how critical Taiwan is, not just for the investments and its private sector ecosystem but also how that interconnects with the other key economies in that region that we're already engaged in. I think that's a really key point to keep in mind.

Hon. Judy A. Sgro: The fact is that Taiwan is the biggest manufacturer of semiconductors around, and we are all very dependent on them. It seems to me that it's another reason for China to just bide their time and not be over-anxious to be causing additional problems.

Mr. Jonathan Berkshire Miller: I think you're right. I think that there are two main stories that we need to keep in mind here. One is semiconductors, obviously, in any contingency. The second one is energy security. If we think that we're having problems right now in Europe—and we are having problems with our European allies now being phased off Russian gas—just imagine what might happen in a contingency over Taiwan, where effectively China controls all of the waterways that would feed the energy to Japan and South Korea, which rely on 85% to 90% of their energy coming from the gulf. There's no other way to get it there easily.

There are two main vector points here that we need to keep an eye on: energy security and semiconductors.

Hon. Judy A. Sgro: Thank you very much.

The Chair: Thank you, Ms. Sgro.

We'll now go to Mr. Bergeron for six minutes or less.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Chair, Mr. Massie was not able to finish his presentation. He was able to bring up quite a few challenges that Canada is facing with regard to the situation in Taiwan.

I would like to hear Mr. Massie talk about the ways that Canada can meet these challenges, which were clearly defined in his opening remarks.

Dr. Justin Massie: Thank you for the question and for allowing me to conclude my opening remarks.

We do indeed have to establish which interests Canada must defend given the resources at its disposal.

That's why I am proposing three strategic areas in which Canada can exercise its leadership and its capacity to rally other allies, because Canada's influence on its own is limited. There are areas in which Canada can be quite influential, and there are others where Canada can only contribute. In terms of leadership, Canada's strength lies with its initiatives and its ideas, such as the Ottawa Convention, the Kyoto Protocol and other areas where Canada has proven its leadership.

I see two strategic challenges that Canada is facing currently and that it can tackle head on.

A strategy to fight disinformation is one area where Canada could take on a much more ambitious leadership role with its allies to develop ways to counter attempts by certain actors and visionaries to question the truth in order to rewrite history and control the narrative.

The other area where Canada can be influential is that of foreign interference in the electoral process, where, unfortunately, Canada is itself a target of foreign interference and hostile activities. To flex its leadership muscles, Canada could develop best practices with its allies as well as strategies to share better information.

As to the other areas, I think that Canada should count on its capacity to influence or to contribute, whether it be in matters of cybersecurity, reinforcing institutions and governance or, more specifically, military defence.

● (1955)

Mr. Stéphane Bergeron: In his presentation and in the answers he gave to our Conservative colleague, Mr. Berkshire Miller spoke about the difficulties that Canada could face if intervening in a conflict between the People's Republic of China in Taiwan.

Both of you have underscored the importance of working with our allies in the region to try to prevent such a conflict.

Mr. Colby, whom we unfortunately have not been able to hear today, declared that the risk of an invasion by the People's Republic of China during this decade is very real and even though it is good that a country is aware of the threats posed by the People's Republic of China, this awareness creates a risk, because it can incite the People's Republic of China to act decisively before a coalition of allies is able to react to a military threat.

Gentlemen, what can we do to rapidly build up this coalition of allies so that we are not overtaken by the People's Republic of China? I'll start with Mr. Massie.

Dr. Justin Massie: First of all, we need that rapid force deployment capacity. What we are currently seeing in the case of Ukraine is that we do not have the industrial capacity to wage a high-intensity war over time. Nor do we have a rapid force deployment capacity on the ground. What's more, these capacities take an enormous amount of time to build up because we are living in a peacetime economy, and not a wartime economy.

However, as the saying goes, "If you want peace, prepare for war." We need this type of capacity going forward in order to be able to deploy force and ideally, to not have to deploy it. The beauty of deterrence is that there would be such a fear of costs on Beijing's part that there would be no military intervention. If we could be sure that there would be an American intervention or that such an intervention would cost China dearly and would keep it from realizing its objectives, there would be no intervention. That is what we should be aiming for, i.e., this capacity for deterrence and threat of rapid deployment. The best way to realize this objective is to have credibility and the necessary capacity. Up until now, however, Canada has not had this capacity and has not shown any credibility, because to have a rapid deployment capacity, for example, it would have to participate in military exercises with its allies.

Mr. Stéphane Bergeron: Mr. Berkshire Miller, over to you.

[*English*]

Mr. Jonathan Berkshire Miller: Thank you for the question.

To add to what my colleague said, I think there are three main points.

I would agree on deterrence. We absolutely need to build up deterrent capability. Many of the allies in Asia do as well. For example, Japan still hovers at around 1% of GDP spending, which is almost half of what NATO requires from most of its allies, even though some of them don't meet 2%. I think Japan is one example of an ally that needs to be doing more in terms of defence spending. Deterrence is a big one.

The second one, obviously, is diplomacy. I think we need to work publicly and privately to signal to the Chinese that there are certain thresholds and certain red lines that can't be crossed.

The third one is contingencies. We have to talk very privately with the Americans, with our Five Eyes allies and with other partners and allies in the Indo-Pacific about the "what-if", the worst situation possible, and how we prepare for that. Some of that will be a public message, but a lot of that needs to be privately done.

[*Translation*]

Mr. Stéphane Bergeron: Gentlemen, I would like to hear what you think about what could be done. Should we join the "Quad", also called the "Quadrilateral Security Dialogue," which is an informal group comprised of the United States, India, Japan, and Australia, and AUKUS, which is a military alliance between Australia, the United Kingdom and the United States?

What do you think about these possibilities?

[*English*]

The Chair: Give a very brief answer, please, Dr. Massie.

[*Translation*]

Dr. Justin Massie: I think it would be a good idea given the fact that Canada is excluded from most regional security institutions. We have seen this with AUKUS and the Quad.

Canada would like to see consensus amongst its allies. There is no real divergence of opinion between the Europeans, the Americans and the Japanese on the issue of Taiwan, but it would be good to stake out a common position. That is one of the advantages of Canadian multilateralism. Let's make these institutions bigger so that there are more actors, like France and Canada. This would serve our interests well.

● (2000)

[*English*]

The Chair: Thank you very much.

Now we go to Ms. McPherson for six minutes or less.

Ms. Heather McPherson: Thank you, Mr. Chair.

Thank you very much to our witnesses for their testimony tonight.

Ultimately, what I'm hearing over and over again is that Canada has to do more. In fact, Mr. Miller, you've said that Canada is late to the game. We have heard as well that Canada can and should show more leadership.

One question I have for both of you is this: Knowing that more needs to be done and that more can be done, who should we be taking lessons from? Are there lessons we can learn from Australia? Are there lessons we can learn from South Korea, Japan and some of those other countries that are working and dealing with this thorny issue of Taiwan?

Perhaps, Mr. Miller, I could start with you.

Mr. Jonathan Berkshire Miller: That's a great question.

I think I would start with a point that when crafting a successful strategy, empathy is essential. Obviously we need to be focusing on the interests and the values that matter the most to Canadians. If we do that without actually asking those in the region where we're providing aid and assistance, it's going to fall flat. We need to have a two-way conversation and actually talk to the region, rather than just sort of foisting deliverables and grants of money on them that don't suit their needs.

I think that's the first important point.

As far as learning other's regional strategies goes, I would start in the region itself. This is not to discount our European friends who are also thinking about the Indo-Pacific, but one thing I often say is that we are not Europe. Yes, we have great social connections with Europe, but we have a huge Pacific coastline. We are very much an Indo-Pacific nation.

Our Dutch friends would tell us this. Our Dutch friends had an Indo-Pacific strategy a year and a half before we even.... We still don't have ours out. They don't have a Pacific coastline. I guess they had Indonesia back in the day.

We need to start thinking about ourselves and realizing that we are a Pacific nation. I would say that the ones we should take the most advice from would be the Japans and the Australias of the world, as well as some voices in southeast Asia.

Ms. Heather McPherson: Dr. Massie, would you comment?

[*Translation*]

Dr. Justin Massie: I agree.

We should support Australia's strategy which was updated recently, as well as France's. We often forget that France is a regional power in the Indo-Pacific. There are many French territories and France is a major maritime power as well.

France's strategy is based on seeking a middle ground between the United States' entrenched position with regards to China and a more open policy, which would be one of non-intervention. I think that France is finding the right middle ground between wanting an inclusive order, especially in commercial and diplomatic matters, and preparing itself militarily in order to be able to act in case of conflict.

That is Canada's biggest weakness: it's not our diplomatic position or our willingness to engage multilaterally, but rather our capacity in times of conflict.

[*English*]

The Chair: I want to point out to everybody that the bells are ringing for a vote. I need unanimous consent to continue until perhaps about five minutes before the vote. Is that sufficient for everybody to do what they need to do? Are we good?

I see we are. Please continue then, Ms. McPherson. Thank you.

Ms. Heather McPherson: Thank you, Mr. Chair. Thank you for the unanimous consent, everyone.

It is an excellent point that we do need to listen to those people who are in the region. However, one worry with regard to the geopolitical situation is what you said, Mr. Miller, about the energy security and how that ties into what is happening with energy, security and the weaponization of energy with the war on Ukraine.

We did see Chancellor Scholz go to China recently, and he did speak about Taiwan. He cautioned the Chinese government against escalations in Taiwan.

I do wonder what you feel the implications are of the war in Ukraine and how the Chinese government sees what is happening there with regard to what is happening in Taiwan. Does that gives them a feeling of security to escalate? Does that makes them think that perhaps the world's attention is diverted elsewhere?

Perhaps you can comment on that.

● (2005)

Mr. Jonathan Berkshire Miller: It's a great question.

I think there are two different angles that China is taking away from this. One is obviously concern, because I think they're seeing how strongly the west has banded together on this, especially on financial sanctions. They don't want to be in a scenario like that, where they would also suffer from those sanctions, especially on technology, for example. Technology is the gasoline that makes the Chinese economy go. If we were able to effectively cut off a lot of that technology to China, I think it would be an economic nightmare for them. I think they're getting that lesson.

At the same time, I think they're seeing some of the weaknesses and trying to exploit those as well. One example is how they're taking advantage of the cheap energy prices to buy Russian gas and oil at 30% discounts. There is a story that they're selling off U.S. shale LNG contracts now to our allies in the region, such as Japan and South Korea, at market prices, while at the same point getting 30% discounts on Russian gas. The double irony is that part of that is our LNG, because it's our LNG that goes down through the United States, and China is profiting off that, and profiting off the war in Ukraine.

There are two sides to the story, I think.

Ms. Heather McPherson: Mr. Massie, did you have anything to add?

[*Translation*]

Dr. Justin Massie: Yes. I agree that China is learning, in light of the war in Ukraine, that you have to be well prepared if you intend to invade your neighbour. That is the big difference. We are seeing all the military difficulties that Russia is now facing.

There are always various degrees of intervention. So if there were an intervention, I would expect that the invasion would be strongly focused in the air and on the sea and, if we compare that to what Russia tried to do in Ukraine, that the Chinese armed forces would try to establish their superiority in the air and exploit all the divisions that exist between our allies. We have seen this with natural gas and oil in Europe, but for China, it would be in other areas. China would seek to exploit these divisions in order to reduce international support for Taiwan.

[*English*]

The Chair: Thank you very much.

Now we'll go to Mr. Genuis for five minutes or less.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you, Chair.

My questions will focus on the risk of another catastrophic war in the Asia-Pacific resulting from a possible PRC invasion of Taiwan, and Canada's response.

On January 12, 1950, U.S. Secretary of State Dean Acheson gave a speech at the National Press Club in Washington in which he defined the U.S. defence perimeter in the Pacific. His defence perimeter excluded Korea. Six months later, Communists invaded South Korea, leading to the loss of 40,000 American lives, as well as the lives of many Canadians and others. The Communists invaded South Korea because they calculated that nobody would come to its defence.

Tragically, President Biden repeated this mistake. In December of last year, he promised heavy sanctions, but also explicitly ruled out an American military response to a further invasion of Ukraine, and so Russia invaded Ukraine two months later. When hostile countries are making decisions about acts of aggression, they generally make amoral but rational calculations about whether the costs will outweigh the benefits. The lesson of history is that making commitments to stand with democracies against aggression is the most pro-peace path available, because it deters aggression. Committing to defending allies from attack is a way of communicating in advance that the cost of invasion will be high, thus deterring invasion.

This leads me to the conclusion that western nations should be clear in their commitment to stand with Taiwan and that a clear commitment would deter war. A Chinese invasion of Taiwan would not be the result of a perceived provocation, because China's leaders are highly rational. A Chinese invasion of Taiwan would only occur if Taiwan's leaders were convinced, as Putin was in February, that the nation being invaded would not be protected.

With that in mind, I submitted a written question to the Canadian government simply asking this: Has the government made any plans related to how it will respond to a Chinese invasion of Taiwan? If so, what are the plans?

In responding to this question, the government noted its concern about potential escalation and its desire to engage in terms of trade and technology, but the government provided no information whatsoever about its plans for responding to an invasion.

Mr. Miller, I want to ask you this: What can Canada do to avoid the failure of deterrence that we have seen in the current Ukrainian war, and in the Korean War, as I spoke about, and what should Canada's plan be for responding to an invasion of Taiwan?

Mr. Jonathan Berkshire Miller: Thank you. It's an excellent point.

I think it needs to start with the premise that, as I mentioned in my remarks, any contingency over Taiwan.... This is not a luxury. This is not one that we insulate ourselves from. This is not Iraq in 2003. This is not a potential conflict of choice. If the United States is involved in kinetic action and hot conflict in East Asia versus China, it's only a peer competitor. We are intimately involved. Often, I tell people to look at a map. The idea that we could opt out of this one, I think, is not feasible.

Before that, though, how do we prepare for it? How do we plan contingencies? I think we need to work much more closely with a lot of our minilateral engagements. The Five Eyes, for example, is traditionally a signals intelligence arrangement. We need to start thinking much more closely with the Five Eyes partnerships on broader terms, in foreign policy terms and in defence terms. I think we need to be thinking about and preparing for these contingencies and finding ways to avoid them.

Lastly, I also think that when it comes to our boots on the ground.... I don't often put this all on the backs of the Royal Canadian Navy. I think we need to start thinking diplomatically and in terms of our security officials overseas. We need to have a much bigger presence to understand the intelligence on the ground. The Five Eyes were a net recipient of that. We need to start having our own intelligence in a robust sense there in really understanding what's happening in that part of the world.

● (2010)

Mr. Garnett Genuis: Is it fair to say that a stronger presence and clearer commitments to support Taiwan would decrease the likelihood of invasion?

Mr. Jonathan Berkshire Miller: It should be standard and not controversial in almost every reference to the Indo-Pacific to be talking about stability and security in the Taiwan Strait. Even a year ago, and perhaps even now, it's controversial for some government officials to mention this. I think absolutely any time that we're mentioning the Indo-Pacific, this should be first and foremost because, as I said, without Taiwanese security, there is no Japanese security. There is no security in the South China Sea.

We need to be upfront about this. We can't be reactive and wait for question period to have to say it, if we have to. This needs to be right at the front of our Indo-Pacific strategy and foremost to our interests.

The Chair: Thank you.

I'm sorry, Mr. Genuis. You are out of time.

We will go to Mr. Fragiskatos for five minutes or less.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you very much, Chair.

Thank you to our witnesses.

Professor Massie, I will begin with you. By the way, this is not related to anything that we're doing here, but we just missed each other at Queen's University. I studied with David Haglund and Wayne Cox. I know you know them and others there.

I take your points that you have raised tonight, particularly the one you raised with respect to climate change and how that offers a potential area of collaboration with China. The point has been made before at this committee and elsewhere, but I wonder how that would work. How could that proceed?

On the one hand, I think I see where you and others who have made that point are coming from. Climate change is an existential matter by definition, and therefore we should, on existential matters and existential threats specifically, find room for collaboration and co-operation with all states, regardless of whether or not they are democracies.

However, at the same time, Canada is a middle power and China certainly is not, so where China can find room to collaborate with the United States—and I see that there have been very positive, or what seemed to be very positive conversations, vis-à-vis Presidents Xi and Biden in the past few days on the issue of climate change—one could make the argument that the U.S. is more likely to be heard by China on the issue of climate change. The door then opens to discussion and deliberation between those two superpowers.

However, Canada is clearly not in that category, so how do we get China's attention on this? What areas can we specifically focus on to advance the dialogue?

[*Translation*]

Dr. Justin Massie: Thank you for the question.

First of all, we have to acknowledge the problem: even with the commitments that Beijing announced this week, it won't meet the United Nations' targets in the fight against climate change. China has to do more, and the same goes for Canada.

Alone, Canada cannot do much to change China's position. However, Canada's strength lies in its capacity to rally its allies and other states around positions that are similar to its own in order to exert pressure. One of the ideas that is currently being discussed within the European Union is to impose tariffs according to the amount of pollution caused by international imports. If we establish an international consensus with the United States and our European friends in matters of trade and we set a price on pollution, that could change China's position. This type of cooperation would be one of the ways to do so.

We naively think that all countries will wish to collaborate on this issue, because it is a matter of the common good and that everyone will die if we don't fight climate change, but that's not true. Sometimes, China does not want to decouple the issues of the day, which means that it establishes links between cooperating in the field of climate change and our positions regarding Taiwan.

We have to stop this, and the only way that Canada can do so is to collaborate and establish common strategies that seek to set a price on pollution.

● (2015)

[*English*]

Mr. Peter Fragiskatos: Thank you very much.

For my final question, I'll go to Mr. Berkshire Miller.

The point has been made—and I think it's a compelling one—that because Canada been blessed with the three f's—food, fertilizer and fuel—this offers an opportunity for leverage in terms of international security. How can those three f's be leveraged to promote security in this particular region, and in Taiwan in particular?

Mr. Jonathan Berkshire Miller: That's a really great question.

I think every country needs to look at its strengths in some of these contingencies and play them up. I think we're seeing a clear example of this with Russia's war in Ukraine. I think that one of the roles that Canada can play—should play—is in the three f's that you mentioned.

In a potential contingency in Asia.... I think this is key for Taiwan, but when I mention a Taiwan contingency, I also think of Japan and South Korea. Again, imagine the potential coercion they would face on all of those f's: on agricultural supplies, on energy, on fertilizers. That is a role that Canada needs to be preparing for in any contingency, We need to be finding ways that we can ensure the food security, the energy security and the fertilizer security to our most important allies in northeast Asia. We also can't do this one year ahead. We need to be doing this five to 10 years ahead in planning.

I think it's a really great question and one that we should be paying attention to.

The Chair: Thank you very much, Mr. Fragiskatos.

We'll now go to Mr. Bergeron for two and a half minutes.

[*Translation*]

Mr. Stéphane Bergeron: Thank you, Mr. Chair.

I don't know if you heard the discussions we had with the first group of witnesses, but I would like to repeat the declaration made by the Minister of Foreign Affairs when she spoke at the Munk School of Global Affairs and Public Policy. She said that Canadian companies who do business with the People's Republic of China do so at their own risk and that Canada should seek to deepen its economic ties with Taiwan.

We know how much the People's Republic of China likes to threaten individual nations everywhere in the world to try and isolate them.

Does the doctrine that the Minister of Foreign Affairs seems to be using here run the risk of inciting the People's Republic of China to hit back?

Dr. Justin Massie: You have to be able to explain the decisions being made in this area.

Given the available proof, we are able to establish that there is industrial espionage, that there are threats to the private sector when we do business with China, and that there are links between the Chinese Communist Party and Chinese state corporations. This allows us to better understand the reasons for Canada's reluctance in dealing with China, especially in highly strategic sectors.

I am not referring to clothing factories here. Rather, I'm talking about high-risk sectors, such as high tech and mining. That is where we have to reduce our vulnerability, and not only Canada. This is what China is trying to do, attack the smaller players. That is precisely what it did to Australia to make it pay, knowing that Australia could not inflict the same damage as the United States.

The way to get out of this situation is to have common positions, and that is what Canada has to work on. Canada has to reduce its vulnerability, but do so by establishing ties with other countries who have a similar vision with regards to the situation, in order to reduce the burden and limit possible costs for the Canadian economy. I use the term “limit” because there will definitely be costs. However, the inverse would certainly be worse. It would be dangerous to continue to deal with China and to make our businesses, our citizens and our academic researchers vulnerable to espionage and intellectual property theft, for example.

Mr. Stéphane Bergeron: Mr. Berkshire Miller, would you like to answer, too?

[*English*]

The Chair: Give a very brief answer, please, sir.

Mr. Jonathan Berkshire Miller: I think the intention in the minister's remarks is right. There are a lot of challenges—economic espionage, forced technology transfer, etc.—in China. However, I really think the remedy is a consistent and sustained dialogue with the private sector. It cannot be one warning and one speech saying that the private sector needs to be aware of the risks in China; I think we need a consistent and sustained dialogue with the private sector on these risks, involving them in these decisions, not making it seem like the government is telling the private sector something but having a long-term dialogue with them on this matter.

● (2020)

The Chair: Now we'll go to Ms. McPherson for two and a half minutes or less.

Ms. Heather McPherson: Thank you, Mr. Chair.

Mr. Miller, you talked about the fact that technology is the gas that runs the Chinese economy, and obviously we're all very aware of that. Could you talk a little bit about the value of Canada's divesting or diversifying, I guess—the two Ds, divesting and diversifying—from technology with China but also increasing our own production of some of those vital technology pieces?

Mr. Jonathan Berkshire Miller: Thank you for the excellent question.

I think there are two pieces to this. There are the critical components of technology—semiconductors, etc., and quantum technology—but there are also the components that drive that as well, which are the critical and raw materials. There are two sides to this sort of coin.

Canada has an abundance of those critical and raw materials, but we haven't done the same sort of job at extracting those materials and refining those materials. I think where we are right now versus where we could be in the future is very different. I think we could be a superpower on these issues, if we choose to be.

The second part of that—and Neo Lithium is just one clear example—is that we need to have a broader view of national security when it comes to our investments in critical and raw materials. We need to focus not just on Canadian soil but also on Canadian intellectual property and companies, even if they're abroad.

Ms. Heather McPherson: Thank you.

I'll ask Mr. Massie if he'd like to contribute to that as well.

[*Translation*]

Dr. Justin Massie: Yes, absolutely. In order to limit the vulnerability of Canadian businesses, we have to strengthen their resilience. We should invest in infrastructure as a way of doing so. One of the reasons that explains why the Canadian mining sector is underdeveloped is that we lack the necessary infrastructure to get to the mining regions, which are, of course, very often far from our urban areas. One of the Chinese strategies is to invest in marine infrastructure, as well as in the mining sectors of foreign countries when the host countries don't invest enough.

If Canada had a much stronger and much more generous investment strategy, that would limit the risk of being forced to look to foreign investment such as that being offered by the Chinese. This would allow us to develop a Canadian industrial policy that is not simply limited to exporting natural resources, but which would also include some processing in Canada in order to create high-paying jobs.

[*English*]

The Chair: We have ten minutes before the vote. We would have time for one more question from each side, if anybody has an additional question they'd like to ask.

Go ahead, Mr. Chong.

Hon. Michael Chong: Thank you, Mr. Chair. I have a question for Mr. Berkshire Miller.

Many people believe that Beijing will invade Taiwan over the next three to four years. If that happens, what do you think the U.S. response will be to that invasion? Will it be primarily a military response? Will it be a response similar to that on Russia's invasion of Ukraine—in other words, an economic-based response? What will that response be, and what impact will that have on Canada?

Mr. Jonathan Berkshire Miller: I think that's a crucial question. I'll try to answer as briefly as possible.

At the end of the day, it depends on what sort of contingency it is. I think China has learned a lot of lessons from Russia's war in Ukraine. If we expect an armada of Chinese ships to show up and do a full-scale invasion of the main island of Taiwan, I don't think that's how the contingency is going to play out. I think they are going to work in a "grey zone" and take a couple of islands around Taiwan first. I mention that because that's premised on the idea that they want to make it more difficult politically for the United States to make the decision to intervene.

I think a lot of it depends on the Chinese. If the Chinese engage in a full-scale assault on the main island of Taiwan, I think that the United States—I don't want to say they have no choice—is very likely to engage. If they pick off small islands like Kinmen Islands or Penghu Islands, it makes it a little more challenging for the United States to make that determination.

● (2025)

The Chair: Thank you. Are there any other questions?

Go ahead, Ms. McPherson.

Ms. Heather McPherson: I only want to say that I'm the deputy whip, and it's five minutes to the vote, so I have to go.

The Chair: Then we'll say thanks to our translators, clerk, analyst, technical staff, support staff and our witnesses for their time this evening.

We will conclude the meeting and we will see you in one week. This meeting is adjourned.