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Chair: Mr. Ken Hardie



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• (1930)

[English]

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

I'd like to make a few comments for the benefit of the witnesses and members.

Today's meeting is taking place in a hybrid format. Members are attending in person in the room and remotely by using the Zoom application.

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

There is interpretation. Those on Zoom have the choice at the bottom of your screen of either floor, English or French. Those in the room can use the earpiece and select the desired channel.

This is a reminder that all comments should be addressed through the chair. For members in the room, if you wish to speak, raise your hand. Of course, we have the questioning order here, so that will work very well.

Now I'd like to welcome our witnesses on the matter of Canada's Indo-Pacific strategy.

Appearing by video conference are Dominique Caouette, professor and chair, Asian and Indo-Pacific studies, Université de Montréal, and Claude Vaillancourt, Association pour la Taxation des Transactions financières et pour l'Action Citoyenne. We also have, from the Canada West Foundation, Carlo Dade, director, Centre for Trade and Trade Infrastructure.

Each of you will have five minutes to make an opening comment.

Monsieur Caouette, we will begin with you.

Mr. Dominique Caouette (Professor and Chair, Asian and Indo-Pacific Studies, Université de Montréal, As an Individual): First I'd like to thank the committee for the invitation. It's an opportunity to discuss something that I think we simply don't talk about enough yet in Canada.

I'll be speaking in French, but I'm willing to answer questions in French and English.

[Translation]

Tonight I would like to offer five thoughts on Canada's Indo-Pacific strategy and Canada-China relations.

The first is the global impact of China's emergence on power dynamics. The second is power dynamics in a region I focus on, Southeast Asia, which I think is representative of the existing challenges and opportunities given that it's the neighbouring region closest to China. It has lengthy experience dealing with China. Third, I would like to talk about the role of Chinese diasporas in Southeast Asia. Fourth, I will make a connection with the role of Asian and Chinese diasporas in Canada. Finally, if I have time, I would like to talk about the intentions of Canada's Indo-Pacific strategy and perhaps provide an initial report card.

What are the power dynamics that underlie the emergence of China and, at times, the tensions between Canada and China? We hear a lot about that these days. I think we are at a major turning point: the end of the San Francisco system.

This system was put in place in 1951, at the end of the Second World War, as a result of a treaty between the Allies and Japan. The system has shaped the regional co-operation of Asian, Canadian and American players. It meant that the Asian and Indo-Pacific regions were under American multilateralism, and therefore American influence. This system combined bilateral relations between the United States and certain countries led by the United States, giving allies access to its market and international multilateralism—I am thinking, in particular, of the Bretton Woods institutions—because it encouraged Asian countries to participate in international organizations and forums. In the context of the Cold War, this structure dominated international relations in Asia, having a direct and sometimes negative impact on the development of other regional initiatives, as was the case with the Indochina War.

Today, in my opinion, we have gone beyond the San Francisco system. We are in a period of declining U.S. dominance in the region. We are now seeing a proliferation of commercial and financial bilateralism that takes the form of country-to-country relationships or ones between certain regions and China, for example, that largely bypass the United States. This challenge to the San Francisco system's multilateralism also calls into question the power of influence of the U.S. and Canada in the region. East and Southeast Asian countries' challenge to the San Francisco treaty has generated a series of new initiatives, and China is often at the centre of them.

Rather than American multilateralism, I would like to talk about Chinese multilateralism and how China practises it. One way is China's increasing and intensifying participation in various multilateral programs. These include the Shanghai Five, the Shanghai Cooperation Organisation and the six-party talks, in which China is playing a larger and larger role. It has joined international organizations, but also Asian regional organizations. It has set up its own international bodies. It practises a form of flexible multilateralism that involves encouraging states to participate and collaborate without necessarily interfering in their domestic policies, which is typical of China.

There have also been some troublesome attempts at rapprochement with Japan that have not worked so far. However, what is clear is that China's approach is increasingly assertive in the South-east Asia and Indo-Pacific regions. In a number of areas, it seems to be competing with the United States.

• (1935)

What kinds of tensions are going to emerge? What does that mean? That's a big debate right now among experts on the region.

Many researchers see China as the catalyst against which foreign policy choices made by countries in the region must be evaluated. Trends observed in multilateral relations are shaped by the U.S.-China duality.

Other authors are more optimistic. Despite the negative impact of this emergence, they see it as resulting in more space for dialogue. As such, they welcome the fact that some organizations are dominated by the west, or the American bloc, and others by Asia.

How should we interpret the current movement? There are two schools of thought. The first is informed by realism: China's emergence will inevitably lead to confrontation or rivalry between China and the American bloc countries. Some authors say this region is ripe for rivalry.

The second school of thought is more positive. It suggests that China's ascendance is attributable to trade and various international organizations that create space for co-operation.

China needs foreign markets for its domestic development, and other countries need China for important goods.

That means it's possible to create a community of security.

To conclude this first part of my intervention, here's what I believe is important. First, to be sensitive to issues around the Chinese perspective on its own emergence. Second, to see that spaces for socialization and interaction are positive and preferable to spaces that isolate and put up walls. Third, to understand that Canada is well positioned to play an important role in this dynamic.

I think Canada's Indo-Pacific strategy is intended to help Canada play that role, but it has certain limitations, which we can discuss afterwards.

[English]

The Chair: Thank you, Mr. Caouette.

We will now go to Mr. Vaillancourt for five minutes or less. There may be a little more time if you need it, but not much more.

[Translation]

Mr. Claude Vaillancourt (Author, Association pour la Taxation des Transactions financières et pour l'Action Citoyenne): Good afternoon.

I'd like to begin by thanking the committee for inviting me to appear.

As an engaged citizen, I've been interested in international trade for going on 25 years. As a member of Action citoyenne pour la justice fiscale, sociale et écologique, or ATTAC-Québec, I'm primarily interested in free trade agreements and social justice concerns.

I believe that commercial ties with other countries fall into three categories: ties with economies equivalent to ours, ties with developing countries and ties with countries where forced labour is a major presence.

The problem with the latter is twofold. First, it creates a competitive advantage for those countries, which exploit labour to reduce production costs. However, the worst problem by far is the humanitarian catastrophe that this exploitation entails.

Canada has recognized offences against the Uighurs and other Turkic peoples in China. We're talking about genocide, forced labour and political re-education camps that employ practices such as torture. This is all happening against a backdrop of unimaginable surveillance capacity supported by technology and artificial intelligence. Moreover, Uighurs are even being harassed outside of China in countries such as Canada.

This situation should prompt a strong response from Canada because China is setting a new bar for repression, which other countries may seek to emulate.

Our options when it comes to a country as powerful and influential as China are limited. At the very least, Canada can respond by banning goods produced by forced labour in Xinjiang, but Canada is hardly exemplary on that front.

Over the past few years, 2,547 shipments of goods suspected of being made with Uighur forced labour have been banned from the United States. During that time, Canada stopped only one single shipment from China; it was eventually allowed to enter the country.

What we're seeing here is complacency and a dire need for more robust criteria for blocking goods produced under questionable conditions.

Countries such as France, Germany, Norway and the United States have adopted such policies. Canada should do at least as much as them and create its own model, a model that could, in time, become exemplary.

In the past, Canada has not been known for its strong desire to take action against the exploitation and repression of specific populations. In 2014, it signed an investment protection agreement with China despite concerns articulated by human rights advocates and the agreement's lack of reciprocity. To justify its actions, Canada has always invoked investor-state dispute settlement mechanisms, even though they favoured mining company expansion at great environmental cost to countries in the global south.

The economic liberalism underpinning the free trade agreements Canada negotiated over many years has encouraged the expansion of worker exploitation zones, such as the *maquiladoras* in Mexico.

• (1940)

[English]

The Chair: Monsieur Vaillancourt, can you slow down just a little? The interpreters are struggling to keep up.

Thank you.

[Translation]

Mr. Claude Vaillancourt: Okay.

To some extent, Canada seems to be rejecting the idea that corporate profits and low prices for Canadians are more important than the fates of countless workers and environmental protection. Recognizing the Uyghur genocide and that of other Turkic peoples and minorities in China forces us to rethink certain aspects of trade with that country. We have to implement truly effective measures to prevent goods produced by forced labour from ending up on our store shelves. For example, we should adopt legislation similar to the American Uyghur Forced Labor Prevention Act. We should implement mandatory corporate due diligence legislation with respect to human rights and the environment. We should transform the Office of the Canadian Ombudsperson for Responsible Enterprise into an independent office with robust investigative powers.

We also have to revisit the free trade paradigm that has shaped our economy over the past 30 years and implement industrial relocation and export replacement policies.

This will help reduce greenhouse gas emissions due to the movement of goods over very long distances. Moreover, by limiting the quantity of goods from China, we can more easily identify imported goods and reduce the risk of bringing in goods produced by forced labour. Taken as a whole, these significant decisions would signal our deep disapproval of the Chinese government's treatment of Uyghurs and other peoples.

Thank you for your attention.

• (1945)

[English]

The Chair: Thank you, Mr. Vaillancourt.

We'll now go to Mr. Dade for five minutes.

[Translation]

Mr. Carlo Dade (Director, Centre for Trade and Trade Infrastructure, Canada West Foundation): Thank you, Mr. Chair.

I would also like to thank the committee members for inviting me. It's good to be here again. It's been over three years since we last appeared before this committee.

[English]

It was also a pleasure to hear Canada West Foundation's work referenced during the committee. I would like to thank the committee members who brought that to our attention and also the witnesses who mentioned our work.

Today, you're well familiar with Canada West's work. We publish the only brief on western Canada's relations with the Indo-Pacific and with China. We've also done analysis of the Indo-Pacific strategy and convened a summit of prairie trade ministers to discuss a strategy.

I would like to switch the focus today and talk about a comparative analysis of the strategy, based on my previous experience as executive director of Canada's Latin America think tank during the time of the implementation of the Americas strategy. Had I realized that the minister responsible for the strategy was going to be in the room, I might have prepared a bit. I'll take my life into my hands and try to make some comments regardless.

I'm not going to talk about LNG. The government has already been excoriated on that by previous witnesses, so that frees me to take a bit of a different tack.

On the Americas strategy, think about this as a foreign ministry official back at headquarters in their country or capital, or think about it as an officer assigned to Canada from a foreign country to follow the Indo-Pacific strategy. One of their first steps to understand and analyze the current strategy would be to look at Canada's previous attempts to have a framework. I would take this tack and pull out three things from the history of the Americas strategy that may be helpful in your study and your recommendations, hopefully, and two or three observations for things to consider as you formulate recommendations.

The first difference between the Americas strategy and the Indo-Pacific strategy is the time frame. You've heard Ambassador McKay and ADM Epp describe the strategy as a generational response to a generational challenge. This is language that we didn't hear with the Americas strategy and we don't traditionally hear in Canadian foreign policy. I'll tell you, from talking with foreign officials and with think tanks in the region, that this statement really got people's attention. The time frame difference was a huge signal.

The second signal was the resources that were set aside. Putting aside serious money was very important.

The third thing that the strategy did was talk about the inevitability of China. I'll spend a couple of seconds on this aspect.

The Americas strategy was in some ways seen as optional for Canada, but China is not optional. India is not optional. What I mean is that it's not because they're our second-largest trade partner; that is not the point of China's inevitability. You've heard other witnesses say that China is the world's second-largest economy. It's the leading trade partner with 120 countries, not just in the Indo-Pacific, but with Brazil, Argentina, Chile, Paraguay, Uruguay, Peru and Panama. In our own hemisphere, if you're trading, you're going to run into China.

China spent a trillion dollars building infrastructure that receives and moves our goods when we ship them abroad. We struggle to build trade infrastructure. Ever since the Asia-Pacific gateway, which was a highlight for Canada, and the highest point of our trade infrastructure rankings, we've struggled. China is responsible for the infrastructure on the other side that moves our goods, so even if you tried to run away from China, you're going to run into China, and you're probably going to be doing so on roads built by China.

The last point is capacity. Under the Americas strategy, there was not much money for new capacity for Canadians, not just for business, but for the full range of Canadian stakeholders to be able to engage in the region. With the Indo-Pacific strategy, we have those investments: not just trade commissioners and not just an academic centre, but money to bring the full range of Canadian actors up to speed. Again, if you're going to run into China, even if you try to run away, you need to have the full range of Canadian actors that will run into China better prepared. We tend to bring up expertise from the U.S. to do this, and I think the Indo-Pacific strategy can correct that. We need our own expertise, our own analysis and our own experts analyzing from Canadian perspectives.

The last point is on the North American trade negotiations. We had the Americans scaring us away from engaging China at the very same moment that the Americans were negotiating their own trade agreement with China, one that positioned them to take market share and money away from western Canadian producers.

With the Americans, we co-operate on security and intelligence, but if there's money on the table, we need to have the ability to defend our own interests with them, and that is certainly the case on China. We've seen it in the past, and with India we may be seeing the same thing.

• (1950)

I'll leave it there and welcome your questions. I hope that was helpful.

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

Now we will go to our questions, and we'll begin with Mr. Kmiec for six minutes.

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

I'm going to begin by noting that Minister Freeland is not appearing today, as she said she would many weeks ago. It's been many

months since she was asked by this committee to appear on the Asian Infrastructure Investment Bank.

I want to put on the public record the profound disappointment on the Conservative side that she has chosen to not be here again when she would have known ahead of time that she expected to be somewhere else and did not provide a new date on which she would appear to testify before the committee about exactly what's going on with Canada's participation in the Asian Infrastructure Investment Bank.

Mr. Dade, I'm going to have to ask you to excoriate the government on LNG, because back in December 2022, you wrote an opinion piece with the CEO of the foundation, Gary Mar, in which you said, "From a western Canadian perspective, there are two major misses in the strategy. There is no mention of exporting LNG." You went on to say, "Instead, the strategy pivots to renewables and hydrogen."

Others have excoriated the government. I have to give you a chance, as a westerner, to excoriate the government here as well.

Mr. Carlo Dade: I was really hoping to use the time for other things.

We have a strong stance. I think everyone knows the logic of that, and the problems with that have been described by others. Dr. Lilly is an honorary westerner, so I could attribute this to her to some degree, but yes: Time and time again, we hear from allies in the region that Canada claims it wants to help and Canada claims it wants to be involved in the region and Canada claims to want to contribute, so why, then, are we hoarding the one thing they need the most? Why are we hoarding energy?

We're trying to explain to folks that we're not hoarding it, that there are just these political difficulties. Folks say, "We're getting your gas from Mexico. Costa Azul has come online in Baja California in Mexico. If Mexico can send us your gas, why can't you?"

It's a really difficult position to try to defend. We worry about it from the security perspective and we worry about it from the competitive perspective. Once again, we see the Americans eating our lunch. They're taking it from us off the table and eating it. If we don't produce it, someone else will.

We're going to make greenhouse gas emissions worse by having places like Senegal, which has just discovered 11 trillion cubic feet of gas, exporting gas, rather than having it come from Canada. We're doing no one any favours with this. We're probably harming the environment.

How's that for excoriating, even though I didn't want to?

Mr. Tom Kmiec: I'd give you more time, as a westerner, and you can keep doing it.

In January 2023 you also wrote a critique in *The Globe and Mail* of Canada's Indo-Pacific strategy, specifically for not making the proactive expansion to the CPTPP a priority focus area. However, in 2024, Canada is taking over as commission chair for the CPTPP.

I'd like to hear from you, as a westerner. At the end of this year, what does failure look like and what does success look like? What are the metrics? What do you think the government has to do right, and what will failure look like by the end of the year if it doesn't do that?

Mr. Carlo Dade: Let me start by saying we're huge fans of the Indo-Pacific strategy. We think it corrects a lot of things that were missing, or builds upon some of the successes in the Americas strategy, so we have very specific complaints.

However, on the TPP, what we need is a degree of modesty. Trying to exercise leadership at the TPP would be failure. The region does not want Canada's leadership. The region does not need Canada's leadership. The region wants Canada to put its shoulder to the wheel and do the hard work of improving the agreement.

There's a review of the agreement. What needs to be strengthened in the agreement? What needs to be changed? We have to start showing up and doing the unglamorous hard work of building the agreement and doing the nuts and bolts.

We're still digging ourselves out of the hole that the Prime Minister dug in Da Nang when he embarrassed Japanese Prime Minister Abe and had the Australians cursing us out in public. We're rebuilding from that. You don't do that with bold claims of leadership. You do it by showing up and doing the hard, unglamorous work. That's what success looks like. Failure looks like trying to claim leadership at a summit when people neither want it nor need it from us.

• (1955)

Mr. Tom Kmiec: You talked about the hard work that needs to be done this year as the chair of the CPTPP. What are some of those parts that the government should be focusing on? This year, what should those announcements be of work actually done?

Mr. Carlo Dade: On the Indo-Pacific strategy, separate from the TPP, I'd expect the government to release an update on the strategy and implementation steps. If that doesn't come out, then I'd be worried. It's time for the government to be able to show what it's done and to put out a report card, in essence. I'd look for that.

On the TPP itself, I would look for steps that would allow Australia to continue looking at accession. How are we going to set the criteria for other countries to join? That will not be done at this meeting, but we can begin the work and make sure that the Australians are well positioned to continue it. It's not glamorous and it's not going to get headlines at CBC or in the *Globe*, but that's the type of hard work.

There's a review of the TPP. What concrete changes do we need to make to the agreement in terms of the rules as they've been working or not working? Those little things are what I would hope would come out of Canada's being the chair.

The Chair: You are out of time, Mr. Kmiec.

Mr. Tom Kmiec: Thank you, Mr. Chair.

The Chair: We will now go to Mr. Oliphant for six minutes or less.

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

Just as Mr. Kmiec put on the record, I want to make sure that the viewers at home—of whom there may be many thousands—are very aware that the Deputy Prime Minister was unable to attend tonight's meeting because she has had travels to Ukraine and Poland. I can't confirm Latvia, but I understand that it's also perhaps on the agenda. This is the second anniversary of Russia's illegal invasion into the sovereign territory of Ukraine.

The Deputy Prime Minister, the Prime Minister and the Minister of Defence are standing in complete solidarity with the people of Ukraine, recognizing that the war that they are fighting is also on our behalf.

I'm very proud of our deputy prime minister, who is fluent in her Ukrainian language skills, which is a huge value added to ensure that Ukrainians understand that Canada will continue to stand with them. We are disappointed as well that she wasn't able to be here. However, she has very clearly said that she understands her role as being accountable to Parliament. She will attend a future meeting when we can schedule it.

I just want to make sure that this is understood, because Canadians do wonder about the Conservatives' support for Ukraine, as they have failed to support Ukraine in a free trade agreement, which was the request of the Government of Ukraine and the people of Ukraine. Now we are hearing that a brief appearance at this committee is more important than standing with the people of Ukraine, which our government will always do. I'm glad to put that on the record for those watching at home.

I have one brief question for Mr. Dade.

You said that witnesses excoriated the Government of Canada with respect to LNG. Are you aware of the testimony given by the ambassador of Japan to our committee two weeks ago when he spoke very positively about the future of LNG exports, which would be available for the Asia-Pacific region, particularly Japan, and about his looking forward to the opening up of that capacity for Canada to provide energy for Japan?

Mr. Carlo Dade: Yes, I am.

Hon. Robert Oliphant: Okay.

Mr. Carlo Dade: I read all the committee testimony before coming in.

Hon. Robert Oliphant: Thank you.

I want to go to Mr. Caouette now.

Professor Caouette, thank you very much for your testimony. During the testimony, I was reminded of my first-year course in economic history with Professor John Munro. He looked at the ebbs and tides of economic power and primacy of various countries over centuries. In your analysis around the power shifts towards China, as well as the huge challenges that Canada faces with respect to those changing dynamics of where money is, where money lies, you also acknowledge that there's a reality of China's position.

I want to give you a chance to talk further on the emerging China—both the dangers that it presents to Canada, including challenges, as well as the opportunities that it could present in the future for Canada and how we can best prepare ourselves for a world that is in flux over the next 50, 100 or 150 years.

• (2000)

Mr. Dominique Caouette: That's a broad question, but it's a relevant question.

In political science, we talk about the tectonic plates moving. I think we're at a moment such as this. The Indo-Pacific strategy was a step forward in terms of defining more clearly what Canada can do. It also was much awaited for years in the region. Canada had been involved, but in a very different time. Sometimes in the past, Canada was very present. In the 1980s, there were times that it would withdraw. Then the Indo-Pacific strategy tried to make a position that it would engage for a continuous time in the Indo-Pacific region.

[Translation]

Canada has to understand its role in this power shift. Canada was considered a middle power, but we have to accept that the bloom is off that rose. The region now has several rapidly emerging countries. Southeast Asian countries, China's immediate neighbours, have had to learn to navigate that emergence. I think we have a lot to learn from Singapore, Malaysia and Indonesia, which have an ongoing dialogue with China.

I also want to comment on the standards that my colleague, Mr. Vaillancourt, talked about. In places like Myanmar, there have been human rights violations, forced labour camps and ill-treatment of ethnic groups. There were sanctions, but channels of communication have remained open. The most important thing Canada can do is put its priorities out there, and that's what the Indo-Pacific strategy does. For example, sustainable development is an important issue. Right now, China is the world's leading electric vehicle manufacturer. It is also the world's leading solar panel producer. That means there are opportunities for co-operation.

It's also important to work with allies rather than confront China directly. This work happens within distinct cultural contexts. The Association of Southeast Asian Nations, for example, operates on a consensus basis. However, many have tended to approach regional organizations in Asia the same way they did the European Union or the North American Free Trade Agreement, which operate according to other norms. Above all, we must be present. We must take part in those dialogues without broad condemnation and without causing the region's representatives to lose face.

[English]

The Chair: Mr. Caouette, I'm sorry. I have to interrupt. Mr. Oliphant's time has expired.

Perhaps Monsieur Bergeron, in his six minutes, will pick up where Mr. Oliphant left off and have a further discussion with you.

[Translation]

Mr. Stéphane Bergeron (Montarville, BQ): Not necessarily, but I do want Mr. Caouette to continue, because I'm going to ask him a question that's related to the previous question.

Mr. Caouette, in an article you co-authored for a special edition of the *Canadian Foreign Policy Journal* entitled “Canada and Southeast Asia in the new Indo-Pacific era”, you detail four challenges to Canada's desire to strengthen its relations in Southeast Asia. The fourth challenge—this brings me back to the Association of Southeast Asian Nations—is the fact that Southeast Asian countries don't want to take sides in rivalries between powerful nations. In other words, no one sees total, unconditional alignment with the United States or China as a desirable strategy. Some of these countries are closer to China, others a little less so.

You identify Canada's first challenge as a reputation problem. Might that be related to the fact that Canada, somewhat like the United States, considers the People's Republic of China to be an increasingly disruptive global power?

• (2005)

Mr. Dominique Caouette: That's a good question.

I think the people at Global Affairs Canada thought long and hard before they came up with the word “disruptive”; they wanted to find the right word. It would be fair to say that this is a time of change and turbulence in terms of power dynamics. Also, we don't know what will happen next November.

Canada has long relied on its reputation as a friendly country, a country open to dialogue. That dates back to the time of the current Prime Minister's father. Canada was respected because it was seen as powerful enough to have its own foreign policy and its own ideas, while at the same time having a knack for bringing people to the same table. Another unique feature, one that has since changed, was that when people from the Department of Foreign Affairs met with representatives of Asian countries, those representatives knew Canada had a reputation to protect whether the government was Liberal or Conservative. Canada's stance on the region was therefore consistent and transcended partisan affinity.

Canada's number one challenge is to work with its partners in Southeast Asia, including the Japanese, who have been a constant presence in the region. Canada needs to maintain its own constant presence by playing the role of dialogue facilitator. That's what it tried to do from 1982 to 2002, when it enabled and supported regional dialogues. It's important to note that there has been no conflict between the countries surrounding China. Yes, there was the Vietnam War, but countries in the region have not been at war with each other. ASEAN, the Association of Southeast Asian Nations, has its own distinct modus operandi, and we have much to gain from working with our allies.

The same is true of India. It is important to be a sought-after nation, one respected for its positions and capable of bringing people together around the same table, as we've done in the past. We need to reclaim a role that will restore our reputation as a soft power, one that leverages its power of persuasion. Consider Mr. Axworthy's human security doctrine and peacekeepers' military interventions.

Canada's Indo-Pacific strategy is a first step, but the big challenge is implementing it. Efforts have been made over the past year, but sometimes we've messed up rather than restoring Canada's reputation as a power capable of bringing people together around the same table and taking action on specific issues. Just look at the Convention on the Prohibition of Anti-Personnel Mines, which Canada put forward. I think Canada has expertise on issues such as Uighurs and the exploitation of trafficked workers. We need to focus on our strengths, not try to do it all, which sometimes seems to be the case with Canada's Indo-Pacific strategy.

Mr. Stéphane Bergeron: I want to come back to the term “disruptive”. You sort of conflated the word “disruptive” with the word “turbulence”. I would say that the disrupter is someone causing the turbulence, even if this definition may annoy a number of Southeast Asian countries.

I'll go back to your three challenges. The third is the fact that the strategy focuses on security issues and provides for a greater military presence in the Indo-Pacific region—imagine that—when these issues are not aligned with the preferences or priorities of Southeast Asian countries.

Again, does this contribute to this reputation problem you were alluding to when explaining the second challenge?

[*English*]

The Chair: Provide a brief answer, please, Mr. Caouette, if you could. Thank you.

[*Translation*]

Mr. Dominique Caouette: Thank you, Mr. Chair.

I think you're touching on an important point.

Instead of relying on our expertise, which is to support civil society organizations, consumer movements seeking safer products and economic movements, by negotiating fairer free trade agreements, we're focusing on the military dimension, which is certainly not Canada's speciality or trademark.

We try to do everything, but by attempting to cover a number of fields, we forget what sets us apart from other countries and what

Canada's added value is. It's especially important to be modest about it in today's world.

• (2010)

[*English*]

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

We'll now go to Mr. Boulerice for six minutes.

[*Translation*]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Thank you very much, Mr. Chair.

Like some of my colleagues, I would like to make a brief preliminary comment.

One of Canada's largest exports to the Indo-Pacific region has long been bituminous coal, thermal coal. In 2021, the Liberal Party promised to end Canada's exports of this thermal coal. It's even in the Minister of Environment's mandate letter. The following year, thermal coal exports increased by 60%. That's eight times higher than our exports in 2018, when it is extremely polluting, and it violates all of our climate change commitments. I wanted to clarify that, because I find it absolutely inconsistent and contradictory. I'm all the more proud of Bill C-383, introduced by my colleague from Victoria, Laurel Collins, who wants to put a legal end to the export of thermal coal while the Liberal government unfortunately continues to do so.

Mr. Vaillancourt, I very much appreciated your comments a little earlier on human rights, workers' rights and forced labour. You spoke at length, and rightly so, about the plight of the Uighur people. You also talked about the responsibilities of Canadian companies. If I have time, I'll come back to that.

The federal government is responsible for ensuring that our supply chains and subcontractors aren't involved in forced labour. In 2021, journalist Joël-Denis Bellavance of La Presse revealed that contracts totalling \$221 million had been awarded to a Malaysian company that, at the time, was suspected by the United States and the United Kingdom of using forced labour in its production.

How do you think the federal government could implement measures in this region of the world to avoid such situations when the federal government itself is not setting an example?

Mr. Claude Vaillancourt: That's a very important aspect. In my presentation, I proposed three interesting measures that I would like to come back to.

The first measure is the adoption of legislation on the prevention of forced labour. Our American neighbours have an interesting one. The proof is that they block a lot more goods from companies using forced labour than our own government does. It seems that products made by Uighur people in absolutely appalling conditions are getting into the country very easily without being blocked. So we have a model—that of our neighbours—that could serve as inspiration.

The second measure I talked about was introducing due diligence legislation for companies. This has been requested by a number of people and organizations in Canada. So it would be important to do that.

The third measure I was asking for was to transform the Office of the Canadian Ombudsperson for Responsible Enterprise into an independent office with strong investigative powers. The problem is that the ombudsperson is working with the data that businesses are willing to provide, when the ombudsperson should be able to require businesses to provide much more meaningful and important data. That would then make it possible to conduct real investigations and to have a better assessment of the stock that comes to us from China, the stock that is produced by work done under really trying conditions.

Mr. Alexandre Boulerice: Thank you very much.

Indeed, the fact that companies can provide their own data and reports on their behaviour and compliance with the rules seems quite absurd to me. You have to have more objectivity than that. Investigative powers would be a good thing. The trans-Pacific partnership changed its name to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP. You once wrote in an article with Ms. Sujata Dey that the use of the term “progressive” was quite ironic. You're being polite. I would have said that putting lipstick on a pig doesn't change the nature of the animal.

Among other things, you wrote the following:

Despite commitments to gender equality and indigenous rights by the Trudeau government, this agreement does not include gender and indigenous rights clauses. Only the preamble mentions these issues, but this symbolic one is not legally binding.

How do you think Canada, as chair of the CPTPP commission in 2024, could further advance its own commitments to gender equality and indigenous rights?

• (2015)

Mr. Claude Vaillancourt: I think those things need to be in the agreement. I think free trade agreements, especially those that Canada has negotiated for a long time, often include separate chapters—one on the environment and another on labour, for example—with a series of good intentions. However, they are in no way binding.

In my opinion, when reviewing free trade agreements, it's very important to mention all the progressive aspects in the text of the agreement so that there are concrete applications. I think the Canada-Ukraine agreement has made some progress in terms of integrating environmental concerns. This proves that Canada has the opportunity to do so. That said, I think we need to go even further when renegotiating free trade agreements.

In my opinion, all the free trade agreements negotiated by Canada during the great years of free trade were liberalization agreements in which environmental and human rights considerations were secondary to the rights granted to businesses.

Right now, where we are, we have the opportunity to transform things and include much more important elements in free trade agreements.

[*English*]

The Chair: Thank you very much.

Thank you, Mr. Boulerice. Your time has expired.

We'll now go to Mr. Chong for five minutes.

Hon. Michael Chong: Thank you, Mr. Chair.

The second-highest-valued merchandise export to the People's Republic of China in 2023 was bituminous coal. When we look at the record of China on climate change and coal, their words and western governments' approaches to this issue are completely contradictory.

Ten years ago, I think it was reasonable for western governments to propose co-operation with China on climate change and GHG emissions. Many people, including western governments, thought coal demand would peak in 2013—including the IEA, I might add—and decline from there.

They thought the PRC would work in good faith with the world community on reducing emissions, but a report came out last year from a Finnish-based non-governmental organization called the Centre for Research on Energy and Clean Air and from Global Energy Monitor, which is a second not-for-profit that monitors fossil fuel infrastructure. In 2022, China approved the largest expansion of coal-fired power plants since 2015. In the rush to build these new coal-fired plants, they granted permits for 106 gigawatts of capacity in 82 new locations across China—the highest number since 2015, and four times higher than in 2021.

As a result, China is now burning more coal than the rest of the world combined, and the world this year is burning more coal than it ever has—a record amount. Last year, the world burned a record amount of coal, as it did in the previous year. This is all because of China's absolute commitment to massively expanding the burning of coal, which happens to be one of our largest exports to the People's Republic of China.

In November of 2021, Canada announced its intention to ban thermal coal exports in six short years to the People's Republic of China. Are these two things compatible? That's my question.

Mr. Carlo Dade: I'm not familiar with the figures you presented. I do handle the trade side. Fortunately, we have a natural resource centre that focuses on energy, the environment and the energy transition, but I'd be curious to see the numbers for India too. I imagine their numbers are going up. I know exports from Australia certainly have, following their agreement with India.

You could say that China is one step forward, two steps back. Someone from the other side, who's on the clean energy side—the solar side—could say it's two steps forward, one step back.

There are many factors at play with China. I'm not trying to equivocate here; it's just a very complex, multi-faceted engagement with them on energy and the transition. China is doing things that I think countries that are concerned about climate change and reducing emissions would support very much, and there are things for which China would be castigated. I think that's across the board in the developing world.

• (2020)

Hon. Michael Chong: Let me ask you this, then. Nowhere in the Government of Canada is there a definition of clean energy—nowhere. We pointed that out in committee a number of meetings ago. A large part of the Indo-Pacific document is based on the export of clean energy, but nobody can define what it is.

Would you classify LNG as a clean energy export?

Mr. Carlo Dade: Let me say that I enjoyed that particular session of that meeting.

Yes, I would, absolutely. I think the government recognizes as well that LNG is necessary.

I keep getting mixed signals. We talk about the Japanese ambassador's comments. Japan is looking to transition. If you're talking about engaging Japan on LNG, you have to recognize that it's a part of the transition.

I think there's some confusion, perhaps, in the government about this, but I see a definition from them that includes LNG from time to time.

Hon. Michael Chong: Do you think it's a reasonable foreign policy goal for the Government of Canada, in order to contribute to the global fight against climate change, to make the export of LNG a priority so that it can displace coal-fired electricity generation plants, seeing they have double the greenhouse gas emissions per kilowatt hour of natural gas plants?

Mr. Carlo Dade: Of the limited contributions of significance Canada could make, I think that the move to LNG would probably be the second most significant contribution.

The largest producer of greenhouse gas emissions in Canada is the Government of Canada, followed by the provincial governments. Look at the release of GHGs from forest fires. If you own the land, you own the emissions. Forestry policy is one area I haven't heard the government speak about, in terms of forestry management practices such as cutting. Modern forestry practices would be a huge contribution.

LNG exports would be second. Our LNG is going to Asia, but it's going through Mexico. How about having us sell it, having us

reap the rewards by selling lower-impact LNG? It just seems to make sense.

I think it's a policy in search of a problem.

Hon. Michael Chong: Thank you.

The Chair: Thank you, Mr. Chong.

We'll now go to Mr. Fragiskatos for five minutes.

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

Thank you to our witnesses.

Professor Caouette, if I could begin with you, sir, I want to make sure I understand your point about soft power. I think it's important in the context of this discussion, but I want to make certain that I understood you.

Mr. Dominique Caouette: The concept of soft power was developed by Joseph Nye, an American political scientist, and the idea of soft power is that a country could exercise influence without being military. That soft power is the power of persuasion, the power of attraction and the power of reputation. Soft power is a key asset, and it has been a key asset in the past, as I mentioned, for Canada.

I think that this soft power that Canada had, its power of attraction, has diminished over the years. I think it's partly because there has been a lack of continuity in policies. I think it was much easier a while ago for Canada to engage on difficult issues, for example. Whether they were environmental issues or forced labour, there was receptivity. I think the idea now is that Canada's posture towards Southeast Asia, Asia and the Asia-Pacific is, if not confused, at least not specifically directed.

What I am trying to argue is that we have more chances to enter environmental or labour conditions issues if we are at the table as equal partners in the region.

At the moment I would say that people are really focusing on China, and there is a China obsession in many ways, but, as I was trying to point out, there are important Chinese diasporas in Southeast Asia. These diasporas are the big businesses, and they are potentially good allies for influencing policies on China.

I think Canada needs to be more modest in its claims and be at the table as an equal with members of the Indo-Pacific region. The difference is also that in many ways—and we see it in other parts of the world—Canada is not needed or sought after. They can go to other countries. Times have changed, and it's part of the change that I was talking about at the beginning of my intervention. We need to understand the position we're in, what the value added of Canada is and where we're going to be respected and listened to.

As I was saying, one of the key points would be to help build consensus, and that part has to be rethought. I think that unless it is clearly stated and it's a strategy that is not time-bound by an election, that will be key in terms of restoring this capacity to facilitate the processes that are more in line with our objectives of a clean environment, better labour conditions and processes, migration whereby people can migrate under good conditions, and indigenous peoples' rights, which is a challenge that we also face in Canada.

If we work as partners or counterparts in these processes, I think that Canada's soft power influence will be much greater and not based on high-powered political influence. I don't think it's high power, which is military, that will be our trademark, at least for the next coming years or the next decade.

• (2025)

Mr. Peter Fragiskatos: I think you read my mind, sir, because I was trying to get your thoughts on soft power and then apply that to your initial comments on diaspora in your opening comments, but you've beat me to it, so I appreciate that.

I take your point that there is a lot of potential in looking to diasporas in not just the Indo-Pacific strategy but writ large when it comes to security and economic policy. I think there is a lot of value added there.

Mr. Dade, I have only 45 seconds left, so I'll turn my attention to you.

I have a very simple question: How critical is China to the economy of western Canada?

Mr. Carlo Dade: It is our second-largest trade partner when you look at what we export. For example, with reference to agricultural goods, 13% of Canada's trade in agricultural goods is with China. That's higher than the total for overall trade with China, so it's absolutely critical that we engage and do so intelligently.

Mr. Peter Fragiskatos: You say to do so intelligently. I couldn't agree more. Sometimes I hear musings—not, maybe, in that kind of language, but something approximating a call for an embargo does come up from time to time, whether it's in the House in debate or in other places from Conservative friends.

I think it's important to understand that issue before engaging in the kind of hyperbole that we sometimes hear.

Mr. Carlo Dade: When Donald Trump launched his trade war with China, U.S. farmers were compensated to the tune of, I think, \$20 billion U.S., which would be the entire GDP of Newfoundland and Labrador or ten times the budget of Canadian agriculture and agri-food.

If you are going to do those things, you have to be aware of the cost and, as with the Americans, you have to be prepared to defend your values, to pay the price of your values. Your values carry a cost. Before speaking publicly about how you are going to defend them, you have to be prepared to pay the cost, or you undermine your values. If you're not willing to defend them after saying that you will, you undercut their value.

Regarding that \$20 billion, I think it doesn't mean you don't do it; it just means you have to know the cost and be prepared for it.

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 would like to come back to you, Mr. Caouette.

In an article that you co-wrote with colleagues in *La Presse* that was published in November 2023, you mention the Indo-Pacific strategy, launched by Quebec in 2021.

How do you see this as complementary to Canada's?

Mr. Dominique Caouette: We sometimes forget this, but Quebec was the first to launch an Indo-Pacific strategy, a year before Canada.

I also think that Quebec isn't the only one to have done so. There are currently over a dozen Indo-Pacific strategies, including the strategies of Quebec, Canada and Japan. The Université de Montréal will be holding a summer school solely on this topic.

Quebec's Indo-Pacific strategy showed that Quebec intends to take its rightful place. Quebec is already involved in “paradiplomacy” at the United Nations Educational, Scientific and Cultural Organization, or UNESCO, and at the Organisation internationale de la Francophonie.

This strategy has made it possible to take a step forward because it focuses on diversity in partners. This reduces dependence on China, which gives Quebec greater leverage in negotiations with China.

If China knows that it's the only one that can offer certain goods, it will obviously take advantage of this. If other partners can offer them, the situation won't be the same. We often forget that the Southeast and South Asian region and India, for example, offer similar products and belong to the same value chains.

Strategies for the Indo-Pacific show that the global economy has shifted to Asia. The 21st century will be the Asia-Pacific or Indo-Pacific century.

They also show the need to develop expertise. It's vital to strengthen the Quebec, Canadian and western expertise needed to do business with the Indo-Pacific region.

It's necessary to have a presence in this region and to focus on the development of this expertise. We often forget that Southeast Asia has long-standing intellectual traditions. There are also Asian philosophers whose works are rarely read. This may seem far removed from what we're talking about. However, it helps us to understand the region that we'll be doing business with.

It's also important to connect diasporas with non-governmental and civil society organizations.

That said, the Indo-Pacific strategy is a step forward. I welcome this initiative. I think that other strategies are needed too.

The Canadian strategy must remain constant over time. These strategies can't just be launched and then forgotten. A follow-up is crucial.

Pragmatism is a core value in Asian countries.

• (2030)

[*English*]

The Chair: Thank you, Mr. Bergeron.

We'll now go to Mr. Boulerice for our final two and a half minutes.

[*Translation*]

Mr. Alexandre Boulerice: Thank you, Mr. Chair.

I'll turn to you, Mr. Vaillancourt.

In 2016, you spoke to the Standing Committee on International Trade about the Trans-Pacific Partnership. You raised concerns about investor-state dispute settlement mechanisms.

At the time, we could see that these mechanisms gave unbelievable rights to private companies over local will and democracies.

A few years later, do you still see these mechanisms as an issue, a threat, a challenge?

How have things changed in this area?

Mr. Claude Vaillancourt: Still today, we see them as a threat, because they give far too much power to companies.

There has been a good development. This mechanism has been excluded from the free trade agreement between Canada, the United States and Mexico. This means that free trade agreements can be entered into without the addition of these mechanisms. At the international level, these mechanisms are widely criticized. They give companies the opportunity to take legal action against governments with no reciprocity. As a result, the legal action is one-sided and has a chilling effect. Given the existence of this process, companies

can threaten governments with legal action and successfully change or limit draft regulations. We've seen it happen many times. For all these reasons, and given the utter uselessness of these mechanisms when it comes to preserving democracy, we maintain that they should always be excluded from all free trade agreements signed by Canada.

I spoke earlier about a similar agreement, the Foreign Investment Promotion and Protection Agreement between Canada and China. We protested strongly against this agreement. China has very little respect for rights. In a way, the agreement gave China a say over regulations. This agreement is non-reciprocal. The Canadian government has very limited capacity to deal with China under this agreement. For all these reasons, it remains a serious problem.

Remember that many Quebec groups share our position. These groups include the Action citoyenne pour la justice fiscale, sociale et écologique and the Réseau québécois pour une mondialisation inclusive. We want this type of investor-state dispute settlement removed from all agreements signed by Canada.

• (2035)

[*English*]

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

I'd like to thank our witnesses for being here.

I think, just judging by the body language down at the end of the table, you wish it would go on a little longer, sir.

Mr. Carlo Dade: Well, I'm thinking Madam Freeland was unable to join us. I'm more than happy to take the extra time to so that we can.... We'll let her off the hook for this.

The Chair: I think we set the record for excoriating tonight.

Some hon. members: Oh, oh!

The Chair: Anyway, listen, I want to thank the witnesses and Mr. Boulerice, Mr. Fast and Mr. Zuberi, our guests. I'd also like to thank the clerk and the analysts, translators and staff.

With that, we'll call it a night. The meeting is adjourned.

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