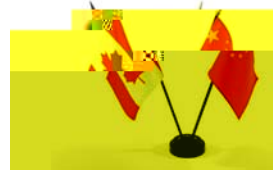




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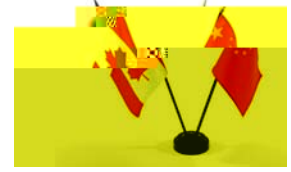
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Friday November 20, 2009:

6:00 pm – 7:00 pm Welcoming Reception

7:30 pm – 9:00 pm

Lansdowne Lecture

Speaker: Charles Burton, Brock University, Department of Political Science

Topic: *The Past Present and Future of Canada-China Relations*

Saturday November 21, 2009:

8:30 am - 9:00 am

Conference Opening

Speakers: Andrew Harding, Director, Centre for Asia-Pacific Initiatives and Gordon Smith, Director, Centre for Global Studies

9:00 am - 10:00 am

Session 1: China's Economic Response to the Global Financial Crisis

Chair: Richard King, Centre for Asia-Pacific Initiatives and Department of Pacific and Asian Studies

Speaker: Ralph Huenemann, Emeritus Professor, Faculty of Business, University of Victoria, and Founding Director, Centre for Asia-Pacific Initiatives

Interlocutor: Connie Carter, Royal Roads University and Centre for Asia-Pacific Initiatives Associate

10:30 am - 11:30 am

Session 2: The Implications of the Crisis for Chinese Political Stability

Chair: Helen Lansdowne, Associate Director, Centre for Asia-Pacific Initiatives

Speaker: Wu Guoguang, Centre for Asia-Pacific Initiatives China Chair and Departments of Political Science and History, University of Victoria

Interlocutor: B. Michael Frolic, York Centre for Asian Research, York University, Toronto

11:30 am - 12:30 pm

Session 3: International Relations and Regional Security Issues

Chair: Derek Fraser, Senior Research Associate, Centre for Global Studies

Speaker: Brett Witthoef, Maritime Forces Pacific, Department of National Defence

Interlocutor: Rajeev Chaturvedy, International Development Research Centre

1:30 pm - 2:30 pm

Session 4: Resources and Environment

Chair: Chris Garrett, School of Earth and Ocean Sciences and the Department of Physics and Astronomy, University of Victoria

Speaker: Art Hanson, International Institute for Sustainable Development

Interlocutor: David Rodenhuis, Centre for Global Studies

Saturday November 21, 2009 continued:

2:30pm - 3:30 pm

Session 5: Dissent in China: Ethnic, Religious, Political, and Economic

Chair: Andrew Harding, Centre for Asia-Pacific Initiatives and Faculty of Law, University of Victoria

Speaker: Pitman Potter, Director, Institute for Asian Research, University of British Columbia

Interlocutor: Zhang Qianfan, Peking University

4:00 pm -5:00 pm

Session 6: Canada-China Relations: Points of Friction and Intersection

Chair: Joe Kess, Emeritus Professor, Department of Linguistics, University of Victoria and Centre for Asia-Pacific Initiatives

Speaker: Eric Walsh, Director, North Asia Relations, Foreign Affairs and International Trade Canada

Interlocutor: Michael Webb, Department of Political Science, University of Victoria

5:15 pm – 6:15 pm

Session 7: Prospects for Cooperation: Economy, Politics, and the Environment

Chair: Aegean Leung, Faculty of Business, University of Victoria and Centre for Asia-Pacific Initiatives Visiting Japan Chair

Speakers: Barry Carin, Centre for Global Studies; Douglas Horswill, Senior Vice-President, Sustainability and External Affairs, Teck Resources

Interlocutor: Xu Feng, Department of Political Science, University of Victoria

6:30 pm

Conference Banquet

Sunday November 22, 2009:

9:30 am – 11:30 am

Session 8: Roundtable Discussion

Facilitator: Richard King, Centre for Asia-Pacific Initiatives and Department of Pacific and Asian Studies

Lead Speakers: Henry Han, Greater China Section, BC Ministry of Small Business, Technology and Economic Development; Douglas Horswill, Senior Vice-President, Sustainability and External Affairs, Teck Resources



Lansdowne Lecture: Canada, Britain

The opening event of the Conference was the Lansdowne Lecture, sponsored by the Faculty of Social Sciences at the University of Victoria and delivered by Charles Burton of the Department of Political Science, Brock University. Dr. Burton's title was "*The Past Present and Future of Canada-China Relations*".

In his talk, Dr. Burton cited the aphorism that "the future is uncertain, and the past is always changing." He summarized Canada's early recognition of China as, in Pierre Trudeau's words, "reason over passion." He also noted the attitude of friendship, often unquestioning, towards China in the years preceding the 1989 massacre of student protesters. The relationship at present combines a desire to increase trade with a concern for human rights and the treatment of minorities within China, positions which Dr. Burton does not regard as mutually contradictory or exclusive. For the future, Dr. Burton anticipated that China's comprehensive rise to power would continue, and that Canada's interests would be

S 1: Canada Economic Response to the Global Financial Crisis

Speaker: **Ralph Huenemann**, Emeritus Professor, Faculty of Business, University of Victoria, and Founding Director, Centre for Asia-Pacific Initiatives

In his presentation on "China's Role in the Global Financial Crisis," Dr. Huenemann analyzed how three countries (Canada, China and the US) have responded to the recent global economic crisis. He pointed out that the current crisis has two components (the short-term recession and the longer-term fundamental global imbalances) and noted that for all three countries the policies favoured for curing the recent recession can easily make the long-term imbalances worse. At the core of his talk was a hard truth drawn from basic macroeconomics—that the massive US trade deficit cannot be solved by adjusting the exchange rate between the US\$ and the Chinese yuan but will only be resolved when the US either cuts back on government spending or increases its taxes. Thus the measures taken by the US to cure the

Session 1: China's Economic Reform and the Role of the Government

With particular reference to the banking sector, one expert noted that the central government has made considerable attempts to reform the banking system and impose more central control, but that this process is by no means complete, and local branches maintain much of their former autonomy. Banks still lend money to those the Communist Party tells them to, regardless of economic viability (notably in the case of SOEs); there remain no formal structures to regulate transactions of this kind. In the final analysis, political considerations trump economic ones at central and local levels.

Add a Resource

- View [Ralph Huenemann's presentation](#)
- Read [Ralph Huenemann's comments](#)
- View [Connie Carter's presentation](#)

S. 2:

T. I. ca. C. C. a

P. ca S ab.

Speaker: **Guoguang Wu**, CAPI China Chair, Departments of Political Science and History, University of Victoria

Dr. Wu reported a sharp rise in unemployment in China, particularly among migrant workers and recent college graduates. He noted that the state stimulus package largely benefited the public sector, leaving individuals hard hit by the rise in prices of staples like pork. Environmental concerns have been sidelined by the perceived need for continued GDP growth. There have been widespread protests over job losses, as well as the unrest in the Northwest reported recently.

Interlocutor: **B. Michael Frolic**, York Centre for Asian Research and Professor Emeritus, Department of Political Science, York University

Dr. Frolic noted that the recent crisis did not appear to have destabilized the political system or reduced the power of the regime. The Party has combined economic stimulus and political repression to ensure compliance, and has the support of an increasingly influential urban middle class as long as economic growth continues.

Discussion:

Following the discussant's comments about relative improvements within the system of one-party rule, the topic of recent unrest in Tibet and Xinjiang was raised. One participant argued forcefully that events there had essentially not been "ethnic" violence: rather unrest in these areas had been a case of peaceful demonstrations brutally suppressed. It was the actions of the (Han) authorities and the reporting of the events that established these events as a conflict between the Han majority and the ethnic minorities in those two areas.

On the subject of official corruption, it was suggested that we need to be more nuanced in our analysis; in the Qing dynasty, for example, a distinction was made between corruption for public and private purposes, with the latter being the criminal offence. Another speaker agreed, and noted that public corruption was largely tolerated, though attempts were being made to prevent officials demanding personal fees for official services.

S 3: I a, a R a, a dR, a S c

Speaker: **Brett Witthoef**, Asia-Pacific Security Analyst, Office of the Asia-Pacific Advisor, Maritime Forces Pacific, Department of National Defence

Mr. Witthoef noted that an increasingly dynamic China was spreading its foreign policy and military wings in the region, thus raising the possibility of tensions with the United States and China's immediate neighbours. As a result, some Asian countries were strengthening their defence forces and entering into explicit or tacit alliances with the United States and its allies. In the Pacific, China had developed a military capacity that reached beyond Taiwan to Japan's Ryukyu Island chain, including Okinawa. China planned to extend its capability as far as Guam. China had already the means to defend its claims in the South China Sea up to the territorial waters of Vietnam, Malaysia and the Philippines. In the Indian Ocean, China wished to develop ports and bases in Myanmar, Bangladesh, Sri Lanka and Pakistan. While these facilities were intended to provide energy security, they posed a challenge to India. The Russians viewed with unease Chinese immigration into Russia's Far Eastern Region. The development of Chinese economic interests in the Central Asian republics contained the seeds of a potential rivalry with Russia. Already the pipeline infrastructure linking Kazakhstan to China was better developed than that between Kazakhstan and Russia.

Interlocutor: **Rajeev Ranjan Chaturvedy**, Professional Development Award Recipient, President's Office, International Development Research Centre

Dr. Chaturvedy commented that the growth in the Chinese defence budget was stable in relation to the growth of its GDP. The Chinese security outlook was defensive. It sought to facilitate Chinese economic growth by diversifying its economic interests. The Chinese security outlook was defensive. It sought to facilitate Chinese economic growth by diversifying its economic interests. The Chinese security outlook was defensive. It sought to facilitate Chinese economic growth by diversifying its economic interests.

Add a Resource

- View [Brett Witthoef's presentation](#)
- Read [Brett Witthoef's paper](#)
- Read the US Department of Defense [Annual Report to Congress on the PRC's military power](#)
- Read the Strategic Studies Institute paper on

S 4: R i c a d E

Speaker: **Arthur J. Hanson**, Distinguished Fellow, International Institute for Sustainable Development

Dr. Hanson noted that China's declared ambition to quadruple GDP between 2000 and 2020 while reducing environmental impact is something that no nation has previously attempted. He declared that China, in its handling of international environmental issues, tends to neglect or ignore important international norms and to minimize its global stewardship responsibilities. Decision making is often slow, inefficient and inconsistent. Nevertheless, the Chinese have signed and implemented a number of international agreements.

China appears now to be becoming well aware of the potential benefits of active participation in multilateral environmental agreements. It has become aware of the threat that climate change poses to China. China fears that climate change considerations will be used to restrict trade. China also hopes to develop substantial export product lines from its rapidly expanding environmental and sustainable development sector.

Nevertheless, the Chinese position going into Copenhagen was not forthcoming. It maintained that the major burden for action lay with the historic polluters. Chinese emissions would rise in the coming decades. Only over the long term (2020-2050) would China stabilize and eventually reduce its emissions.

China has developed a Climate Change Action Plan backed up by changes in laws and regulations and studies on likely climate change impacts. Under the 11th Five Year Plan (2006-2010) energy intensity is targeted for a 20% reduction. Low carbon approaches are to be incorporated into development plans. Chinese cities and enterprises are being encouraged to engage in energy conservation. China is one of the largest users of the Kyoto Protocol Clean Development Mechanism (CDM). China is moving towards world leadership in wind and solar power energy. China is better than any other developing nation on environmental S&T.

There is wariness about Chinese overseas investment in countries like the USA and Canada, in part because of worries about whether environmental considerations will be respected. The Chinese government is developing environmental laws and regulations for Chinese firms abroad. It is not clear, however, what the capacity of the Chinese government will be to enforce its writ. Of concern is the potential for China to divert trade to countries in Africa and Asia with lower environmental standards. It is also uncertain whether the Chinese take into account the environmental impacts of their international development work.

So far Canada has failed to develop a strategic partnership with China on climate change issues. The USA and at least into development

Sermones 4 Revisado de E. J. ... d...

Interlocutor:

Session 5 Discussion: China Economic Reform, Politics, and Economic Development...

One speaker suggested the Communist Party was increasingly dominated by a large and intolerant Han urban middle class, and deferring to their priorities would do nothing to ease relations with other ethnic groups. Picking up on this, another speaker suggested that accommodation of minorities and their priorities could not be achieved without respect for their languages and customs, including religion: for example, there are those in Tibet who oppose mining for religious reasons.

There was some doubt as to whether “inter-Party struggles” involving disagreements over issues of policy would have any effect on the future of the Party. More than one speaker suggested that succession in the Communist Party is decided by personal affiliations rather than beliefs or policies.

Add a Resource

- View [Pitman Potter's presentation](#)
- Read [Pitman Potter's paper](#)
- Read [Zhang Qianfan's comments](#)

S. 6:

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Session 6 Canada-China Relations: Policy and Diplomatic Context...

Discussion:

In the ensuing discussion on Canada's relationship with China in comparison with those of other countries, it was observed that the UK was sufficiently concerned with the climate change issue to assign approximately two dozen climate change officers to work in China. It has taken both France and the EU a long time to rebuild their relationship with China after President Sarkozy received the Dalai Lama. The Canadian Government has remained firm on its right to meet with whomever it chooses. Norway had raised its dialogue on human rights to the ministerial level. Canada was studying the Norwegian example in this respect. In trade relations, it was noted that Australia had focused its efforts on Asia, and in 2008 had sold more iron ore to China than the totality of Canadian exports.



S 7: P... C... a... Ec... , P... a d... E...

Speaker: **Barry Carin**, Associate Director, Centre for Global Studies and Director, Globalization and Governance

Dr. Carin examined the potential for greater co-operation with China at the inter-government level. We could increase our leverage with the Chinese by increasing such co-operation. Canadian and Chinese interests were congruent on a wide range of subjects.

Hosting the 2010 G8 and G20 summits can give Canada an opportunity to catalyze a partnership with China on re-engineering the international system. It is in both countries' interests to broaden the G20 agenda.

In the IMF, Canada could work with China on voting rights, on increasing the power of IMF surveillance, and on the evolution of votes and special drawing rights.

On climate change, the two countries could co-operate on a package deal involving simultaneous commitments on emission targets and fiscal measures, a WTO-type adjudicative process, research collaboration, technology transfer, and resources for adaptation, monitoring and evaluation.

The two countries could also collaborate on the reform of the UN Security Council and the evolution of peacekeeping methods.

Both countries share an interest in limiting the spread of uranium enrichment technology. Both are members of the Global Energy Partnership which has as one of its mandates assuring an international supply of cost-effective nuclear fuel.

There are also common interests between the two countries in maintaining the value of the US dollar, mitigating American and European protectionism, preserving safe international shipping, Canadian oil sands development, and the peaceful resolution of the insurgency in Afghanistan and Pakistan.

Speaker: **Douglas H. Horswill**, Senior Vice President, Sustainability and External Affairs, Teck Resources Limited

Mr. Horswill examined the considerable potential for cooperation between Canada and China in resources. In spite of the world financial crisis, China had grown by 8% in 2009, a rate that was twice as high as had been predicted. In all the major non-ferrous metals, and of global consumption in steel, China is the largest world consumer. China's share continues to rise. Steel production in 2009 will be about 10% higher than in 2008. Imports of coking coal are estimated to have gone up eight times in 2009 over 2008. Canada is seen as the main source of diversification for customers looking for alternatives to Australian coking coal. Over 90% of the global growth in demand for copper since 2000 has come from China.

China has made serious investments in oil sands companies and in the Gateway Pipeline project. We should ask whether Chinese energy investments are made for strategic or economic reasons, whether they pass our national security test, and what effect they will have on the US.

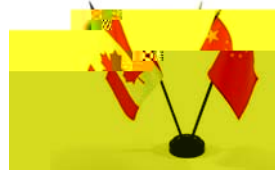
Sect 7 Political, Cultural, Economic, Political and Environmental Issues

The Chinese are also investing in Canadian mining companies in Canada and offshore. For the latter type of investment, we should be aware that the Chinese sense of social responsibility is weak and poor performance by the Chinese could rub off on Canadian companies.

8 R: d ab D c... d...

- There had to be better coordination between federal and provincial governments as well as a greater prioritization of the Canadian effort.
- There was a majority belief that CIDA activities continue to be useful: in providing us with a window into China, in supporting our areas of expanded co-operation, such as climate change, and in assisting NGOs.
- Beyond the resource sector, Canada should, since China is very capable technologically, focus on fields and services where Canada still has a competitive advantage.
- There is a real opportunity for business education in China. We need to take ethics into the business schools of China. It determines the type of business people we train, and how they approach the world.

CONFERENCE CARRA REPORT: ANALYSIS FACTORS



November 20-22, 2009

Panelists: Canada, Asia-Pacific, Africa
and Caribbean, South
United States, Vietnam

Workshop:

