

**“Chinese Interference” in Canada:  
What do we know and what should we do about it?**

**Summary Report of a Panel Discussion  
Centre Block, Parliament Hill  
Ottawa**

***October 5, 2018***

The rise of China as a global economic power and the growing assertiveness of Beijing on international issues have given rise to concerns about Chinese interference in the domestic affairs of western democracies. In the United States, Vice President Mike Pence asserted in a recent speech that China is “meddling in America’s democracy” in a way that constitutes a bigger threat than that of Russia, but did not provide direct evidence.

In Australia, former Prime Minister Malcom Turnbull has spoken publicly about “standing up” to Chinese attempts to interfere in Australia’s internal affairs. In both countries, a very public debate on Chinese interference has led to allegations against politicians, academics, journalists, foreign students, and members of the Chinese community. Australia has responded with legislation to limit foreign interference, widely seen to be directed at China.

A proposed bill by US Senator Marco Rubio on registration of foreign agents seeks to “limit the exemption from the registration requirements . . . for persons engaging in activities in furtherance of bona fide religious, scholastic, academic, or scientific pursuits or the fine arts to activities which do not promote the political agenda of a foreign government”.

The goal of the panel was to have a sober discussion about real and perceived threats of Chinese interference in Canadian affairs. Co-sponsored by Liberal MP Joyce Murray, NDP MP Don Davies, Conservative Senator Victor Oh, and Independent Senator Yuen Pau Woo, this was a non-partisan event that was designed to advance parliamentarians’ understanding of the issues in order to minimize the risk of politicization and public over-reaction to concerns about Chinese influence and interference. By learning from the US and Australian experience, Canada

can avoid missteps taken in those countries and instead chart a response that is appropriate to our circumstances, needs, and priorities.

The panelists were as follows:

- **Cheng Li**, Director and Senior Fellow, John L. Thornton China Center, Brookings Institution, Washington, DC
- **Paul Evans**, Professor, School of Public Policy and Global Affairs, University of British Columbia
- **Timothy Cheek**, Director, Institute of Asian Research, School of Public Policy and Global Affairs, University of British Columbia
- **Guy Saint-Jacques**, Senior Fellow, China Institute, University of Alberta and former Canadian Ambassador to the People's Republic of China

Following presentations by the four panelists, Senator Yuen Pau Woo moderated a discussion with members of the audience, which consisted of parliamentarians and Hill staffers, as well as Ottawa-based China policy and intelligence/security analysts. The meeting was conducted under Chatham House rules.

### **The Chinese Interference Debate in the US and Australia**

Responses to Chinese interference in the US and Australia have been shaped by distinctive circumstances in each country. The Trump administration has made Chinese interference in the US an issue of great power rivalry and strategic competition, and is using it as part of a “full court press” against China, which includes trade actions, economic sanctions, and aggressive diplomacy. President Trump said in August 2018: “When I came we were heading in a certain direction that was going to allow China to be bigger than us in a very short period of time. That’s not going to happen anymore”. The current administration is increasingly framing US-China rivalry in society-vs-society terms, which glosses over the fact that there are many Chinese citizens who are in broad agreement with American calls for greater liberalization in China (and many Americans who agree with the Chinese position on the fundamental problem

of overspending and underinvestment in the US). The Trump approach to China is part of a broader sense of disappointment with the longstanding policy of engagement with China since Richard Nixon. Its objective as outlined in the recent speech of Vice-President Pence is what could be described as a form of confinement, exerting pressure until Beijing alters its economic and political system. In addition, there is a strong element of techno-nationalism in the Trump approach to China, where the threat from Beijing – framed in terms of foreign interference – is really about the competition for dominance in industries of the future such as artificial intelligence, quantum computing, and biotechnology.

Australia is also affected by US-China rivalry because of its traditional reliance on the US for regional security on the one hand, and a growing economic dependence on China on the other. The latter has created specific vulnerabilities for the Australian economy, including the need to avoid disruption in commodity and merchandise exports to China, and a reliance on large numbers of students from China in the Australian post-secondary education system. In addition, political donation laws in Australia were more exposed to the risk of foreign interference. Specific incidents of donations from China-related sources to local politicians became a lightning rod for the Chinese interference debate.

The very public debate on Chinese interference in Australia had the salutary effect of bringing to the surface a number of disturbing stories about Chinese interference on university campuses, in the media, and more broadly in Australian society. However, it was also sensationalized in the media and by commentators who used language such as “silent invasion” to describe a mix of “influence” activities that range from nefarious state-sponsored initiatives to “patriotic” actions by former Chinese nationals to fair comment on China and Australia-China affairs by scholars and public intellectuals. The Australian debate was also characterized by the singularizing of China as the principal source of foreign interference even though many other foreign governments are involved in some degree of “public diplomacy” that seeks to influence the views of the host country. Finally, there was a degree of stigmatization of the Chinese community (over 1m strong) that has left many in the community worried about how their ethnicity and views on the world will affect their prospects in Australian society.

The fact that Australia turned to new legislation as well as the creation of a “National Counter Foreign Interference Coordinator” should be seen in the context of the unique circumstances that shaped the foreign interference debate in that country, and not taken as a model to be replicated in other jurisdictions that may already have the tools to deal with inappropriate foreign activities.

### **What is foreign interference and what do we know about Chinese interference in Canada?**

As can be seen from the US and Australian cases, there is ambiguity in the use of the term foreign interference, and a tendency to lump many different kinds of activities that are broadly aligned with the objectives of the Chinese government as part of a PRC-sponsored interference effort. In fact, all governments engage in “public diplomacy” abroad, for the very purpose of influencing the views of the host society and its leaders. Canada’s own efforts during the NAFTA re-negotiations – targeting US business groups, legislators, state governments, media, and opinion leaders – are a prime example.

Much of the popular commentary on Chinese interference goes even further by casting suspicion on activities of China-linked corporations, Chinese citizens, and former Chinese nationals that are based on private/commercial motivations, and entirely legal (even if they are seen as problematic for other reasons, e.g. impact on housing affordability, questionable business practices, etc.). There is also a category of Chinese activity in Canada that is clearly illegal (e.g. money laundering, tax evasion) but which has nothing to do with state-sponsored foreign interference. It goes without saying that individuals and companies from all national and ethnic backgrounds are capable of unethical or illegal activities, and that it is therefore unfair to single out one group for special attention.

The panelists agreed, however, that there is a form of foreign interference, including from the PRC, that is unacceptable and should be countered. As a working definition, foreign interference should be resisted and repulsed when the actions are covert, and involve coercion

and/or corruption. Examples include espionage, cyberattacks, harassment of Canadian citizens and residents, kidnappings, and pressure on Chinese students in Canada as well as on their families in China. The policy question for Canada is whether we already have the tools to identify and respond to covert, coercive and corrupt foreign interference. And if we need new tools, how can we ensure that they do not undermine Canadian values, social cohesion, and our competitive position in the world?

Preliminary research suggests that examples of Chinese interference at Canadian universities (with respect to academic freedom of professors, intimidation of students, and stifling of debate about China issues on campus) are few and far between, and in many case, involve a kind of self-censorship on the part of students (including foreign students from China) rather than instructions or coercion from Chinese officials. The number of China-sponsored academic or quasi-academic programs at Canadian universities (such as Confucius Institutes) and post-secondary institutions is miniscule compared to the volume of teaching and research on China that takes place in the country as a whole.

It was noted that a more activist Chinese government on international issues under President Xi Jinping has translated into greater assertiveness on the part of its diplomats abroad, including in Canada. Chinese representatives in Canada have become more outspoken in representing their country's viewpoints, and more active in reaching out to the Canadian Chinese community in the belief that Chinese Canadians are natural allies of the PRC. In part, this activism is a function of a heightened Chinese nationalism promoted by Xi Jinping and delivered/coordinated through the United Front Work Department of the Chinese Communist Party (CCP). While there is undoubtedly an effort on the part of the CCP to enlist ethnic Chinese living outside of China as supporters of PRC government views, it is unclear that such efforts have had any meaningful impact in Canada. There is rich diversity in the Canadian Chinese community in terms of geographic origins, dialect, education and social class, political affiliation, and length of time in the country, not to mention views about the CCP and domestic affairs in China.

A diversity of viewpoints is mirrored in the PRC itself, where President Xi is under tremendous pressure to deliver on domestic economic and social priorities. One of the reasons for heightened United Front activities is the longstanding need in the PRC for ideological coherence as a way to unite the population through numerous waves of societal disruption, including the present one. Mounting tensions between China and the US will only add to the need for ideological coherence, which translates in the west as a very peculiar form of political rhetoric from Beijing.

It was pointed out that the United Front Work Department has been in existence for a long time and since the 1930s has been employed to enlist “untrustworthy” groups for a united cause such as opposing imperialism and foreign aggression. Present-day conditions for rallying overseas Chinese around a united cause are much more complex and difficult.

In any case, Canadian Chinese are not naïve about efforts by the Chinese government to cultivate them for geopolitical reasons. Many are drawing the line between supporting positive Canada-China relations and promoting Chinese culture on the one hand, and defending Chinese positions on international issues that may be problematic on the other. Many Chinese Canadians understand that their cultural identity draws on a rich history that extends well beyond the 70 years of CCP rule in China. Fears about United Front infiltration of the Canadian Chinese community tend to overestimate the power of the United Front while underestimating the strength of antibodies in the community that can resist propaganda and manipulation. If anything, a climate of suspicion around the loyalty of Canadian citizens of Chinese ancestry will only make it the community more susceptible to foreign influence.

One of the challenges in addressing the problem of Chinese interference in Canada is the lack of knowledge about China. There is a dearth of Chinese expertise (including language ability) at senior levels of government and industry. Paradoxically, it is the very fear of China and things Chinese that may inhibit the development of expertise in this country, and the involvement of China-savvy Canadians (including Chinese Canadians) in positions of leadership. Investing in China knowledge across the school system and in business and the public sector will be key to

managing Canada-China relations on issues that go well beyond Chinese interference in this country.

## **Summary**

Panelists agreed that it was important for Canada to avoid the excesses that have characterized the Chinese interference debate in the US and Australia, and for politicians to resist turning any debate in Canada into a partisan issue, especially in the run up to the Federal election in Fall 2019. It was suggested that Canada already has the toolkit to deal with cases of Chinese interference in Canada, and that security and intelligence officials have already been taking action, albeit without the glare of publicity that has characterized such cases in other countries. To the extent that the toolkit is right, the Canadian government should ensure that the relevant agencies have sufficient resources to employ those tools fully and firmly.

The bigger issue that all parties need to keep in perspective is Canada's relationship with China, and how to build stronger political, economic and cultural ties that are mutually beneficial. The inclusion of a clause in the US-Mexico-Canada Agreement that limits Canada's ability to pursue a Free Trade Agreement with the PRC is indicative of pressures on Ottawa to follow a "made in Washington DC" policy on relations with China.

While Chinese interference in Canada's domestic affairs is real, our response to such threats should be calibrated for Canadian circumstances and interests, rather than as an extension of another country's foreign policy or an imitation of approaches elsewhere that are based on exaggeration or fear. The importance of China in the world economy and as a partner for Canada in addressing both domestic and global challenges will not be diminished by US-China strategic rivalry, which could be decades-long in resolving. It will not be easy to reconcile our paramount economic relations with the United States and the need for more diversified trade ties, especially with China, but finding a way to do so is imperative for the country. Taking a firm, realistic, and balanced approach to the problem of Chinese interference is just one piece in a much bigger challenge for Canada.