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Mr. Bernard Patry

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• (1220)

[Translation]

The Chair (Mr. Bernard Patry (Pierrefonds—Dollard, Lib.)): I welcome you to the 58th meeting of the committee.

[English]

The order of the day, pursuant to Standing Order 108(2), is a review of issues related to the subject matter of Bill C-357, the Taiwan Relations Act.

As a witness this morning we have, as an individual, Professor Jeremy Paltiel from Carleton University.

Before giving the mike to Mr. Paltiel, I want to welcome our new clerk, Madam Angela Crandall. Welcome, Madam Crandall.

Mr. Paltiel.

Mr. Jeremy Paltiel (Professor, Carleton University, As an Individual): Thank you. I appreciate having this opportunity today to speak before you.

I have made the politics and international relations of China the focus of my career. My first visit to the People's Republic of China occurred as an exchange student, between 1974 and 1976, and I have subsequently made close to a dozen research trips of varying length there. The most recent visit occurred in May of this year. I have also made two visits to Taiwan, in 1996 and in 2000. Both these visits were supported by scholarship funds from Taiwan.

I am a political scientist and not a legal scholar, so I cannot comment with any authority on the legal implications of the bill under discussion. I have, however, made a special study of Chinese attitudes towards sovereignty, and in that context also I have studied the relationship across the Taiwan Strait.

My intention in appearing before you is to alert you to the implications of this bill insofar as our relationship with the People's Republic of China is concerned.

The question of the status of Taiwan has been one the People's Republic of China has made a touchstone of its international relations almost from the very beginning. It was the most important stumbling block on the road to our establishment of diplomatic relations and has been the subject of vigorous intervention by the Government of the People's Republic of China whenever the subject has come up or been raised internationally.

As you know, the Government of the People's Republic of China considers the status of Taiwan to be a matter within its own sphere of sovereignty. While it has called for a peaceful resolution of relations

across the strait, Beijing has reserved the right to settle the issue militarily. According to a white paper issued in February of 2000, it reserves the right to intervene militarily in three different circumstances: first, if the island moves towards independence; second, should any outside power threaten to intervene; and third, if the issue drags on *sine die*. The most recent statement came in the form of the anti-secession law the National People's Congress of the People's Republic of China passed earlier this year. This law used the term "non-peaceful means", should the island move towards independence.

While we may deplore the tone of Beijing's concern, we must not underestimate Chinese resolve. In my contacts and travels within mainland China I have found near unanimous support for the attitude of the Government of the People's Republic of China toward the issue of Taiwan's sovereignty. I have sometimes been surprised at the vehemence of views, even by people who otherwise express themselves as critics of the government. I have even been told by scholars in Beijing that should the Chinese government show itself to be irresolute with respect to the question of Taiwan, it would be overthrown.

For many if not most Chinese, the issue of the unity of the nation goes to the very core of their identity. As they see it, the only reason why Taiwan remains separate from the mainland is because of foreign intervention. By this, they refer to the Sino-Japanese War of 1894-95, as a result of which Taiwan became a Japanese colony, and the U.S. decision, on June 25, 1950, to place the Seventh Fleet in the Taiwan Strait following the outbreak of the Korean War.

By contrast, opinion among people in Taiwan is divided about their ultimate identity. A majority appear to view themselves as both Taiwanese and Chinese.

In my opinion, Bill C-357, if enacted, is likely to inflame Chinese opinion against Canada both at the official and unofficial level. As I read the bill, it offers Taiwan a form of international personality under Canadian law and obliges the Canadian government to take a stand on the international status of Taiwan in international organizations. That is unwise with respect to our relationship with the People's Republic of China, but also constitutes unwarranted prejudgment of the ultimate status of Taiwan while the matter is unresolved among the parties themselves. Many, if not most, Chinese will consider it as interference in their internal affairs, while it will be seen in Taiwan as action in support of one particular party in an ongoing debate about how to resolve cross-straits relations.

This is particularly imprudent in view of sovereignty challenges within our own country that we would not wish to see become internationalized. Rather than be taken as a diplomatic initiative, as my colleague Mr. Cohen has argued before you, this bill would tie our hands internationally without advancing the cause of peace across the Taiwan Strait.

There is absolutely no doubt that passage of this bill will have a negative impact on our historic relationship with the People's Republic of China. Our relationship with China, which successive Canadian governments, both Liberal and Conservative, have taken pride in, will be severely set back. I anticipate the strategic partnership that was initiated at the end of 2003, and most recently reaffirmed and expanded with the visit of Chinese President Hu Jintao at the end of September, would be broken off.

Given the various understandings we have given over the years with respect to Taiwan, it is likely that the Chinese ambassador would be recalled. Economic retaliation against Canadian business will no doubt follow. Chinese investment in Canada would be scaled back, and trade would also suffer an impact.

For much of this decade, China has been the primary factor in the expansion of world trade. Rising Chinese demand has been the most important cause of the rise in world commodity prices, which has been reflected directly in the Canadian economy right across the country, in sectors ranging from nickel to wheat.

Chinese trade is largely credited with reviving the British Columbia economy, which was in serious recession at the beginning of the decade. Chinese investment, largely by state-owned energy firms, is now anticipated to have a significant impact on British Columbia and Alberta. Despite this, our share in manufactured exports to China has declined as a portion of China's overall imports, and there are sectors, such as aerospace, where China also enjoys good relations with our competitors, which would be highly vulnerable to Chinese retaliation.

Senior Chinese officials have, on more than one occasion, made it clear that they are willing to sacrifice other interests for the sake of maintaining their commitment to what they see as national reunification.

In contrast with the explosive economic growth of the People's Republic of China, whose global impact we can ignore only at our peril, Taiwan's economic growth, after flourishing spectacularly from the 1960s into the 1980s, has matured and slowed. In recent years, its growth has been adversely impacted in no small measure by the impasse in cross-straits relations, an impasse, I might add, to which domestic interests in Taiwan have significantly contributed.

The issue of cross-straits relations is complex for the Taiwanese themselves, and does not brook the simplistic black and white picture presented by my colleague Andrew Cohen last week.

Our relationship with Taiwan, as it is currently framed, has developed steadily. It has allowed me to have extensive opportunities for research and academic relations with students and colleagues as well as allowing Canadians ample scope for trade and cultural contacts.

Supporting democracy does not require us to treat Taiwan as a sovereign nation. Taiwanese opinion on how to conduct relations across the Taiwan Strait is deeply divided and ambivalent. On both sides of the Taiwan Strait, the passage of this bill would be seen as aligning ourselves with one party in an ongoing dispute.

I find no urgent cause for Canadian policy to change. The provisions in this bill in many places go beyond the commitments that the U.S. has unilaterally given in its Taiwan Relations Act, for example, with respect to issuing visas or the backing of Taiwan's membership in international organizations.

•(1225)

Our historic relationship with Taiwan is in no way commensurate with the role played by the United States, and therefore there is no logic—nor need, in my view—to set our current relationship on a parallel course. As we have neither the capacity nor the intention to back Taiwan in an ultimate showdown over its international status, it would be irresponsible to make ourselves a party to the dispute. I assure you, that is how this bill will be viewed in Beijing.

Thank you.

The Chair: Merci. Thank you very much, Monsieur Paltiel.

Now we're going to go to the question and answer. It's five minutes for Q and A.

I will start with Mr. Sorenson, please.

Mr. Kevin Sorenson (Crowfoot, CPC): Thank you, sir, for coming down today.

As you mentioned, we had your colleague here last week. I think we enjoyed and appreciated the testimony of the Chamber of Commerce, and also of Andrew Cohen last week.

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): We enjoyed some more than others.

Mr. Kevin Sorenson: Yes.

This is much different testimony from what we've heard in all prior meetings. In your testimony, you use the words “explosive economic growth” in those countries. But it's almost as if the ramifications or the results of this are going to be explosive as well—as if China is sitting back watching what we're doing with this bill because this is going to be paramount to their economic growth in Beijing. We haven't really heard that so far throughout this testimony. In fact, most of the testimony we have heard would suggest this would barely register on the trade radar screen, so to speak.

I appreciate the historical evidence you gave of your relationship with Taiwan—how you've been involved in it, and how you're aware of the issues going on—but it brings me back to this bill. Politically, I wonder, why now? Why is this bill here politically in a minority government when maybe the outcome would be different if it weren't a minority government?

I also get to thinking, how much do we have to, when we lay down good public policy, especially dealing with foreign affairs...? Certainly we have to consider what the results or the ramifications of those things are. For example, we heard that if Canada didn't sign on to the BMD, there would be huge consequences. Some people may believe there were; others would say they didn't really see much difference.

China has a huge trade surplus with us. China is a country that's developing, becoming much more industrial. The economy is strong. Everywhere you go, you hear about the economies of China and India. Isn't it a fact that China really does need Canada, the resources we have? What we have to offer China really wants. Could you expand on why you think they would jeopardize their own best interests over a bill so insignificant?

• (1230)

Mr. Jeremy Paltiel: Because they consider it significant; that's precisely it. They have said so on more than one occasion. They have been willing to send troops; they have been willing to make military threats. They would not do so if they did not consider the issue important.

The other reason is that there are historical precedents. In the early 1990s, when France and the Netherlands sold weapons to Taiwan, there was economic retaliation against those countries. And very senior Chinese officials have said they will undertake sacrifices for the sake of this particular issue. From the Chinese perspective, this is a core issue. Every person who's an expert on China will tell you this. There is no issue that is more important in international affairs to the people in Beijing than what they consider the question of national reunification, which includes the issue of Taiwan. They have said this. We should take them at their word, because they actually have acted on it. If they're willing to use missile tests, certainly they would be willing to retaliate against our trade.

Mr. Kevin Sorenson: How far should we go then? What should we do? Did we suffer huge consequences when we put a trade office in Taiwan? Was there retaliation in that case? Was there retaliation when other countries recognized Taiwan? You mentioned cases going way back, like the Netherlands. Maybe we should just do everything we can not to recognize the changes that have taken place in Taiwan from going toward more freedom and democracy. Maybe we have no role at all, and we should just back away and pull our office out of Taiwan.

Mr. Jeremy Paltiel: First of all, the issue of our office in Taiwan is a good thing. It puts it within the framework of our existing relationship. It's working, and it's working very well. But Beijing has made it clear that there's a difference between trade and economic contexts, which they themselves say are within the normal sphere, and political recognition, which in some ways this bill amounts to.

Let me give you a precise example. In 1998 the United States made a commitment not to support the membership of Taiwan in any international organization in which statehood is a requirement. This bill would actually require the Canadian government to do what the United States has committed not to do. I think China would be very much interested in what that does, because we are a G-8 country and our status internationally is well regarded. If we were to break ranks, they would see this as a serious matter indeed.

• (1235)

The Chair: Thank you.

We'll now go to Madame Lalonde.

[*Translation*]

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Thank you.

Mr. Paltiel, can you recall for us China's stand when the WTO agreed to allow both China and Taiwan to join the organization?

[*English*]

Mr. Jeremy Paltiel: The position of the People's Republic of China on the membership in the World Trade Organization is a little bit different from that of most other countries. However, the general principle that Taiwan, Penghu and the Pescadores, and Kinmen and Matsu are a customs territory was accepted by the People's Republic of China. And the other example of that type is Taiwan's membership in APEC, where again it's accepted as a trade territory.

Again, there's a distinction made between membership in organizations where sovereign statehood is a requirement and membership in other types of organizations. Different countries have different views on exactly where the dividing point lies, but there is a general consensus on what this is.

[*Translation*]

Ms. Francine Lalonde: I haven't looked into that, but I will later. I would imagine that given the current situation, the People's Republic of China tried to pressure the WTO into refusing admission to Taiwan. Am I right?

Mr. Jeremy Paltiel: No, that wasn't the case.

Ms. Francine Lalonde: No?

[*English*]

Mr. Jeremy Paltiel: I can express myself better in English, so *pardonnez-moi*.

There was a kind of understanding about what the People's Republic of China tried to do. Taiwan's membership in the WTO was in some ways delayed until after the People's Republic of China was admitted. In terms of the other thing they wanted—and I don't have the technical matter in front of me—they wanted Taiwan admitted under a different clause from the one under which it was let in. It was admitted as an independent customs territory, whereas Beijing wanted Taiwan admitted as a kind of territory under its control or some kind of subordinate relationship. But that was not the case that was accepted eventually by the World Trade Organization.

[*Translation*]

Ms. Francine Lalonde: That didn't stop China from wanting to benefit from everything the WTO had to offer.

Mr. Jeremy Paltiel: Correct.

Ms. Francine Lalonde: I asked the question because it's just as important, to my mind, that China understand our situation. We are parliamentarians and we in Quebec share many of the values held by the rest of Canada. We try to hold various countries to certain standards and we try to be fair and not give preferential treatment to any one nation.

To my way of thinking, this bill contains certain provisions that would change Taiwan's international status. That is not our intention. However, if a number of amendments were introduced to the bill, it would make it easier for Taiwan and Canada to forge certain ties. In any event, China would prefer not to see the bill passed.

However, if the amendments have this very effect and if we're careful not to change Taiwan's international status, isn't it possible, after China has made its views known, for Canada to clarify nonetheless some of the relations it has with Taiwan?

• (1240)

The Chair: Go ahead, Mr. Paltiel.

[*English*]

Mr. Jeremy Paltiel: That's a difficult question, because there's the symbolism and then there's the reality. I'm not an elected member and I cannot speak for the people of Canada. On a symbolic basis, Beijing probably would take exception to the bill in whatever form. If such legislation were carefully drafted, it might be possible for the Canadian government to at least defend it as not compromising our existing understanding.

The question is really whether the bill is necessary. If I can go back historically, in many ways our relationship with Taiwan is more extensive today than it has ever been, and it has been expanding. We had no quasi-diplomatic presence in Taiwan even in the days when the government on Taiwan was the government with which we maintained diplomatic relations. We had no diplomatic representation there and we had no presence there.

Today there are these civil offices. We have an office in Taipei, and there are more offices in Canada than there ever were before. So the question is what precisely is the motivation for this bill that would require, in some sense, special legislation by Canada to regularize or regulate the relationship that is in fact expanding.

I say in my statement that our historic relationship with Taiwan is very different from that of the United States. The United States had a mutual defence treaty, which we did not.

[*Translation*]

The Chair: Thank you, Mr. Paltiel.

Ms. Jennings.

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Thank you, Mr. Chairman.

Thank you very much for your presentation. I have a few questions I'd like to ask you. To your knowledge, is there a precedent in Canadian law that would allow us to pass legislation the fundamental aim of which is to regulate our relations with other states or foreign entities?

I have a second question as well. Expert witnesses have testified that in their opinion, passage of this bill will restrict our ability to discuss with China many areas of interest to Canadians. As you undoubtedly know, Canadians are pushing the government — and I see it my own riding — to discuss issues such as human rights with China.

In your opinion, does this bill reflect a balanced approach to this question? Do you see any advantage to it whatsoever? If the bill is

passed, would Canada no longer have an opportunity to discuss questions such as human rights with China? You yourself said that China would move to impose sanctions on Canada following the passage of legislation like this.

My last question pertains to our relations with Taiwan. You gave some fine examples of how our trade and other relations with Taiwan have truly grown. The bill would see the Economic and Cultural Office in Taipei undergo a name change and now be known as the Taiwan Economic and Cultural Office.

How will the new designation serve Canadian interests? If Canadian interests are not served, then what is the benefit of a name change?

• (1245)

[*English*]

Mr. Jeremy Paltiel: Thank you.

On the question of precedence, again, I'm not a legal expert. To my knowledge, there are no laws on our books that single out relations with particular countries. In some sense, that is one of the issues surrounding this bill. Moreover, when I read the preamble, it actually names Taiwan as a role model, so in some sense we're privileging one country. That has some implications for our foreign policy. In fact, it directs our foreign policy.

On the question of dialogue over human rights with China, we have a human rights dialogue with China at present. I am on record as advocating expansion of it. I am actually a critic of the human rights situation in China, and I say this in print. But in terms of official dialogue, I would expect that, yes, passage of this bill would have a freezing effect on many aspects of diplomatic relations. Therefore, it would include human rights and would make it more difficult, for example, to move toward sometimes repatriating illegal immigrants from China, etc. These things will become more difficult.

On the question of the name of the representative office, clearly that is one of the issues involved in this legislation. It corresponds to particular demands from a particular section of the Taiwanese public, which is not to say that there are no advocates within Canada. We have many immigrants in Canada who originated in Taiwan, including Taiwan's representative here, who was a fighter for expanded democracy in Taiwan and in some sense took refuge here in Canada. So there are people right here in Canada who are interested in the international status of Taiwan and who are Canadian citizens.

But the issue is the interest of Canadians as a whole. Certainly there are many people in Taiwan who would like Taiwan recognized as an independent state. The question is what Canada's role is in making such a recognition, and what our interest is in doing so. I think that's the issue for you parliamentarians. I can say what the impact would be, but the question of choosing that interest over other interests is an issue for the Government of Canada and for the representatives of the people of Canada.

• (1250)

The Chair: Thank you.

We'll now go to Ms. McDonough.

Ms. Alexa McDonough (Halifax, NDP): Thank you, Mr. Chair.

I thank you for this presentation.

First of all, I want to make passing reference to an assertion in your final paragraph in your presentation: "Supporting democracy does not require us to treat Taiwan as a sovereign nation." I agree with that statement. I wouldn't take exception to that statement.

I have to say, though, I find your presentation deeply disturbing, because I feel that your appeal to us is on the basis of fear of retribution, on the basis of fear of retaliation from what we know to be a very repressive regime in which democracy is not respected and recognized, to the extent that we as Canadians find to be very, very worrisome.

I just want to remind you that the Canadian Parliament 15 years ago set up an international centre for human rights and democratic development. This committee recently recommended a significant increase in the budget of that centre. In fact, the government responded by increasing it—not as much as we had urged, but a significant increase—because of the important work in democratic development in which we are engaged.

We have just come from a meeting with the political affairs committee of the Council of Europe. I want to refer to the briefing note prepared by our very excellent staff, in which it is noted that Canadian officials from several departments and agencies and from diplomatic missions in Europe participate in meetings of committees, commissions, and working groups of the Council of Europe.

It goes on to note that Quebec has observer status at the Council of Europe's congress of local and regional authorities. Quebec officials regularly correspond with and visit the council at Strasbourg. It goes on to note that in fact the Province of Quebec maintains an internship program with five students at any one time in Strasbourg.

I have two questions arising from your presentation. One is, how does what we are contemplating, what is before us in the form of a private member's bill now, differ from the kind of relationship that Canada has clearly been comfortable with, that we clearly recognize as appropriate in relation to Quebec's participation on various levels, in this instance, in the European Parliament?

Secondly, if your view is that this legislation goes too far and actually invites the criticism that this is treating Taiwan as a sovereign nation, can you contemplate amendments to this legislation that would make it more consistent with what you would feel might be a recognition and a respect for the democratic developments of Taiwan, at the same time not inflaming or improperly, in international legal terms, inviting retaliation from the Government of China?

Mr. Jeremy Paltiel: Again, as I understand it, the question of the various forms of Quebec representation internationally is sometimes a matter of controversy here in the Pearson Building. But this actually goes far beyond anything like that, because it actually requires us to support Taiwan's membership in international organizations. It requires us to do that. It also requires us to treat Taiwan's representatives as representatives of the state. So in that sense, it confers for domestic policy, for political purposes, sovereign status on Taiwan in Canadian law.

I know there are members here from the Bloc Québécois who may like this, but the question is, again, under our current Constitution, imagine if some other country would actually confer the status of a sovereign state on Quebec in its relationship with it.

Ms. Alexa McDonough: Could you address yourself to the question of amendments that would not be conferring of sovereign nation status—because I don't think that is what's fully contemplated—but that would be okay with Canada's relationship with Quebec in the international arena?

Mr. Jeremy Paltiel: I would have to have the full bill before me, which I don't have at the moment.

The Chair: I just want to point out, Madame McDonough, that Mr. Paltiel doesn't come here as a lawyer to change some amendments. It might be difficult.

• (1255)

Mr. Jeremy Paltiel: Yes. Thank you for that.

But the whole question of conferring of status is the most important issue here that would raise questions in our relationship with Taiwan, with Beijing especially.

The Chair: Thank you.

Now we'll go to Ms. Phinney.

Ms. Beth Phinney (Hamilton Mountain, Lib.): Thank you very much, Mr. Chair.

Thank you for being with us today.

I really like your presentation. That's not saying I agree with every part of it, but I like the fact that as an historian you were able to bring up examples of when some other country tried to take this step forward—if it's a step forward to go this far. We don't have time as individual MPs to go back and study the history of what happened 50 years ago, or 10 years ago, when some other country was doing something. We might want to emulate them and what would be the result. So I really appreciate that.

I would also like to suggest to our researchers that when we have other situations like this, where we're not having to make a decision based on what life is like today, that maybe historical examples would be good examples. Maybe we could have more witnesses who are historians, because I think that would be helpful.

Going back a bit, you have said our trade with China has gone down.

Mr. Jeremy Paltiel: Excuse me. I said that our market share in China's overall imports has declined.

Ms. Beth Phinney: Okay.

You answered somebody's question over here that there's no problem with us having opened an office. But I wonder when our market share started going down, and whether that would have anything to do with opening up an office in Taiwan.

Mr. Jeremy Paltiel: No, I do not believe so. I think that although there has been some friction over time, most of it has been above board and fine. The current trend in Canadian trade with China has to do with all kinds of factors. When I'm talking about retaliation, I'm talking about specific government actions as actually wanting to place sanctions on us in some form, rather than a kind of general trend.

Our trade with China has been expanding. The issue simply is, have we gotten our share of this expanded market?

Ms. Beth Phinney: Do you think there's going to be any benefit to us if this private member's bill is defeated? Are we going to see any positive results from China because of that?

Mr. Jeremy Paltiel: I doubt it. I think we would probably have lots of people breathing a sigh of relief. That's probably what would happen.

Ms. Beth Phinney: Now, you brought up something else, and this hasn't been brought up by anybody else other than trade. If we do take this step forward, if we do pass this bill—I don't want to say it's a step forward—I don't think we've thought about the fact other than in trade of what that might obligate us to do for or with Taiwan, such as are we willing to support them if they happen to get into some kind of military conflict with China? I don't think we've looked at that angle at all. Does this mean we're willing to go even further?

Mr. Jeremy Paltiel: I wasn't suggesting we were obligated in any way by this bill. To clarify that point, what I was actually trying to say was simply that we are taking a stand in an ongoing dispute for which we don't really have the intention or the ability to back up the long-term consequences.

Ms. Beth Phinney: Okay, thank you. It's something nobody has mentioned before. Thank you.

The Chair: Thank you, Ms. Phinney.

Mr. Menzies.

Mr. Ted Menzies (MacLeod, CPC): Do we still have five minutes, Mr. Chair?

The Chair: Four.

Mr. Ted Menzies: Okay. I will put out some questions, and my colleague has some questions. If we don't get them answered here, perhaps you can answer them in writing to the committee.

Very bluntly, what does Canada have to gain by passing this piece of legislation? Nobody's given me an argument yet that Canada has a lot to gain. Frankly, I am concerned. Whether your statements are correct or not, I'm concerned that we've got a lot to lose.

I look at what has happened to Canada recently. We have a free trade agreement with the United States. We've had a lot of issues that should not have been issues with the United States, but are. We don't have that agreement with China, so there are not a lot of bounds to control what we should have had control of back and forth across the Canada-U.S. border.

I'm very concerned. Can you give us some specific retaliations that, in your mind, may happen if in fact this piece of legislation does pass?

• (1300)

Mr. Jeremy Paltiel: I cannot say, because it would go way beyond what I know. What I can say simply is that based on my experience there probably would be retaliation, and that retaliation would probably be done strategically in different sectors, usually within those sectors where the Chinese government has a major say. Oil and gas is obviously one of those, because the oil companies are state-owned. Aerospace is another area.

But I can't.... That would require me to know what's going on in Beijing. I think they are hoping the bill will not pass.

But in terms of your first question, frankly I don't see much of an upside. If what we were trying to do is make a resolution in favour of the progress of human rights and democracy in Taiwan, it would not take the form of this bill. This bill is actually about the conferring of status; that's what the bill is about. It's choosing in some sense a position that Beijing is strongly opposed to, and frankly I don't see what the upside is.

Mr. Ted Menzies: Okay.

The Chair: Ms. Guergis.

Ms. Helena Guergis (Simcoe—Grey, CPC): Thank you.

Thanks for being here today.

We had a previous witness from the University of Montreal who suggested that if the bill were reworded or amended to read “one country, two states”, somehow it might be more acceptable to China. Would you care to comment on that?

Mr. Jeremy Paltiel: Actually, I know for a fact that is a formula Beijing has rejected. I don't want to comment on it in terms of what I think about it, but I know it is a formula China has vehemently objected to.

There have been a number of issues of—

Ms. Helena Guergis: That's okay. Thank you. I have one more quick question.

You said that politics and international relations with China have been the focus of your career. As you know, Canada gives foreign aid to China. We had another witness in front of us, Mr. Ted Lipman, to whom I asked this question: If we were to discontinue giving aid to China, do you think it would affect our trade?

Mr. Jeremy Paltiel: If we were to discontinue giving aid?

Ms. Helena Guergis: Giving foreign aid to China—it being the case that they don't need our CIDA funding.

Mr. Jeremy Paltiel: I doubt that would affect our trade. What we do with our foreign aid to China is to target specific sectors where we think we can make a difference, and some of those have to do with governance as well.

Ms. Helena Guergis: Thanks.

The Chair: Thank you.

Mr. McTeague.

Hon. Dan McTeague: Chair, thank you for this.

Professor, it's a pleasure seeing you here today.

One of the witnesses we had before the committee last week, who I believe is a colleague of yours at the same university, pointed out that the reaction of the government of China was—by all of us, perhaps—being overstated by what he referred to as “a pro-China lobby”, and that it amounted to, as has been suggested here, scaremongering.

You are a recognized expert in these matters. Do you think China will be a paper tiger in this matter, or will the consequences indeed be serious, both for us and for our international reputation?

Mr. Jeremy Paltiel: I'm afraid the consequences would be serious. I think China would take this seriously. It would not fall off the radar screen. That's based on past experience.

Hon. Dan McTeague: Turning now to the issue of how this would be perceived in Taiwan, I take it that even among officials within Taiwan this proposal itself may only inflame what is otherwise a fairly good relationship, certainly from a commercial point of view.

In the context of human rights, I note that Taiwan has no difficulty trading with China to the tune of some \$100 billion a year. I'm wondering, given our difficulty in some aspects of trade with Taiwan—in particular, the continuation by Taiwan of not accepting our beef, notwithstanding the preponderance of scientific evidence—if indeed one would want to conclude that Taiwan itself has much to talk about in terms of human rights, if it is really a question of human rights we are advancing our position on in support of this bill.

What are your comments on that?

• (1305)

Mr. Jeremy Paltiel: I would not connect beef and human rights—

Hon. Dan McTeague: I hope not.

Mr. Jeremy Paltiel: —but I do recognize the progress in human rights in Taiwan. I think it's very significant and is something to be lauded. I'm not sure the bill actually does anything to advance it.

Hon. Dan McTeague: There are some who suggest that China needs Canada more than Canada needs China, on account of our natural resources. You've alluded to this in terms of our trade in the past. Although I haven't exactly heard from Lorne Calvert and Gary Doer, I'm sure those two premiers would certainly have an opinion on this bill. We could canvass them perhaps a little later.

Is this a valid argument as far as China needing Canada more is concerned? Are the attributes of our trade relationship so much so that China would be compelled to accept this bill in the end? Is this an issue that you believe China would cave in on?

Mr. Jeremy Paltiel: If you're asking if our trade with China would stop completely, no, it wouldn't, but there would be retaliation. It's a question of how much pain we are willing to suffer for this bill. That's the issue, not whether our trade would stop outright. China probably would still need to buy some things from Canada. The question is the volume.

Hon. Dan McTeague: On that point, if there is an interruption in our trade, how would that advance the cause of dialogue on human rights, in your view?

Mr. Jeremy Paltiel: I don't see how it would do much for it.

Hon. Dan McTeague: Thank you.

The Chair: Thank you.

Mr. Bevilacqua.

Hon. Maurizio Bevilacqua (Vaughan, Lib.): I was wondering if this gives you a chance to defend your position.

We have various contracts with China. Various firms are working in China and are providing goods and services to China. Have they threatened cancellation of any contracts if we do in fact move on this bill?

Mr. Jeremy Paltiel: Not to my knowledge, no, but I think the Chinese government is probably hoping this is a private member's bill that will die on the order paper.

Hon. Maurizio Bevilacqua: Since you're an expert in the field, have you had any feedback from any authority in China about this bill?

Mr. Jeremy Paltiel: Yes, there has been a public statement in which they've warned Canada about the consequences of this bill.

Hon. Maurizio Bevilacqua: Because I'm sure they're paying attention to what you're saying, you being an expert, if you were to describe it to Canadians, what would the situation be if this bill were to be enacted, in a nutshell?

Mr. Jeremy Paltiel: As I said, I'd probably anticipate the recall of the Chinese ambassador, followed by a freeze on all kinds of relations, and then other issues. It has happened many times in the past. Basically any issue that's ongoing and hasn't been completely nailed down would be slowed down until they figured out what exactly they would do next, which would usually mean some important scaling back in an effort to show that there are consequences.

Hon. Maurizio Bevilacqua: Thank you.

The Chair: Just before closing, I'll ask Mr. Abbott, the author of the bill, for a question or two.

Mr. Jim Abbott (Kootenay—Columbia, CPC): Thank you, Mr. Chairman, for your courtesy.

For the people who have heard your presentation and who were predisposed to being opposed to the bill, I think you've certainly done a very good job today. But I have a tendency to take comments and put them in comparison, just to try to measure their validity. As the chairman of the B.C. caucus for the Conservative Party, I find your statement that “Chinese trade is largely credited with reviving the British Columbia economy that was in serious recession at the beginning of the decade” to be a gross overstatement, frankly. I apologize that I therefore take some of your admonitions to us with the same grain of salt.

My question specifically is on your statement about sanctions. Again, it's been characterized perhaps as fear-mongering, but I'm more concerned about the issue of human rights and the supposed influence that Canada has right now with China. You made the statement a couple of minutes ago that Canada is quite a player—or however it was phrased—and I got the impression that you were thinking we were having a tremendous impact on China with respect to the issue of human rights.

One of my colleagues, I believe it was at the last meeting, asked the question of a witness who was basically asserting the same thing. Specifically, what can you, as an expert on China and Taiwan, direct us to in the last half-decade that has changed in the PRC as a result of this supposed great influence that we have as China's friend?

• (1310)

Mr. Jeremy Paltiel: I would not say that Canada has had a decisive impact on the human rights situation in China. I didn't make that claim. I do say that we do have an ongoing dialogue and we do have a number of projects that have, on a small scale, at the grassroots level, made some difference in the lives of some people.

Also, the fact that we have a good relationship with China sometimes does enable us to influence the outcome of some specific situations. I can't pull out of the hat which one Canada has had a decisive impact on. We have, for example, gotten people out of jail. That is something we have done in the past, and I would anticipate that it would be much more difficult if China felt that we were not on the right side of things as they saw it. But, yes, we have gotten people out of jail.

Mr. Jim Abbott: As have I in Vietnam, so I'm not really sure that's a measurement.

Mr. Jeremy Paltiel: If the question is what is the general value of our human rights dialogue to China, what it does is allow our officials to go back.... Our Supreme Court judges have gone back and forth.

China has made some changes in the legal area. What is Canada's specific import? What's our market share of the changes that are taking place in China? That's really difficult to measure.

The Chair: Thank you, Mr. Abbott.

Thank you, Mr. Paltiel. It was very interesting.

[*Translation*]

Thank you very much for coming here this morning.

[*English*]

Colleagues, I'm going to need you to be here for a few minutes for a motion.

Hon. Dan McTeague: Could I just...?

Colleagues, I understand that this week will be an opportunity for us to discuss.... There's a forum at the Department of Foreign Affairs on "China Rising: Will China Join the World or Change It?" One of the keynote speakers is going to be Paul Evans, vice-chairman and CEO of the Asia Pacific Foundation of Canada. I wonder if we could seek the indulgence of the committee, perhaps, if he is available to appear. He is an expert in this area, specifically to this issue.

The Chair: Thank you, Mr. McTeague. I'm not sure whether Mr. Evans is here on Friday. I have no clue whether he's going to be here on Thursday. We can look at it, but my intention also was to present a motion to present some type of draft report this coming Thursday, because we say we're going to finish this Taiwan bill as soon as possible. I'm going to look at it for this coming Thursday.

I need your support for a few motions. First of all, we have a new clerk, and I'd like to get permission from your colleagues for a motion to thank Mr. Andrew Chaplin, our former clerk, for the work he's done here in the committee. If you all agree, we'll do it.

Ms. Beth Phinney: Yes, agreed.

Some hon. members: Agreed.

The Chair: You've also received from the clerk an operational budget requesting \$17,200, concerning the work we're doing right now. Are there any problems?

Hon. Maurizio Bevilacqua: No problems.

The Chair: That's fine. Thank you.

Are there any other motions with regard to the trip?

We cancelled once the trip out west concerning the international policy statement review. Even if we had a budget that was adopted by the liaison committee, we need to get another request. It's just to travel in December to Vancouver, Calgary, Edmonton, and Saskatoon. You've received it. It's for the amount of \$123,661.

Are we agreed on this? Agreed. Thank you.

Are there any other things, Madame Clerk?

Merci beaucoup to all of you.

The meeting is adjourned.

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