

Commentary



MAY 2023

Democracy with Chinese characteristics

by **Brian Lee Crowley**

(This commentary is an edited version of remarks delivered in Toronto on April 29, 2023.)

Chinese election interference is a hot topic in Canada today. Yet, while it is indeed a matter of enormous importance, it is one that must be placed in the context of the new Cold War against the West.

This Cold War is one in which China and Russia have long been engaged, while here at home the Left has continuously warned against us adopting an outdated “Cold War mentality”. The only ones who are “out of date”, however, are those whose understanding of recent history ends with the fall of the Berlin Wall and the beginning of the so-called End of History, in which the values of liberal-democracy and the West reign undisputed forever and ever, amen.

History, however, never stops but is, in Henry Ford’s immortal phrase, just “one damned thing after another.” Now we are called on to respond to the one damned thing after another which has been happening in the minds and actions of the West’s adversaries in recent decades.

Let me open a brief historical parenthesis and remind everyone that Cold War Mark I, between the USSR and the West, started in Ottawa. In September, 1945, a whistle-blower at the Russian Embassy, Igor Gouzenko, stole documents detailing Soviet espionage against the West. When the extent of Soviet perfidy was revealed, Canada enthusiastically joined other western democracies in creating the postwar collective security architecture, including NATO.

Revealingly, Gouzenko wandered Ottawa for a day desperately trying to get anyone to take an interest in his tale of betrayal and duplicity. Why would those nice Russians, our allies in the Second World War, led by the dynamic Uncle Joe Stalin, want to harm us nice inoffensive Canadians? The answer then, as now, is power-hungry despots who despise our way of life.

Cold War Mark II, between an aggressively imperialist China, a revanchist Russia and a naïve and credulous West, did not begin in Canada this time. Its tentacles, however, reach deeply into Canadian society, endangering our citizens, our economy and our interests. Russia's bloody invasion of Ukraine, like China's kidnapping of the two Michaels and recent revelations about Beijing's suborning of many of our institutions, including the very machinery of our democracy, has shone a bright light on this conflict. It is vital that we now harness this attention to concentrate the minds of Canadians. What cannot be allowed to happen is what almost happened to Igor Gouzenko, namely meeting a wall of incomprehension and indifference, leaving Canadians to relapse into their dogmatic slumbers, certain that no one harbours any ill will toward us nice Canadians.

Authoritarians learned (...) that people in the West will generally resist bald military threats to their domestic freedoms and democracy.

You see, authoritarians learned long ago that people in the West will generally resist bald military threats to their domestic freedoms and democracy. It is true that the West often did the right thing only after, as Churchill once said of the Americans, having exhausted all the other options. Putin certainly miscalculated the West's moral resolve in the face of the invasion of Ukraine, causing Russia immense pain and humiliation and, perhaps, making Xi Jinping re-evaluate his plans to welcome, by force of arms, Taiwan back into the embrace of the Chinese Communist Party.

The world's bullies have now understandably shifted to working tirelessly to weaken the West's *moral* resolve. Misinformation and disinformation about us, delivered to our television, social media feeds and inbox by armies of internet trolls, are thus today's front line in the struggle to defend freedom and democracy. Authoritarians use the social media megaphone to repeat that the West and democracy are vicious, corrupt and indefensible; our adversaries stoke conflict within our societies and sap our will to defend our values and our way of life. If our societies are nothing but vile repositories for all that is worst about human society – racism, sexism, white supremacy, homophobia, societies built on the legacy of slavery and colonial exploitation – then we are not worth defending, are we.

And as for our friends, well, Russia also spreads misinformation about Ukraine, for example. Russian-inspired online narratives about alleged Nazification (in a country governed by a democratically-elected Jewish president no less) and persecution of ethnic Russians then are repeated by trusting but naïve Canadians, usually accompanied by a “both sides are so nasty we shouldn't get involved” gloss.

Our adversaries understand perfectly that Western *military* superiority over the world's authoritarians is meaningless if we lack the *political resolve* to use it, if we think there truly is no *moral difference* between free democracies and authoritarian despotisms. That is why China and Russia take aim at our culture, our beliefs and our institutions. Their object is nothing less than to cause us to lose faith in ourselves and the society we have built.

Disinformation is clearly present in Canadian pipeline debates, as Russia seeks to hobble a competitor in supplying oil and gas to Western countries. Moscow has weaponized the resulting deep energy dependency in Europe. Foreign misinformation was clearly a factor in numerous other elections, referendum campaigns (think Brexit) and social movements (such as Green opposition to various industries or the narrative of our very own trucker convoy) throughout the West in recent years. Foreign policy isn't “out there”; it is here and affecting our lives and social harmony every day.

There are other ways in which our adversaries are using our own strengths against us. In the trade sphere, for example, we assume other countries sign trade deals in the same spirit of trade openness as we do. There can be no doubt, however, that China has used industrial espionage and trade agreements for the explicit purpose of achieving industrial and economic domination over the West,

destroying Canadian industrial giants like Nortel along the way. The result has been the deindustrialization of our societies.

In Canada's case we have aided and abetted our adversaries' ambitions by allowing them to launder and then invest money on an industrial scale. We have, moreover, been complaisant in the face of foreign efforts to coerce and intimidate Canadian citizens and residents seeking to alert Canadians to the dangers posed by China, Russia and other authoritarian regimes.

China, however, has the resources and the will to go beyond destabilising disinformation. They have been pursuing for years the further policy of suborning a wide range of Canadian institutions. To do so they have employed the traditional tactics for exploiting human weaknesses, such as divided loyalties, the fear engendered by threats and intimidation, the active corruption of institutions by the placement within them of agents loyal to Beijing and, that old standby, greed.

Before I get into the details, let me respond to the old canard that there is nothing special happening in Canada, that disinformation and the suborning of institutions by China is just as prevalent in the US, for example, as in Canada. Rubbish.

The United States has risen impressively, if slowly, to these challenges, although there is assuredly more to be done. It has provided extraordinary levels of support to Ukraine. It has spearheaded and embraced innovative arrangements, such as the 'Quad' (India, Japan, Australia and the United States) and AUKUS (Australia, United Kingdom and the United States) in the Indo-Pacific, and bilateral defence cooperation agreements and NATO expansion to deter Russian aggression in Europe. Moreover, it has become the world's largest oil producer and LNG exporter, providing a lifeline to a Europe desperate to reduce its reliance on Russian gas.

Canada, in marked contrast, is fast becoming an honorary Third World country from a national security point of view. This is due, at least in part, to a benign neglect of Canada by Washington, thereby encouraging the belief that Canada could blithely embrace China and indulge in petty diaspora politics with impunity.

Our contribution to joint continental defense, via NORAD, is dilapidated while Russian and Chinese advances in hypersonic weapons systems are making North America vulnerable. After the Russian invasion of Ukraine, Canada announced

it would spend CAD\$4.9 billion over six years to improve our capabilities but progress is glacial. The will to buy desperately needed new weapons systems is lacking, hence the several decades it took us to decide to purchase F-35 fighters. When the leaders of Japan and Germany came and begged Canada to make more of its abundant energy resources available, they were sent away empty-handed. Apparently there is a business case for giving German industry, in the form of VW, \$13b to build a \$7b battery plant, but the prime minister assures us there is no business case for exporting Canadian gas to Germany, despite having been begged to do so by no less a personage than the German chancellor.

“ *Canada’s military spending is two-thirds of NATO’s target of two percent of GDP.* ”

Canada’s military spending is two-thirds of NATO’s target of two percent of GDP, and a fraction of the United States’ three and a half percent. Canada top soldier, Gen. Wayne Eyre, lamented recently that he doubts our capacity to lead a mooted mission to Haiti, our military being already stretched thin by its modest contribution to Ukraine and understaffed leadership of the NATO mission in Latvia.

Compare this to the renewed commitment of Australia and the UK under AUKUS to buy new nuclear submarines, embrace unprecedented levels of technological and command cooperation and to increase greatly their military spending in consequence. Or compare the enthusiastic embrace of NATO by Sweden and Finland, countries whose now-abandoned neutralist foreign policy was a siren song to Canada’s foreign policy elites. Canada’s response to these shifts has been tepid, slow, condescending and, above all, toothless.

Once upon a time Canada’s absence from, say, AUKUS or the Quad might have been explained by the political sensitivities of being seen as too close to the US and the need to manage the independence movement in Quebec. Those traditional explanations are now taking a back seat to revelations of the extent of China’s penetration of Canada’s institutions at every level, including the political parties.

Canada’s security services have been sounding the alarm on China’s growing interference and nefarious activities for decades; indifference and hostility

were official Ottawa's response. Recently leaked intelligence assessments that Chinese Communist Party United Front operatives worked actively to influence the results of elections at every level have finally caused the public to take notice of the CCP's clandestine activities. Justin Trudeau's government has responded to reports of interference with obstruction, obfuscation and minor concessions.

The National Security and Intelligence Committee of Parliamentarians (NSICOP) and the Canadian Security Intelligence Service (CSIS) have been trying to highlight Chinese foreign interference to the prime minister's office for many years, with little to show for it. Recent leaks have shed further light on this issue. Numerous national security briefings were delivered to the Office of the Prime Minister, most recently in early 2022, claiming that China actively attempted to influence the 2019 federal election. Intelligence reports also revealed new information about Chinese interference in the 2021 election.

The mere potential of widespread interference should be reason enough for investigation, but the Liberal government has badly mishandled the response, with Mr. Trudeau engaging in transparent denial and finger-pointing. He has dodged questions about his knowledge of the foreign interference and simultaneously stoutly assured us that it didn't affect the outcome of the elections in a "significant way." How he knows this in the absence of a proper and thorough investigation is mysterious to put it gently.

He also said that calls for such a thorough investigation stemmed from "anti-Asian racism" and that the *real* investigation should be of the security services that leaked the information.

As we all know, Mr. Trudeau was narrowly re-elected in both the 2019 and 2021 elections – an outcome that Beijing explicitly preferred and allegedly promoted. Beijing used tactics such as Chinese-language social-media campaigns and pressed businesses to sponsor Chinese international students to canvass in support of Liberal candidates.

The Chinese Communist Party see the Conservative Party as actively hostile due to its somewhat tougher stance on China, support for a foreign agent registry and other measures. Chinese efforts appear to have contributed to the re-election of Liberals in parliamentary ridings where they faced strong Conservative challenges, or reinforced the victory margins of Liberals allegedly beholden to Beijing. The former Chinese consul general in Vancouver, Tong Xiaoling, is said to have openly claimed she helped support the defeat of

two Vancouver-area Conservative MPs, including a Chinese-Canadian who championed a foreign agents registry. Eleven or more ridings in the Greater Toronto Area may have been targeted. After the last election the talk within the Conservative Party wasn't about pressing the government to come clean about Chinese election interference. Instead it was about how unprofitable a "tough on China" stance had proven and how they wouldn't do that again.

Allegations of China's interference were apparently brought to the attention of another official agency beside the PMO: the Critical Election Incident Public Protocol, a panel of senior civil servants charged with ensuring the integrity of Canada's elections process, specifically with foreign interference in mind. The committee concluded that there wasn't an "abnormal" amount of foreign interference in federal elections.

While CSIS's allegations have yet to be examined in court or a competent public inquiry, and intelligence briefings are sometimes found to be incorrect, the allegations are consistent with numerous warnings about Canada's vulnerability to Chinese interference in recent years. These warnings have come not only from intelligence sources but also well-known accounts from Chinese-Canadian communities about the bullying of their members by representatives of Beijing and the Communist Party's United Front. Two reports on this very topic, one by the Canadian Coalition for Human Rights in China, co-ordinated by Amnesty International, and the other by Alliance Canada-Hongkong, documented many of these activities.

Mr. Trudeau has resisted calls for a full and independent inquiry into the integrity of Canada's democracy, instead resorting to a novel device: appointing a "special rapporteur" to "help combat foreign interference and strengthen confidence in our federal electoral process and democratic institutions."


This decision has been rightly criticized because the rapporteur, former Governor General David Johnston, is a friend of the Trudeau family and has close connections to China.

As president of the University of Waterloo, Johnston worked hard to establish its Confucius Institute and he holds an honorary doctorate from Nanjing University. He was attached to the Trudeau Foundation, which as we know accepted a major donation now revealed to have been a machination of Beijing using the intermediary of a Chinese businessman with ties to the regime. The receipting of the donation by the Foundation clearly misrepresented the true

source of the money. The CEO and the entire board of the Foundation, unable to defend the donation and how it was handled, has resigned, but Mr Johnston affects an Olympian indifference. He has, moreover, visited China many times, seeking to promote educational, trade and political ties and his three daughters all attended Chinese universities.

I will get to the separate topic of our universities in a moment, but for now let us just gently remark that David Johnston is a paid up member of the Laurentian elite that has spent the last 30 years insisting that China is nothing but an economic opportunity too great to be forgone and, like those first institutions that encountered Igor Gouzenko all those years ago, that no one could possibly wish to harm us nice Canadians. If the boil of Chinese interference in Canada needs to be lanced, Mr Johnston is not the lance. He is part of the boil.

Government MPs have readily defended Mr. Trudeau's dereliction of duty. In March they spent weeks filibustering a parliamentary committee attempting to question Mr. Trudeau's chief of staff about what she knew and when. She finally was permitted to appear before a different committee and as we all know spent her time stonewalling and providing no real information.

 *The leaks have rocked provincial and municipal as well as federal politics.*

The leaks have rocked provincial and municipal as well as federal politics. Two elected Chinese-Canadian legislators – Liberal MP Han Dong and Ontario Progressive Conservative MPP Vincent Ke – withdrew from their respective caucuses to sit as independents immediately after the leaks raised questions about their possible involvement with Chinese election interference. Both claim innocence. The mayor of Vancouver, Ken Sim, rejects charges that China secretly backed his election, following intelligence reports that China's consul general had interfered in support of him.

I feel I need to note that no one should be under any illusions that the Tories are any less tainted by Chinese influence than the Liberals. The élite capture orchestrated by Beijing reaches right across the political spectrum.

Sadly, this controversy has also tainted the reputation of other Canadian

institutions, most notably the RCMP and the Director General of Elections. In the face of credible public reports of Chinese election interference, and what we now know of the secret reports of Canada's intelligence agencies, neither the RCMP nor the Director General of Elections launched investigations to determine the truth of these potentially devastating allegations. On the contrary, they were dismissive. Nothing to see here.

Despite the prime minister's bland reassurances, the latest federal budget serves as an admission of dire problems of foreign interference. On March 29, the federal government set aside \$48.9 million over three years to protect Canadians from harassment and intimidation by foreign actors. Another \$13.5 million was allotted over five years to establish a National Counter-Foreign Interference Office.

Of course announcements are one thing, delivery another. Just look at the fate that befell announced plans for spending reviews, balanced budgets and the touchingly named deliverology initiative.

To these attacks on our elections must be added other assaults on our democratic institutions. Chief among these is the recently revealed plan by China to threaten and intimidate the Hong Kong family of a Chinese-Canadian Conservative MP, Michael Chong, in explicit retaliation for his leadership of the successful effort to have China's treatment of its Uyghur minority declared a genocide by Canada's Parliament.

Canada's intelligence services knew of this effort, led by a Chinese diplomat still accredited by Ottawa. Michael Chong, when informed of the intelligence dossier on the matter, rightly complained that he was not informed by either the intelligence agencies or the Prime Minister's Office, despite their having been in possession of the facts for two years.

The prime minister improbably claims that he was never informed. As Norman Spector, a former chief of staff to a former prime minister wrote, however, "Had the Director [of CSIS] not told the Minister or me or the Clerk of the Privy Council something like this involving an MP when I was Chief of Staff, I'd have recommended to the PM that there be a change of command at CSIS." He went on to say, "Let's be clear about accountability in Ottawa: the Prime Minister's National Security Advisor reports directly to the Prime Minister and receives all CSIS intel. And, as the PM's Chief of Staff [Katie Telford] testified, nothing is kept from Trudeau." Moreover Mr. Chong informed Parliament on

4 May 2023 that he was told by the National Security Advisor that her office was informed two years ago by CSIS about the evidence that Chong's family was being targeted.

Despite this, Trudeau blames CSIS for failing to alert Chong, ignoring the fact that CSIS would have required political direction to reveal such sensitive intelligence.

In fact I think there is a strong case to be made that the recent leaks from CSIS, and possibly other intelligence gathering and analysing agencies in Ottawa, are volleys in a civil war now being prosecuted within the heart of the Government of Canada. This civil war pits those agencies and individuals charged with the security of Canada and Canadians against the country's political leadership, whom some in the security agencies have now decided are unwilling or unable to act on the voluminous evidence of China's malevolent intentions toward Canada. Expect more leaks and more effort by the politicians to throw suspicion and blame on the intelligence services.

“ *Our democracy isn't the only Canadian institution under siege, though.* ”

Our democracy isn't the only Canadian institution under siege, though. There has been no public accounting of events at Canada's infectious diseases lab where Chinese scientists appear to have been sharing research secrets with Chinese authorities. Charges were recently dismissed against an agriculture scientist accused of being paid to deliver Canadian lab research to China. Why were the charges dismissed? The RCMP officer charged with preparing the case was told to work from home during the pandemic, where he had no access to the investigative files needed to prepare the case. Eventually the clock ran out. I don't know about anyone else but that one puts me in mind of Lucien Rivard's famous escape from a Montreal jail after he persuaded his guards to let him out to water the prison ice rink -- even though the temperature was above freezing.

Chinese researchers and graduate students, shut out of the US for security reasons, are heading to Canadian universities, which have close and open research ties with both their American counterparts and research institutions in China.

Some of you may have seen the recent reports in the Globe that researchers at the University of Waterloo have been formally advised by their university not to talk to CSIS investigators about their collaborations with China, as if the premier organisation charged by Parliament with the duty of safeguarding the interests of Canadians against foreign interference and suborning were somehow an unwelcome and illegitimate interloper.

According to Charles Burton, a Senior Fellow at the Macdonald-Laurier Institute (MLI) who specializes in China, that country's intricate manipulation practices have had enormous success in transferring research data from Canadian universities in strategically sensitive areas that serve PRC purposes. According to former CSIS director Richard Fadden, another leader associated with MLI, these areas include avionics, space technology, nuclear science and high-level optics research.

The fact is, China's interference and espionage activities are hiding in plain sight in our open institutions. To choose just one more recent example, in 2018, the China Institute at the University of Alberta (U of A) accepted a major donation from Hong Kong-based billionaire Jonathan Koon-Shum Choi, but refuses to disclose the size of Mr. Choi's gift, the purposes to which the money has been allocated, and who are the de facto beneficiaries of this largesse.

Choi is a member of the Standing Committee of the Chinese People's Political Consultative Conference (CPPCC), part of the Chinese Communist Party's United Front Work Department (UFW), whose main mission is to gain outside support for Beijing's political agenda.

Under an agreement with China's Minister of Science and Technology, U of A researchers have had access to at least 50 state labs in China since 2005, while upward of 60 professors have received funding for more than 90 joint projects with state and national labs in China. Likewise, at the University of British Columbia, more than 300 professors have significant professional interest in China, and faculty have partnerships with over 100 Chinese institutions.

But agreements through China's Ministry of Science and Technology are not like those with partners in democratic societies. These are not simply benign, mutually beneficial collaborations between autonomous scholars seeking to expand the frontiers of science and human understanding, as much as the UFW would have us believe.

In China, professors are cadre-ranked state employees, their research dictated by the state ministries to which their universities and labs are subordinate. Their

ultimate goal is to advance the Chinese Communist Party's five-year plans for domestic development and global geo-strategic advantage.

China would not be funding Canadian researchers and their work if the Chinese state could not gain access to the data which the professors generate. This is about obtaining information or intellectual property that could serve the PRC's economic and military objectives. Indeed, some Canadian participants over the long term appear to derive significant Chinese income streams beyond their university salaries, through lucrative PRC-associated board appointments and commercial inducements.

And none of this accounts for the fact that large numbers of students from the PRC – most approved and sponsored by the state, and paying very lucrative foreign student fees – have become a major source of funding for several of our largest and most prestigious universities, sometimes the second largest source of funding in absolute terms. All of this makes them yet another set of Canadian institutions that are deeply vulnerable to Chinese pressure and manipulation.

Finally lucrative deals with Confucius Institutes – explicitly part of the CCP's United Front work to extend the reach and influence of Beijing's regime – have included implicit and explicit pressure for the host institutions to rein in criticism of China. McMaster University earns an honourable mention here for severing ties with its Confucius Institute after an instructor quit her post in 2011, sought refugee status in Canada and filed an Ontario Human Rights Tribunal challenge against the university alleging her employment contract barred her from freely expressing her political or religious beliefs.

My friend Dominic Cardy, then the New Brunswick Minister of Education, was strong-armed by the Chinese government after he ejected the Confucius Institute from New Brunswick's schools over issues of improper indoctrination. The minister cited reports he's received from several parents about the institute restricting or distorting discussion of China, including teachers barring talk about the Tiananmen Square massacre or insisting Taiwan was part of the People's Republic. China threatened to cancel New Brunswick's lucrative lobster exports to that country if Cardy carried out his threat. To his great credit he persevered.

Here is yet another example of China's reaching into Canadian society under the noses of institutions charged with protecting the wellbeing of Canadians and others resident on our territory, and in violation of Canadian sovereignty.

Canadians of Chinese origin have for years been vainly flagging the presence of representatives of the CCP's security agencies, who threaten citizens and permanent residents if they do not do Beijing's bidding. This was documented in several public reports, including the two by Alliance Canada-Hong Kong and the Canadian Coalition for Human Rights in China already mentioned and another by the European organization Safeguard Defenders.

Again according to Charles Burton, the Safeguard Defenders report documents that China's Fuzhou Public Security Bureau has established more than 50 "overseas police service centres" in cities around the world – including three publicly documented ones in Toronto, home to Canada's largest Chinese diaspora.

This is an outrage. Chinese police setting up offices in Canada, then "persuading" alleged criminals to return to the motherland to face "justice" – while our own government and security services apparently choose to look the other way – represents a gross violation of Canada's national sovereignty, international law and the norms of diplomacy. China is extending the grip of its Orwellian police state into this country, with seemingly no worry about being confronted by our own national security agencies.

“*The RCMP and politicians of all stripes routinely condemn Chinese state harassment of people in Canada.*”

The RCMP and politicians of all stripes routinely condemn Chinese state harassment of people in Canada, but what action has been taken? There have been no arrests or any expulsion of any Chinese diplomats who might be coordinating this kind of thuggery despite the fact that China has the second largest diplomatic contingent of any foreign government in Canada, including the United States. What are all those diplomats for? Apparently harassing Canadians keeps at least a few of them occupied.

Beijing describes these global police outposts as administrative centres to help Chinese nationals renew driver's licences and other domestic banalities back home. But the Safeguard Defenders study found that they also hunt down political dissidents, corrupt officials or rogue Chinese alleged criminals and urge them to return home.

This bold strategy is consistent with China’s propensity for routinely flouting international laws, including those that require any other country’s police wishing to gather evidence in Canada to work through the RCMP.

In the case of these “police service centres,” Safeguard Defenders reports that agents press their targets to return home, including by offering vague promises of leniency or even urging families back home to “encourage” them to do so. The officers have taken aim at these alleged (and unproven) criminals by seizing their families’ assets, denying children in China access to schools, and terminating family members’ employment, all in violation of due process.

In Canada, this has been a reality for years. In 2001, during refugee hearings in Vancouver for Lai Changxing – a businessman wanted by Beijing over accusations of corruption and smuggling – Chinese police admitted to entering Canada using fake documents, and even to spirit-ing in Mr. Lai’s brother in an attempt to convince him to return home. Canadian authorities effectively smiled benignly at this serious breach of criminal and immigration law; Mr. Lai was eventually deported back to China.

Ottawa wants Canadian businesses to be able to tap into the world’s largest market, but the price of this access appears to be ignoring Beijing’s Canadian agenda – from military and industrial espionage to harassing Canadian Uyghurs, Tibetans, Falun Gong practitioners and ethnic Chinese and Taiwanese people who reject Beijing’s hectoring that they should be loyal to China instead of to Canada.

Does Canada have no security capabilities on the issue? Our police and security agencies must surely know what is going on, but for some reason prefer to simply file their information rather than act on it. When asked by *The Globe and Mail* about the police service centres, an RCMP spokesperson said the force would not comment on “uncorroborated media reports or statements.” And most of the information we receive about China’s illegal and “grey zone” activities in Canada typically comes from the U.S. government and well-funded security and intelligence-focused think tanks in Australia and Europe. In fact in one particularly embarrassing recent example, a Chinese national arrested in New York City for being part of such a clandestine police operation in the US was found to have on his phone photos of him and his colleagues at one of the Chinese police offices in Toronto, which the RCMP dismisses as “uncorroborated media reports,” as if it is not their responsibility to find out if there *is* corroboration of such grave and credible allegations.

One more Canadian group that deserves to be called out in this sad litany of institutional and leadership failures is Canada's business élite. The late David Kilgour told me personally that when he was appointed Minister of State for Asia-Pacific in the Chretien years, his first visit was from a representative of the PMO who wanted to make sure that David would not get ideas above his lowly ministerial station. Our policy toward China, he was told in no uncertain terms, is set not at our foreign ministry or the PMO, but at the headquarters of Power Corporation in Montreal. Power Corp is, of course, perhaps the leading Canadian corporate investor in China. I well remember attending a talk by one of the leading members of the Desmarais family, owners of Power Corporation, at a CEO conference a few years ago in Ottawa. Paul Desmarais Jr said, basically in so many words, that he didn't understand the hostility that China sometimes evoked in the minds of Canadians. He condescendingly assured his audience that if only they knew China as he had come to know it, they would understand that there was absolutely nothing to fear.

“ One more Canadian group that deserves to be called out in this sad litany of institutional and leadership failures is Canada's business élite.

But lest you think that that is merely the Liberal Laurentian élite talking, rest assured that my experience was no different among the Western energy industry's leadership. I was persona non grata with them for several years after MLI led the battle against the Chinese National Overseas Oil Corporation's bid to acquire Nexen. It was made crystal clear to me that any national security concerns Canada might have needed to take a back seat to Nexen, and any later oil patch sales, fetching top dollar from the Chinese.

Canada is one of America's closest allies, a member of the North Atlantic Treaty Organization and the Five Eyes intelligence-sharing alliance. If a significant part of the leaked intelligence briefings turns out to be founded, Ottawa's reaction reveals a country whose institutions and élites have been so compromised that they can't protect Canada's national interests or those of its democratic allies.

This is a sad tale of institutional corruption and élite capture with far-reaching consequences. For example, Canada is now so compromised that our intelligence-sharing allies, particularly in the "Five Eyes" alliance, quietly wonder if it is safe

to share sensitive information with Canada. This is not speculation on my part but was recently confirmed in the cache of secret national security documents illicitly revealed by a Massachusetts national guardsman and published in the Washington Post. In those documents the usual bland reassurances by Washington that they have full faith and confidence in Canada as a friend and ally are revealed to be mendacious smokescreens. Canada is now regarded as at the least a useless member of the alliance and at worst a country whose institutions are so compromised that it is dangerous to share with them things America does not want its adversaries to know.

Job One for America is rallying the liberal democracies against the depredations of China-led authoritarians. Yet Washington faces the real possibility that its northern neighbor won't just fail to shoulder its share of the load, but its institutions may be so compromised as to be unable to act in the interests of the West. So Ottawa's complaisance on the matter of the rot in our institutions endangers not only Canadians, but the solidity of the foreign relationship that matters more to us than all the others put together: the Canada-US relationship.

In sum: Job One of any government is to defend its citizens from foreign threats, a task at which Ottawa has been failing miserably. So, what to do? Here is my short list:

- Because China launders a great deal of money in Canada, including from supplying the raw materials that become the opioids now devastating our population, and they use the laundered money, among other things, to buy real estate in major urban markets and price Canadians out of their own cities, we need to strengthen anti-money-laundering laws and enforcement;
- We must as a matter of urgency create a foreign agents registry. As Charles Burton and another of MLI's Senior Fellows, Kaveh Sharooz, argued recently, politicians or civil servants with even the slightest role in shaping Canada's foreign, industrial or defence policy should be prohibited – including after they leave the public sector for retirement or the private sector – from receiving payments or gifts for supporting a foreign nation's agenda in Canada. They should also be required to declare all foreign sources of income to allay any concerns about a possible conflict of interest. Australia and the U.S. have such laws in place, and the U.K. will soon enact its own legislation. Canada has given itself no such protections. In fact Ottawa continues to put about the

nonsensical idea that such a registry would constitute a form of racism. This argument should be given the short shrift it deserves. As Chinese-Canadian filmmaker and democracy activist Cheuk Kwan told the Commons Standing Committee on Access to Information, Privacy and Ethics, “The Chinese Canadian community together with the Uyghur community, Tibetan community and other people welcome this foreign agent registry. A registry on foreign agents is not the same as a registry on all Chinese Canadians”;

- We must immediately dispense with the farcical special rapporteur and appoint an independent non-partisan national taskforce of unimpeachable integrity to lay bare all the ways in which China (and other adversaries) have infiltrated our institutions and lay out an unapologetic and energetic plan to purge them of these influences and return the control of our institutions to Canadians while creating tough barriers to their suborning in the future;
- As part of its work that taskforce should reveal all it can about the genesis, evolution and extent of influence operations of both Russia and China on our soil so that Canadians can be informed about how they and leadership were misled and misinformed about what was going on in order that we be less credulous in the future;
- We must beef up the capacity of our intelligence and armed forces to combat cyber-security threats;
- We must treat our natural resources, not only as the national treasure they are, but as a buttress for the democratic world against economic pressure such as Russia and China have both tried to exercise by dominating markets for energy in Europe and strategic minerals globally;
- Finally we need a plan to ensure that legitimate free trade is not used as a cover for the deindustrialization of our economy and the transfer of thousands of jobs to China. It is not free trade when national governments use their country’s companies as instruments of foreign and security policy. It is entirely possible to be both hard-headed free traders and staunch defenders of Canada’s national interests.

I know this is an ambitious agenda, but the times, the safety of Canadians and the integrity of our institutions, require nothing less. [MLI](#)

About the author



Brian Lee Crowley is founder and managing director of the Macdonald-Laurier Institute (MLI).

He holds degrees from McGill and the London School of Economics, including a doctorate in political economy from the latter. He is a frequent commentator on political and economic issues across all media and has been a columnist for numerous newspapers across Canada. [MLI](#)

constructive *important* *forward-thinking*
excellent *high-quality* *insightful*
active

Ideas change the world

WHAT PEOPLE ARE SAYING ABOUT MLI

The Right Honourable Paul Martin

I want to congratulate the **Macdonald-Laurier Institute** for 10 years of excellent service to Canada. The Institute's commitment to public policy innovation has put them on the cutting edge of many of the country's most pressing policy debates. The Institute works in a persistent and constructive way to present new and insightful ideas about how to best achieve Canada's potential and to produce a better and more just country. Canada is better for the forward-thinking, research-based perspectives that the **Macdonald-Laurier Institute** brings to our most critical issues.

The Honourable Jody Wilson-Raybould

The **Macdonald-Laurier Institute** has been active in the field of Indigenous public policy, building a fine tradition of working with Indigenous organizations, promoting Indigenous thinkers and encouraging innovative, Indigenous-led solutions to the challenges of 21st century Canada. I congratulate **MLI** on its 10 productive and constructive years and look forward to continuing to learn more about the Institute's fine work in the field.

The Honourable Irwin Cotler

May I congratulate **MLI** for a decade of exemplary leadership on national and international issues. Through high-quality research and analysis, **MLI** has made a significant contribution to Canadian public discourse and policy development. With the global resurgence of authoritarianism and illiberal populism, such work is as timely as it is important. I wish you continued success in the years to come.

The Honourable Pierre Poilievre

The **Macdonald-Laurier Institute** has produced countless works of scholarship that solve today's problems with the wisdom of our political ancestors. If we listen to the **Institute's** advice, we can fulfill Laurier's dream of a country where freedom is its nationality.

M A C D O N A L D - L A U R I E R I N S T I T U T E



323 Chapel Street, Suite 300,
Ottawa, Ontario K1N 7Z2
613-482-8327 • info@macdonaldlaurier.ca



[@MLInstitute](https://twitter.com/MLInstitute)



facebook.com/MacdonaldLaurierInstitute



youtube.com/MLInstitute



linkedin.com/company/macdonald-laurier-institute