

ICAS Expert Voices Initiative Interview - Prof. Gordon Houlden - November 2023



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About Prof. Gordon Houlden:

<https://www.ualberta.ca/china-institute/about/people/director-emeritus.html>

About the ICAS Expert Voices Initiative: www.chinaus-icas.org/media/expert-voices-initiatives/

EXECUTIVE SUMMARY

On November 1, 2023, the Institute for China-America Studies (ICAS) Expert Voices Initiative (EVI) conducted an interview with Prof. Gordon Houlden, Director Emeritus at the China Institute of the University of Alberta, to discuss the China-Canada-U.S. trilateral relationship, the outlook of China-Canada bilateral relationship, and assessing the U.S.-China bilateral relationship from a third-party country perspective. This interview had an in-depth discussion on whether China's relationship with the west, particularly that with Canada and the U.S., has changed over time. The interview assessed the importance of restoring and strengthening human-to-human exchange between China and the U.S. and Canada during a period of uncertainty and geopolitical tensions among great powers. The interview was hosted in-person at the ICAS office in Washington, D.C. by Research Associate Yilun Zhang.

TRANSCRIPT

Interviewer: Yilun Zhang - Research Associate, Institute for China-America Studies

Interviewee: Gordon Houlden - Director Emeritus, China Institute at the University of Alberta

This interview was conducted by ICAS EVI on November 1, 2023 (EDT) at the ICAS Office in Washington, D.C.

Note: This transcript, the text verified by ICAS staff using the full video recording, was created with the full intention to stay true to the direct words and meanings of the speakers while being formatted in a comprehensible, helpful manner for the audience.

Y: Welcome to the ICAS Expert Voices Initiative (EVI). My name is Yilun Zhang and I am a Research Associate at the Institute for China-America Studies. Today, it is our great honor to have Professor Gordon Houlden to join us to provide a third party perspective on the U.S.-China bilateral relationship. Professor Gordon Houlden is the Director Emeritus of the China Institute at the University of Alberta, and he is also a very senior veteran diplomat. Welcome professor.

H: Thank you very much for that kind introduction, Yilun. I'm delighted to be here today.

Y: Thank you, sir. So we are going to start with a very general question. How would you define the U.S.-China bilateral relationship from your perspective?

H: Well, of course, it's a complex and evolving situation. I think it's safe to say, though, that the current state of the bilateral relationship is not ideal, and it's certainly not in as good a place as it would have been two decades ago or even five years ago. I'm optimistic that there's a prospect for improvement, but there are a lot of issues, I believe, that need to be addressed by both sides.

Y: So would you say that at this moment there are a lot of talks in Washington that keep defining this relationship as a strategic competition? Would you think that that is an accurate definition for the U.S.-China bilateral relationship?

H: I think that is accurate. Again, perhaps when China was smaller, those of its economic economy and of its national power, it was easier to see China as other than a threat. With the rise of China to a near peer status as a great power, I think it makes the leading political and national power of this last century nervous when they see that rise and the implications of that rise for their own future.

Y: So you're talking about China was less of a threat back in the day. So would you consider that, now, including the United States, most of the Western world or the developed countries are actually seeing China as a threat. And so, how, in what way is China more of an economic threat or is China more of a security threat or it's a combination.

H: It's complex. And I argue, you say most of the West, I think there are sometimes sharp differences or significant differences between various countries. I think in the case of the United States, again, it's not my country and neither is China. So keep in mind, I am an outsider opining on foreign countries, which I which I'm not 100% familiar, but it is my impression that in the city of Washington, in this country, United States, the views of of China are more net negative and more concerning vis a vis the United States, its own future, than was the case a few years or a few decades before.

Y: Now, since you mentioned your country, as a senior diplomat who served for Canada in Asia Pacific in many countries back in the days, and also promoting China-Canada relationship later on, how would you assess Canada's position vis a vis the United States and China at present?

H: Well, we are a relatively small country, large territory, but small population and relatively small economy, although I would note that when we first established diplomatic relations with China in 1970, on paper at least, the Canadian economy was larger than the economy of China, which started then around a billion people, we had about 25 million. It seems incredible to me to think that was the case. But whatever that case is, I think it was at that time. Now we have a growing China with an economy that's closing in on the United States for the title of the world's largest. In the case of Canada, I think we perhaps matter a bit less to China than we did in that early phase. We had been one of the first Western countries to recognize China, except China, France and the United Kingdom. And we recognized China in the fall of 1970. That was followed by a wave of other countries such as Japan and most of Western Europe that followed suit. So I think that we had then first prime minister to be prime minister, the time of recognition, Pierre Trudeau. It was seen as an opening of China; it was part of the opening of China to the outside world. And I think we may have even exaggerated the importance of our role at the time, but whatever, while the relationship was correct and net positive, it wasn't all that substantial. Trade was modest. People-to-people ties were few. The chance to encounter people from China was relatively small compared to what it is now, which is almost 2 million people. And so we now have a situation where relationship is more complex and not as positive, but far more substantial.

Y: So you talk about, you know, after Canada built diplomatic relationship with China and you pretty much served throughout the entire period. Can you just give a few more background knowledge about what was Canada's foreign policy priorities objective once we got to China, What does Canada seek to get out of its engagement with China?

H: But we are a country which is deeply integrated in economic terms with the United States, and we are 6,000 kilometer long border runs along the United States. But it's been the traditional Canadian objective to try and diversify somewhat of our trade. We're very trade dependent. The percentage of GDP generated by trade, in the case of the United States, about 24%. China, I believe it's in the high thirties, for Canada it's at 65. So we live by trade and while we are delighted to have such good access to the U.S. market, we are trying, we have tried for decades to diversify. China was and is an important part of that option, but that trade grew very slowly. It still doesn't perform as well as it should.

But there was also a recognition, I think, amongst key intellectuals and the Canadian political leadership that for good or for ill China was important, and we hope to be a small forward of influence. I think we exaggerated how much influence we could have on China, and we underestimated how much influence China would have on the rest of the world.

Y: So if that's the case and nowadays, would you say that Canada has found itself in a bit of a dilemma while it's still trying to explore more opportunities with regard to China? But doesn't that kind of contradict Canada's long standing market tie with the United States?

H: There's always a dilemma there. And if you could tell me the state of U.S.-China relations going forward, that is the very important component of estimating where we will be at because we are a country of defense, as well as economic ties with the United States, we are heavily influenced by the United States. Our society is intermingled, Canadians cross the border and there are millions every year, we welcome those who work, and a lot of American visitors. So there is that mingling, and we're influenced also by US media to a large extent. Having said that, we're a sovereign country. We have differentiated policies on many issues than those of the United States, and China has been an important part of that.

The problem we've had is that in the most recent five years, it's been... the relationship with China has become more negative and more complex.

Y: Since you mentioned the recent five years, that gets us to a little bit of a difficult and tough topic here. You mentioned that, you know, Canada is a sovereign country. Canada has its own independent decision, of course, but a lot of people in China right now kind of see Canada as a follower to the U.S. policy, especially with regard to, you know, Asia-Pacific regional security matters or with regard to, you know, human rights criticism of China. What would you...how would you assess that? Do you think that there is any part that Canada can perform better or is there any part that both China and Canada can jointly improve during these past five years?

H: Well, it's a very good...you raise a very good point. Chinese in general, since they established the relations, have had a positive view of Canada, partly because of Norman Bethune “白求恩大夫 (Dr. Bai Qiu'en)”. Partly, because Canada broke the U.S. trade embargo in the 1950s and began selling wheat to China, the time of the Great Leap Forward when there was huge food shortages. But I still have a view that Canada can make important contributions to China in certain sectors, certain educational sectors, certain products that China is in shortage of. In fact, the economies are very complementary. The things that China has in great quality, particularly labor, but also certain sectors, high tech, kind of lacks other things, certain raw materials, capacities, certain technologies that China lacks and we have. But the relationship has been dogged in the last few years by political issues that have divided us. I don't think and I certainly hope that those are permanent, but it has led to a cooling of the relationship. I would not have said that five years ago.

Y: So talking about the cooling of the relationship, in recent years, we see actually a lot of Chinese students begin to leave Canada. And of course, they are also leaving the United States. I recall back in my time when I decided to study abroad, Canada and the United States were among the top two or three choices alongside Britain. So how would you say that? You know, as someone who's been working at the university as an academic for a very long time, I would say that is it absolutely important for Canada to attract that back and attract those people back? Or would you say that is up for the Chinese? Give them time and they will realize that they need good education in Canada, and then come back. How would you say that to balance these two and what kind of policy recommendation you can offer to people?

H: People-to-people relationships are so critical and I believe they benefit both sides. I don't exaggerate the change because Chinese students still remain by far the largest single component, and there is the rising number of Indian students coming as well. At my university alone we had, five years ago, 4,000 students. Now it's about 3,000. So that's a decline, but not a massive one. These are very important to my province and my country. About a third of the students stay in Canada, become Canadians and bring all sorts of talent. The other two thirds go back to China. Hopefully very positive views of the experience and skills that they've achieved.

And it's good for our economy. We still have, in proportional terms, far more students in Canada. And I'd say quite frankly, some students who have recently left the United States have gone to Canada. So it's not a simple formula, and I'd be very disappointed if we didn't continue to attract that in Canada. Chinese students coming to my country, I think, again, it's a mutual benefit.

And I also think it adds understanding. Someone who's lived in another country, whether it's you, living in the United States, or me, living in China, the place will never be simple. It will always be a complex of shades of gray and you'll understand the positive as well as the negative. And I think that's really important, as opposed to with a loudspeaker shouting at each other or simply by mass media trying to understand the other side.

Y: Yeah. Actually you brought up a very interesting point about how one third of those Chinese students choose to stay in Canada. So I remember you said that Chinese are now above 10% population

H: And it'd be 2 million out of 40 million of our total population. That would be 1/20.

Y: Ok. So if that's the case...because it's kind of very interesting that the view which you say because you specifically mentioned the Chinese students return back to China and you still have a kind of very positive view about them returning back to China.

H: Absolutely. I think most of them don't intend to, their family sends them, they come in by their own decision...but it isn't with either abandoning the majority in their country or even those third who stay, they may as well come with the intention to desire to go back to their families, etc...I used to say when I'd see those airplanes arrive and depart, people say, "Well, do you want them to stay?" And I said, I don't care. I don't give a damn if they stay. They help build my country and they make great citizens. If they go back, they go back with generally positive views of my country and they help use those skills to apply it to assist China. But they may send their kids to Canada as well. So it really...I'm indifferent as to whether they stay or go back. I think in both cases it's good for both of us.

Y: Because that is kind of interesting compared to some of those trending rhetoric in Washington right now. American politicians keep talking about the Chinese students coming to the United States to study and then leave without actually contributing to this country. And, you know, even for some of those students who are...most likely related to STEM programs, they accuse these students of, you know, coming here, learning this technology, going back and building in their country, but not doing good for the United States. So do you think that will become Canada's, one of Canada's, comparative advantages *vis-a-vis* the United States in the education field?

H: Well, I think we are receiving more foreign students on a per capita basis than the United States, and my universities are no exception. Of course, all countries must protect certain research information that may be IP protected or that is extremely sensitive or dual use. That's the normal thing. That's the case of China. In the case of Canada as well. I don't think it's fair to paint Chinese students in general as some nefarious force that's undermining my country, Canada. I think and I've known so many of them. They come, they learn, they go home, they come, they learn and they stay. It's a I'm sure you could find in the case somewhere of someone where it hasn't worked out well. But the norm is positive contribution to both countries.

Y: Let's shift to trade. You just talked about trade constituting over 60% of Canada's economy. So the interesting thing is that people usually say that trade is a ballast of the U.S.-China bilateral relationship. But in recent years, especially since the trade war, they kind of start to talk about that, that trade has lost its magic as a ballast. Do you think that there is still some sort of thing as a ballast between China and Canada? And if that's the case, is that trade, is that something else?

H: Trade is really important along with people to people ties, and we touch on that with the students as a ballast to stabilizing the relationship. That concept goes back centuries. But the idea that countries that trade tend not to go to war as often. You can make a case either way, but generally I think it holds to be the case because you have a clear interest when you have a major trading relationship. I do know that there are hundreds of thousands of Canadians who derive their living from that trade. I think we could do far better than the trade. We run a large trade deficit with China, but even still, if you're a farmer in the western Canada, if you're a lobster fisherman in the east and you're producing timber, much of its primary products, but not entirely, that is, their jobs depend.

It is one of the reasons I'd like to see Chinese tourism kind of resume. Right now, we're not on the most favorable destination status because I thought that also gave in 2,000... before COVID, the number of Chinese visitors as tourists to Canada was over 700,000, approaching a million. That to me was great.

Those people, again, they don't just read about Canada. They come, they have a positive experience. They go back. So trade, be it, tourism, trade in goods, product services is a good thing generally.

Y: Okay, So let's go back and talk about those. Let's go back and let's go back and talk about those five years' time. And a lot of those people say that the deterioration of the relationship between China and Canada began with the deterioration or the announcement of the strategic competition between the United States and China. So in that sense, some people naturally think that if China and the US relationship improves, then China, Canada, the relationship would naturally improve. Do you see that as a prerequisite for China and Canada to improve the relationship or do you think that Canada can do something on its own to improve their bilateral relationship

H: We are a sovereign country. I'd like to see us be able to find a way forward. We're influenced by the United States. But I don't think that we're a prisoner of that relationship. But if U.S.-China relations are positive, though, it may mean that the United States, for example, does better in its trade relations with China at the expense of Canada. But I'll accept that any day, because I think it's such a stabilizing force in the world generally. But we have good businesspeople, we have good products.

I'd like to compete and we can compete with Americans for trade advantage in China. When that U.S.-China relationship is net negative or deteriorating. There are some negative effects on our own relationship with China. It's not as simple as where they go, we go, but we're influenced by where the United States is on China, and that can be either positive or negative.

It's a fact that in the late sixties, as Chairman Mao and President Nixon, Kissinger and Zhou Enlai began to appreciate some of the strategic advantages of a of a relationship that was improved, that opened the door for a host of Western countries, including Canada, who had already been invested before that improving relations to China. Now it has become politically possible. So I don't think it's an absolute cynical one, but it certainly helps if Beijing and Washington are getting along, it helps our prospects for Ottawa and Beijing to get along.

Y: So if that's the case, and if improving the relationship is something that Canada potentially needs with regard to Beijing, what can Ottawa do in the sense to kind of call or help Beijing and Washington to rebuild their connection or to restore their relationship?

H: If we can imagine a scenario, and I think I can, where the relationships in Canada, China are improving, we are linked to the United States in many ways. We have two treaties; we have NORAD and NATO. We are part of a trilateral arrangement with Mexico. Our leaders, not just the head of government or head-of-state level, but at the level of ministers and senior officials are in dialogue on 100 different issues in any given week. So there is an opportunity, I think, to show some ideas and some way forward political things where we have a mutual interest. Be it climate change or biodiversity, health issues be it COVID or other things, there's ways in which we can, I think. I don't want to suggest because it's certainly not the case right now that we can be a million miles and advance the United States from. But if we are having success on some important policy fronts, I think it may give an idea or stimulus to the United States. That's what I would hope.

Y: And what platform should we use then? Because it appears that there was a period that the United States was very unhappy with China only going through bilateral channels. Well, nowadays, China is pursuing multilateral channels while the U.S. is more so doing a quasi bilateral kind of structure. So if Canada is going to be placed in that position to kind of try to pull both sides together, what is the best platform to bring these two countries?

H: Small country with limited clout internationally, some international have some strong bilateral relationships. The United States is a classic example. But there's something I call the physics of international relations, which means if you're a smaller country, you're attracted to multilateralism because you. I once heard... I won't name the secretary of state, but a Secretary of State, an American colleague said... I had been in a meeting. I think it was Nato and said... the Secretary of State at the time had said, when I sit down with a host of other foreign ministers, I feel a bit diminished for the United States. We have a more powerful bilateral relationship. I think that's partly true of China now as well. In the case of Canada, when we force other major countries to sit down around the table and they have to listen to us, we are better off sometimes.

So we are classic joiners: the Francophonie, the Commonwealth, the OAS (Organization of the American States), of course, the UN, and a host of other examples. We have a bias towards multilateralism and I think that we can play an important role. China is a member of almost all, some of those clubs as well, except for the Francophonie and Commonwealth, for example, or OAS. But I think we can also help increase understanding of China. We have a more important relationship with China, even now with the damaged relationship that exists than do many other countries of our size.

Y: Now, would you say, is there any other country that you can think of that will definitely join the Canadian camp and try to help jointly improve the US-China relationship, not just in the interests of the U.S. and China, but also in their own interests?

H: I think you could say that's partially the case in Western Europe, where while those countries are also broadly allied with the United States, members of NATO, Western alliance, civilized societies in many ways, not identical, but they are sometimes nervous about being dragged into confrontation, particularly even military confrontation with China. And they may have a, they do have an interest in a benign U.S.-China relationship. I think they may also be influenced upon that as well. So we have, if you're Canada, you have a limited national power, but you have the interests of your people. It's the same for any other other country. You are the top, it is the responsibility of the government to create prosperity and to create alliances and to move the needs and interests of your country forward. By working with a range of countries, including China, certainly the United States. That is the best opportunity to do that. But multilateral institutions, for us, given our size, are very attractive options.

Y: So, but, nowadays we are actually seeing a trend of the United States who seek to revise or reform some of these international organizations, namely the WTO, the World Trade Organization. China also has its grievances towards some of these multilateral organizations in terms of where it stands. And they both have very different visions of multilateralism. Do you think that they can construct or jointly produce a shared vision for multilateralism or is that something that, you know, because we have to, 260 over 260 countries in the world, the rest of those say 250 countries can jointly produce and just send it to them to invite them to jointly resolve their differences.

H: The visions between the United States and then China, I know we're going to, what's that famous Chengyu saying? That same bad, different dreams... yes, well, different bed, different dreams. But there are elements that are similar. And I think you mentioned the WTO, for example. I recall at the time of negotiations with China to enter. China was deeply concerned about protecting its whole market, not being swamped with foreign goods. But now, over 20 years later, China is the number one trading country on earth. So, ironically, a bit like the United States in the 20th century. China now its major concern, in my view, is not fear of foreign goods as much as getting access to markets abroad. So interests and perspective shift over time. So I'd argue Western countries with relatively open economies should have a lot in common with China and want to maintain a relatively open global trading system as opposed to endless protectionism.

Y: And speaking about protecting, China protects itself. The recently released Canadian Indo-Pacific strategy has provoked...not provoked, but has stirred up a lot of criticism in China, where they see that Canada is seeking to increase its presence in the region. While Chinese don't necessarily traditionally see Canada as and as a regional participant or as a regional actor. How would you assess this recent Indo-Pacific strategy and also comment on potential, you know, Canadians increasing its military activities most of the time jointly with the United States? Would that leave a very strong mark in the China Canada bilateral relationship in the future.

H: It's true that in November of last year, Canada released for the first time its Pacific Strategy. However you read the document, it's not a page turner like a lot of government policy documents. But if you persist and read it through, unlike some of these documents from other countries, China features prominently, not always in a positive sense, but there is at least a recognition that China must be and is part of the Indo-Pacific region. I'm more of a traditionalist. I tend to say 'Asia-Pacific', but if you wish 'Indo-Pacific'...it's not just a military thing. And quite frankly, when you talk about Canadians, our percentage of GDP spent on the military is extremely low to the point that NATO's members. Some, including the United States, complain about our very limited spending. In fact, if you read the whole document, it says that Canada will add one frigate, one naval vessel in the course of what I think will be at least five years. China has 20 new naval vessels every year.

So I don't think that the Chinese are trying or need to be nervous about Canada as a military power. I think we've built a little bit of a freerider being part of NATO. We're probably underspending. So what needs to be done? Military is expensive. Ours is always going to be small. My personal view is if we're going to be tiny, let's have at least the most up to date equipment, which is not the case right now. So I'd say small but capable. Maybe looking at it like others do Sweden would be just fine with me.

But right now, if we look at that overall concept, commitment in the Indo-Pacific strategy is more about trade and people-to-people ties and seeking greater influence relative to all of us in the West. The center of gravity of the global economy is moving towards Asia. Two thirds of the people live there. And in fact, historically, that's where the center of gravity of the global economy has always been for several thousand years. With the civilizations such as the Chinese and Indian civilizations being the most important ones, and China having, China is now regaining a percentage of global GDP, that's more or less where it was in the time of Qian Long Empire over 200 years ago.

So I think of it in some ways as a return to the normal. That is why I don't lie awake at night about the idea of the rise of China, the vision of China that I feared was one of internal strife, poverty, warmongering, that was one, which was if you look back at some of the books written in the West in the fifties and sixties, that was a vision that was feared. So a China that's prosperous, of course I want it to be have great relations with the West, and I want it to be not a military component of the front, at the front end, but the fact that when I first went to to live and work in China, that it was not that hard to find young Chinese children in the rural areas sometimes who didn't have enough clothes or not enough to eat. China had the largest number of absolute poor on earth. Now, when I go to Beijing, there's many stores I can't afford to buy things in because they're catering to the elite. So that to me is a China that has not taken the worst path. But I can't see the future. And there are some dangerous trends in West-China relationships, which I hope resolve themselves without the prospect of force or a breakdown in international order. We'll see.

Y: Yeah. Okay. Then as a last question, we're going to do a little quiz for our third party view on U.S.-China relations. It's going to be very simple. So just to talk about speaking for Canada then, what does Canada like about China? What is Canada's greatest grievance towards China? And respectively, what does Canada love about the United States? And what is Canada's biggest grievance towards the United States?

H: Look, I'm going to answer the other point of view of the average Canadian, as opposed to someone who's worked on foreign policy issues. For China. And again, I don't think it's a picture that's in sharp resolution, because most Canadians have not been to China and so they have a somewhat vague idea. So I think the food would come right to the top. A sense of Chinese culture, its origins, country, Canadian history is all within 500 years. That's going back to the first settlement by, of course, the indigenous people here before the first European powers arrived in Canada five hundred years ago. China, you can add a zero to that, perhaps depending on how you define how you define China. There wasn't a consciousness of trying to be in China then, but far longer. So I think that appreciation, ancient culture, a brilliant culture with food. I think now there's more of a concept of Chinese capacity as well. Sports, modernity, S&T Development. So it's a mix of those things.

In the case of what Canadians do not like, there is concern about reporting on human rights issues. There's some broad concern about the rise of Chinese national power, what that means. We've grown very comfortable with the dominant societies and the latter half of the 20th century. In the 21st century being Western democracies. There's nervousness about if China has a different political system, very different. That's one thing for China. It's like that for itself. But what does it mean? Has it become more powerful for those of us who live in the West?

On the United States? Every Canadian thinks they know a lot about the United States because they watch Western sitcoms and they go to shop across the border. They think they're experts on the United States. The reality is, particularly for those who are fortunate to come to the District of Columbia, the U.S. government is quite distinct and some of the national ethos of the United States is different. We divided in 1776 when we stayed with Britain and then became an independent country. But by evolution you can't even point to an exact date. when we became independent. We didn't have to fight for it. Americans fought for independence and that sort of was more revolutionary because, I mean, I think it was also revolutionary, but they were a little bit more dynamic. And the watchword of the first Canadian constitution was peace and good governance. It's pretty bland. And that's maybe a little bit the way we are. Things that Canadians will always appreciate.

I'd argue it's sometimes not fair, but if you're, say, the younger brother, where we've been around for as long as the United States, but we're much less powerful, you sometimes resent the more powerful elder brother who tells you what to do. So some of that isn't always appreciated. And some of the things that Canadians are not comfortable with is the gun culture, for they do go to the United States often and we in Canada have very strict gun control. Our streets tend to be safer and so there's nervousness about that. But overall, the relationship is positive and with more direct knowledge, as is the case of China.

The problem we have there is that the Pacific Ocean is very, very wide. So that's again why our favorite people-to-people ties. And that is why I want Chinese tourists to come back to help understand us and help us to better understand them.

Y: Okay. Thank you so much sir. And that concludes our interview for the Expert Voices initiative this time. And you can watch the whole program and the other interviews on our website. Thank you again sir.

H: Thank you very much.

Note: This transcript, the text verified by ICAS staff using the full video recording, was created with the full intention to stay true to the words and meanings of the speakers while being formatted in a comprehensible, helpful manner.