

Perspective on the Pandemic: The Ties Between Canada's Elite and Powerful and the Chinese Regime

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Canada is among the top 20 countries in the world with the most cases of COVID-19 infection, despite its relatively small population and low population density. Within Canada, Quebec has been the hardest-hit region by far.

By mid-June, Canada had around 100,000 cases of infection and more than 8,000 deaths. Of that, over half of the infections and 65 percent of the deaths have been in Quebec, which has less than a quarter of the country's population.

The Epoch Times editorial article "Wherever Ties to the Chinese Communist Party Are Close, the CCP Virus Follows" notes that "the heaviest-hit regions outside China all share a common thread: close or lucrative relations with the communist regime in Beijing."

For decades, high-level Canadian leaders, well-connected elite, and powerful corporations, many of them based in Quebec, have pushed for closer ties between Canada and China.

Ottawa played an instrumental role in enabling the Chinese regime to gain world recognition in its early days and helped it along the way as it became one of the world's emerging superpowers, while the regime continued to suppress its own people at home and spread its tentacles of influence abroad. Meanwhile, Canadian leaders have often turned a blind eye to Beijing's human rights abuses during critical times.

Setting a Course

In 1970, the government of Prime Minister Pierre Trudeau became one of the first Western governments to establish diplomatic relations with the Chinese Communist Party (CCP) as the ruler of China. Canada's recognition of the regime paved the way for other Western countries to follow suit and for the CCP to join international bodies such as the United Nations.

Establishing relations with communist China and bringing it into the United Nations was one of Trudeau's primary

foreign policy objectives after he became prime minister in 1968.

Long before becoming prime minister, while on a visit to Moscow to attend a propaganda conference in the 1950s, Trudeau, then a political activist from Quebec, had reportedly told the wife of the U.S. chargé d'affaires that he was a communist and a Catholic and had come to Moscow to criticize the United States and praise the Soviet Union, according to the 2013 book "The Truth About Trudeau" by Bob Plamondon.

Trudeau had travelled to China in 1949 as a young man, and again in 1960 on a trip sponsored by the regime. He chronicled the latter trip with co-author Jacques Hébert in their book "Two Innocents in Red China."

During their visit, the two witnessed scenes of one of the darkest periods of the communist regime, the Great Leap Forward, as noted in an article in The Globe and Mail. During this period, lasting from 1958 to 1962, Chairman Mao Zedong wanted to quickly bring industrialization to China and forced farmers to produce steel rather than crops, with those deemed not complying facing torture and even death. The Great Leap Forward led to a devastating famine that killed tens of millions of people.

In their book, however, Trudeau and Hébert write, “We are convinced that we are witnessing the beginning of an industrial revolution.”

During his official visit to China as prime minister in 1973, where he met with Mao and Premier Zhou Enlai, Trudeau praised the regime for its governance, saying the system it had developed “in comparison with all previous Chinese social systems, is striving to provide human dignity and equality of opportunity for the Chinese people.”

Trudeau’s comment came at a time when Mao was in the middle of his disastrous and bloody Cultural Revolution, which resulted in an estimated death toll ranging from hundreds of thousands to 20 million, with millions of Chinese suffering from torture and humiliation, seizure of property, and the destruction of the economy and traditional culture.

At Beijing’s insistence, Trudeau refused to issue permits to allow Taiwan to take part in the 1976 Olympic Games in Montreal, even though the team was recognized by the International Olympic Committee (IOC). To refuse entry to a country recognized by the IOC was unprecedented and met with strong objections by the United States.

Trudeau's admiration for the CCP had long-term implications and set in motion decades of China-appeasing policies.

In 2013, when his son Justin Trudeau, then the leader of the Liberal Party seeking to become the next prime minister, was asked which country he admired most, he said: "There's a level of admiration I actually have for China. Their basic dictatorship is actually allowing them to turn their economy around on a dime."

Corporate Ties

Behind some of the most aggressive lobbying efforts for stronger Canada-China ties is a handful of big corporations with extensive business operations in China, many of them based in Quebec.

The Montreal-based Power Corporation, a multibillion-dollar financial services company, has been described as "the premier gatekeeper of [Canada's] formal relations with China" by author Jonathan Manthorpe in his 2019 book "Claws of the Panda."

In 1968, the company came under the control of Paul Desmarais Sr. and was run by his sons Paul Jr. and André serving as co-CEOs until last year, when they announced they were stepping down from their roles as CEOs but staying on as chairman and deputy chairman respectively.

Some of Canada's most influential people have links to Power Corp., including four former prime ministers.

Former prime minister Jean Chrétien's daughter is married to André Desmarais. Chrétien, Pierre Trudeau, and former prime minister Brian Mulroney all served as advisory board members of Power Corp. after leaving office. Former prime minister Paul Martin was president of one of the company's subsidiaries, Canada Steamship Lines, and later bought it with a partner in the 1980s.

In 2019, Chrétien said Canada's justice minister should use his authority to stop the extradition of Huawei executive Meng Wanzhou, who was arrested in Vancouver in December 2018 on a U.S. extradition request. Mulroney advised that Chrétien and André Desmarais be sent to China on behalf of Canada to negotiate the release of two Canadians arrested by Beijing in retaliation for Meng's arrest.

Several other prominent Canadian politicians, including former cabinet ministers, have also worked for Power Corp.

Another influential executive at the company was Maurice Strong, who later worked as the under-secretary-general of the United Nations. Strong is the nephew of prominent pro-communist reporter Anna Louise Strong. According to the Epoch Times series “How the Spectre of Communism Is Ruling Our World,” Maurice Strong was deeply influenced by his aunt and described himself as “a socialist in ideology and a capitalist in methodology.”

After retirement, Strong moved to Beijing, where he lived for the rest of his life. In a 2010 interview with the Guardian, he said he still maintained some cooperation with the United Nations “in particular to China and that region.”

Power Corp. is a founding member of the Canada China Business Council (CCBC), which was spearheaded by Paul Desmarais Sr.

Canada China Business Council

The CCBC advocates for strong relations with China and has counted among its ranks former politicians or individuals who went on to become politicians.

Paul Desmarais Sr. was the founding chair of CCBC. His son André is an honorary chair of the organization, and the current chair is André's son, Olivier.

CCBC, formerly called the Canada China Trade Council, was founded in 1978 by eight major Canadian corporations and the Chinese state-owned company CITIC.

Half of the Canadian founding members—namely Power Corp., BMO Financial Group, Bombardier, and SNC-Lavalin—are based in Montreal. The other founding members are Barrick Gold Corp., Export Development Canada, Manulife Financial, and Sun Life Financial, the latter based in Montreal until 1978.

The book “Claws of the Panda” says the founding CCBC members “became a persuasive lobby for enhanced relations with China, for which the benefits of trade were held to be of paramount concern.”

The Canada-China business community has strong links with a once-powerful Chinese official, Bo Xilai.

Bo was a rising star of the CCP until he was removed from his post as Party chief of the megacity of Chongqing after a scandal involving Chongqing official Wang Lijun. Wang gave accounts of the involvement of Bo and Bo's wife, Gu Kailai, in the murder of a British businessman to the American Consulate in Chengdu.

Bo was part of a faction loyal to former Chinese leader Jiang Zemin, a rival of current leader Xi Jinping. According to some accounts, Bo and some other officials in Jiang's faction had been plotting to overthrow Xi, and this was one of the main reasons Bo was removed from power.

Both Bo and wife Gu were heavily involved in—and profiting from—the state-sanctioned harvesting of organs from Falun Dafa prisoners of conscience.

Chrétien once called Bo an “old friend,” and he was called “one of our key bridges” by Sergio Marchi, a former Liberal trade minister and a past president of the CCBC, according to The Globe and Mail.

The relationship between Bo and the business community is rooted in the close ties he had with the Desmarais family.

The Globe reported last year that Bo's son, Bo Guagua, is working for Power Corp. But the ties go all the way back to the time of Paul Desmarais Sr. and Bo Xilai's father.

According to the Globe, Bo's father, Bo Yibo, at that time vice-premier of the CCP, visited Paul Desmarais Sr. in the 1970s while en route to Washington to lay the groundwork for U.S. President Richard Nixon's trip to China.

Shortly after Bo became China's commerce minister in 2004, Power Corp. was one of the first foreign companies receiving designation to buy and sell yuan-denominated shares on Chinese stock exchanges, the Globe notes.

CITIC-Power Corp. Ties

CITIC Group Corporation, the only China-based founding member of the CCBC, is one of the Chinese entities that Power Corp. has deep ties with. The company is a state-owned investment company established to bring in Western investment to China.

CITIC was founded with the personal approval of Deng Xiaoping, the leader of the Chinese regime after Mao's death. Its founder, Rong Yiren, later a vice-president of the People's Republic of China, was known as "the red capitalist."

André Desmarais was a board member of CITIC Pacific, a subsidiary of CITIC, from 1997 to 2014. During this period, Power Corp. bought stakes in CITIC Pacific.

Power Corp. also has a 13.9 percent ownership in China Asset Management, an affiliate of CITIC. Mackenzie Financial Corporation, an indirect subsidiary of Power Corp., has a 13.9 percent stake in China Asset Management as well.

“With a direct stake in such a broad swath of China’s economy, the Desmarais surely stand to benefit from Canada’s increasingly cozy relationship with the communists in Beijing,” says a 2005 Western Standard article titled “Puppets of Beijing.”

CITIC has included many CCP “princelings”—children of Party leaders—in its leadership ranks, including Wang Jun, who is the son of one of the CCP’s eight elders, and Bo Xicheng, the brother of Bo Xilai and son of Bo Yibo, one of the Party’s most senior political figures.

Paul Desmarais Sr. and André first met Rong during a business mission to China at the invitation of Prime Minister Pierre Trudeau, according to La Presse. Before

Power Corp. bought a stake in CITIC, the Desmarais-Rong relationship had resulted in another joint venture in 1986: an investment in a sawmill in British Columbia.

‘Expanding the Relationship’

Former prime minister Mulroney, who has provided professional services to Power Corp. on different occasions, also sat on the board of CITIC after leaving office. According to a Globe article, Paul Desmarais Sr. was one of Mulroney’s two main mentors as a young man. Power Corp. regularly used Mulroney as a labour lawyer.

According to the 2014 book “Engaging China,” after a 1986 official visit to China as prime minister, Mulroney wrote, “Much remains to be done in expanding the relationship but persistent work by successive Canadian prime ministers, principally Pierre Trudeau, is clearly paying off.”

Following the 1989 Tiananmen Square massacre, when much of the Western world shunned diplomatic ties with Beijing, Mulroney told Zhu Rongji, China’s vice premier at the time, that Canada “would be prepared to fully engage with China in the years ahead” but would need to be

cautious because of Canadians' concerns about human rights.

Mulroney played a key role in forging a partnership between Desmarais and entrepreneur Peter Munk to invest in gold deposits in China in 1994, a year after the end of his prime ministership. During a trip to China, Munk was impressed that Mulroney was able to arrange a dinner with Zhu Rongji, then head of China's central bank, without whom they wouldn't be able to get access to China's gold deposits.

“This is a good example of how Brian [Mulroney] uses his connections and contacts and turns them into international business opportunities for the companies he's involved with,” Munk told the Globe.

‘Pro-Beijing Turn’

The article “Puppets of Beijing” notes that Ottawa took a “distinct pro-Beijing turn” under Chrétien.

Chrétien once told the Chinese state-owned news network CGTN that he visited China “many, many” times when he was prime minister.

“For the 10 years as the prime minister, I met the president of China 17 times, so I was close to China,” Chrétien told CGTN. The Chinese leader during Chrétien’s tenure was Jiang Zemin, who came to power following the Tiananmen Square massacre, as the previous leader, Zhao Ziyang, was deemed too sympathetic to the protest movement. Jiang went on to launch a brutal campaign of persecution against the traditional meditation discipline Falun Dafa in 1999.

After the 1989 Tiananmen Square massacre, Chrétien was one of the first world leaders to bring China out of isolation, rebooting relations with Beijing after the West had shunned the regime for its killing of unarmed protesters.

Chrétien made a trade visit to China in 1994, bringing along premiers, foreign affairs officials, and some 400 business executives. The delegation signed \$9 billion in trade deals while in China.

Ahead of the trip, Chrétien and other officials said they would be using the visit to discuss the issue of human rights. But that issue was put aside, a Maclean’s article notes.

“We do not practise megaphone diplomacy, but we do not practise doormat diplomacy either,” a senior Foreign Affairs Department official told Maclean’s at the time.

The article notes that the closest Chrétien came to discussing the issue was in a meeting with Chinese premier Li Peng.

“Chretien raised the issue so briefly that a Chinese foreign affairs ministry official later insisted it had not come up at all, and Nova Scotia Premier John Savage, who was at the meeting, did not initially recall any mention of the subject,” the article says.

During Chrétien’s tenure, Canada withdrew its support for a U.N. resolution censuring China for human rights abuses in 1997. Instead, any talk of human rights was reserved for private meetings, where Chinese representatives simply brushed off the issue.

The year 1997 was also a key year for Power Corp.’s foray into CITIC, as that was when it acquired a significant stake in the company’s subsidiary CITIC Pacific and André Desmarais became a board member of the subsidiary.

Chrétien also supported China's admission to the World Trade Organization, which was instrumental in enriching the regime's coffers.

Martin, who succeeded Chrétien as prime minister, maintained his predecessor's China policy. During a 2005 trip by Chinese leader Hu Jintao to Canada, Martin and Hu agreed to build a "strategic partnership" between the two countries.

Some of the biggest orders for Martin's shipbuilding business before he became prime minister came from China. According to an article published in the Walrus, in 1995 his Canada Steamship Lines company commissioned three new self-unloader vessels from the Chinese state-owned Jiangnan shipyards.

Resuming Close Ties

When Stephen Harper became prime minister in 2006, there was a considerable change in Canada's China policy, with Harper more vocally calling out Beijing's human rights violations. He also refused to go to the 2008 Beijing Olympics, which angered the CCP.

However, in the later years of his tenure, his government began to ease its tone on China.

Manthorpe writes in “Claws of the Panda” that behind this warming up in tone was “a major lobby operation mounted using the CCP’s agents of influence in business and academia to get the Harper government to change its attitude toward China.”

After the Liberal Party won the 2015 federal election, it almost immediately began a policy of seeking closer ties with China, at one point even considering an extradition treaty with the regime. The government also spent money on public relations initiatives to warm up Canadians to having closer ties with China.

Trudeau visited China in 2016 and 2017, pursuing preliminary talks toward a free trade agreement, despite a \$50 billion imbalance in trade between the two countries in China’s favour. The talks failed in 2017 after the Chinese side didn’t want to entertain Trudeau’s request to consider progressive values in the deal.

The same year, Canada committed hundreds of millions of dollars in investment in Beijing’s prestige-building initiative, the Asian Infrastructure Investment Bank, meant

to rival other multilateral development banks such as the World Bank.

Despite a clause in the United States-Mexico-Canada Agreement (USMCA) preventing member countries from forming free trade deals with “non-market” economies—a clear reference to China—Trudeau said in 2018 that Ottawa intends to pursue deeper trade ties with the Chinese communist regime.

The Liberal government was criticized by the opposition and U.S. politicians for allowing the takeover of two security-sensitive high-tech companies by Chinese companies. One was Norsat, a Vancouver-based satellite communications firm, and the other was ITF Technologies, a Montreal-based laser technology company.

In 2016, Trudeau’s attendance at cash-for-access events became a source of controversy after it was revealed that one of the guests was Zhang Bin, an adviser to the Chinese regime. The event was held at the mansion of Benson Wong, president of the Toronto Chinese Chamber of Commerce. The cost of attendance was \$1,500 per person. Zhang donated \$1 million to the Pierre Elliott Trudeau Foundation and the University of Montreal Faculty of Law, where Pierre Trudeau had taught.

Also in attendance at one of the events was Liu Meng, chairman of the Yangtze River International Chamber of Commerce and a member of the CCP, according to the Globe. Another attendee was Shenglin Xian, founder of Wealth One Bank of Canada, who at the time was waiting for approval from federal regulators to start his bank operation in Canada.

The Liberal government has yet to rule out including Chinese telecom giant Huawei's equipment in Canada's 5G networks, despite security concerns from the intelligence community and the United States, which has warned it would limit intelligence sharing with Canada if it allowed Huawei in the country's 5G.

Quebec and China

A note on the website of the government of Quebec says, "China is a major focus of Quebec's international relations."

The province opened an office in Beijing in 1998, and another in Shanghai a year later. The total trade volume between Quebec and China was nearly \$13.8 billion in

2016, with imports from China accounting for close to \$11 billion and exports to China just \$3 billion.

There are nine cooperation agreements between China and Quebec in a variety of fields, such as trade and higher education. The province also boasts that besides its relations with the Beijing regime, it has close ties with the province of Shandong and the municipality of Shanghai. Montreal and Quebec City both have twin cities in China.

Successive Quebec premiers have led many delegations to China, in an effort to deepen business ties.

During a trip to China in 2014, then-Liberal Quebec premier Philippe Couillard said he wouldn't be bringing up the issue of human rights, saying "you have to listen to the point of view of your hosts on these questions."

He later confirmed that he never discussed human rights, saying he went to China only to discuss "investment and employment."

After leading another delegation to China in 2018, during which he signed 40 agreements worth \$262 million, Couillard said he didn't want to "defeat" the purpose of the mission with "misguided comments." He said others

shouldn't "dictate to China how they govern themselves internally."

Former Quebec premier Jean Charest, who was premier from 2003 to 2012, criticized the Harper government in 2014 for not pursuing trade ties more aggressively with China.

"What we hear between the lines is that there may be some concerns about dealing with China because of concerns of human rights issues, because of other issues. But if that was the case, you'd think that would have been taken into consideration before you negotiate the agreement," Charest said in an interview with CBC, referring to the negotiation of a foreign investment promotion and protection agreement.

Charest, who visited China several times during his tenure as premier, is now providing consulting services to Huawei to help the company in Meng's extradition case and in its bid to be involved in Canada's 5G network.

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