

## China offers 'new way of thinking,' former Canadian ambassador tells business audience

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Dominic Barton waits to appear as a witness at the Standing Committee on Government Operations and Estimates on Feb. 1, 2023, in Ottawa.

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Western understanding of China is "pathetic," and the Communist Party-run country should be seen as a source for "new ways of thinking," says Dominic Barton, Canada's former top envoy to Beijing.

Mr. Barton, the chair of mining giant Rio Tinto Ltd. <u>RIO-N</u>, has been among the most influential figures in Ottawa's recent posture toward the rising superpower, spending more than two years as ambassador to China. After he stepped down from that post, the federal government named him to a 14-member Indo-Pacific Advisory Committee, which wound down operations last summer.

Many Western countries have begun working to distance themselves from China. The U.S. has resolved to push back on what the State Department,

in an integrated country strategy, calls Beijing's "harmful practices, such as the use of forced labour, and the channeling of state-directed investment in ways that threaten our economic welfare and national security." The European Union wants to limit its reliance on China in key areas, such as materials needed for electric vehicles and wind turbines.

Canada's <u>Indo-Pacific strategy</u>, released last year, called China "an increasingly disruptive global power" that has grown accustomed to disregarding the international rules and norms that enabled its immense rise. Canada "will challenge China" in areas of disagreement, the strategy pledged, noting that Canada has been on the receiving end of China's coercive diplomacy.

Mr. Barton this week argued for a different approach in remarks to a Lunar New Year dinner hosted this week by several groups including the China-Britain Business Council at The Dorchester Hotel in London. The dinner's corporate sponsors included the Bank of China, HSBC and PetroChina.

The Globe and Mail obtained a recording of Mr. Barton's remarks at that dinner, in which he is effusive about China's role in the world and the need to grow closer to its people and companies. In a world that has grown more turbulent and volatile, he said, "it's imperative that we continue to deepen our understanding and engagement at this people-to-people level.

"And as we think about our understanding in the West of China, I think it is very weak – it's frankly, pathetic – how much we understand of the civilization and the culture," he said, comparing the hundreds of thousands of Chinese students studying in Western countries with the smaller number pursuing studies in the opposite direction.

Indeed, he said, Western societies and companies have much to learn from the authoritarian country.

"China is not a big market only. It's a source of innovation. It's a source of talent. And it's going to be a source of new ways of thinking that can benefit us all," he said.

Mr. Barton declined a request for an interview but in a statement to The Globe said his message in London was that "China plays a key role in our world, and I believe it is more important than ever to engage and deepen our mutual understanding of Chinese society to create opportunities for all."

Guy Saint-Jacques, a former Canadian ambassador to China who spent almost 40 years in the diplomatic corps, said it's clear the West should spend more time studying China – but in part for defensive purposes, given the Chinese Communist Party's tightening grip on the country and its attempts to change international institutions to fit its purposes.

"We need more young people to learn and we need government officials and think tanks to get more interested to learn about China, but I would say, mainly about the Communist Party of China, because the government now, for all practical purposes, is the same as the Communist Party."

He said what was missing from Mr. Barton's speech to the business audience was a warning. Companies doing business in China should know they risk being victimized by espionage and theft, he said. They face the prospect of being entangled in supply chains tainted with forced labour.

"There is still good business to do in China but diversify your markets because you could be in for a surprise if China invades Taiwan," Mr. Saint-Jacques said.

David Mulroney, another former Canadian ambassador to China who spent 30 years in the foreign service, said it appears Mr. Barton was tailoring his remarks for a business audience. Still, he said, business leaders are not blind to Mr. Xi's increasingly autocratic control over China's economy even as it copes with a real estate crisis, significant youth unemployment and weak demand.

"Mr. Barton's CEO colleagues, themselves formerly fans of China's paramount leader, have been chastened by growing evidence that Xi is mismanaging the Chinese economy and, through his global assertiveness, leaving China increasingly isolated."

Mr. Barton was a key figure in securing the <u>release of Michael Kovrig and Michael Spavor</u> – on what Ottawa called spurious charges. Before becoming Canada's top diplomat to Beijing, he was also effusive in his praise toward China as the global managing partner of consulting firm McKinsey.

"I'm a bull on China," he told the Council on Foreign Relations in 2016, adding: "I probably drank the Kool-Aid there for too long."

Mr. Barton's comments this week suggest he has emerged from his time as ambassador with a continued affection for the country.

"This may seem odd for a British company to start extolling the virtues of innovation in China. But I want to," he said, describing robot-run factories that operate in the dark, <u>artificial intelligence</u>-backed tools for discovering new pharmaceuticals and the major global role for Chinese companies in shipbuilding and the manufacture of solar cells, lithium-ion batteries and electric vehicles.

Rio Tinto has built a considerable reliance on China, a country that accounted for 57 per cent of the company's global revenues in 2021 and has become an important part of its corporate function. In 2022, Rio Tinto opened a China Technology and Innovation Centre in Beijing, which the company said would help it "harness China's leading expertise in research, technology and innovation to help solve some of our operational and business challenges."

Mr. Barton described China's outsized role in filing for patents and installing <u>renewable energy</u> capacity – although he left unmentioned that China remains reliant on coal for the overwhelming majority of its <u>electricity</u>, with authorities responding to recent heat waves by permitting huge quantities of new coal-fired capacity.

"For a company like Rio Tinto, which relies [on] and requires engineers, China's become an important source of talent as we grow," Mr. Barton said. He added: "It's important that we all learn and understand what is happening on each side."

Former diplomat Gordon Houlden, whose foreign service career included postings in Beijing and Hong Kong, said he shares a concern about the falling number of Canadians studying in China – where they might gain a better insight into the world's second-largest <u>economy</u>. Today, he estimated, the number is in the hundreds instead of thousands. He noted China is producing roughly eight times as many science, technology, engineering and mathematics graduates as the United States.

"You can always understand your potential adversary better than you do now," Mr. Houlden said.

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