This study has attempted to examine the development of Sino-Canadian relations from 1949 to 1985. It has focussed on the specific political, economic, cultural and academic relations for nearly thirty five years. In addition to providing a diplomatic history of Sino-Canadian relations, the examination has presented an opportunity for the analysis of factors that had influenced and determined Sino-Canadian relations.

Prior to the establishment of diplomatic relations, Canada was not given much weightage in China's foreign policy although, bilateral trade in the real sense began in the early 1960s. To the Chinese, Canada was in fact under the political, economic and military influence of the US which they felt reduced Canada to the level of an US "satellite".

Although Canada tried within its limitations to normalize its relations with the Chinese, the PRC had reasons to fear the genuineness of the early Canadian initiatives. Decades of foreign penetration and economic exploitation had made China apprehensive of the intentions of Western powers. As a consequence, national security and economic development became the primary considerations in China's relations with foreign countries.

Within a year of the proclamation of the PRC, it got entangled in the Korean War which was fought along its borders and produced a host of security concerns. Throughout the 1950s and 1960s, China faced the increasingly hostile US military power deployed along its eastern and southern borders. The US in order to contain China's growing influence in Asia and to protect its
own strategic position in the continent, defended and supported the Nationalists in Taiwan. As such, Beijing had little fear of Taiwan, but there was always the possibility that it might provoke a war involving the US or that it might serve as a vehicle to complement an US attack on China. Added to this was the Sino-Soviet rift for which China had to survive within hostile attitudes from both the Super Powers. Thus the critical international environment forced it to adopt a militant foreign policy.

Mistrust of the Western powers made China look for closer relations with the Third World countries. However, the study shows that despite its mistrust of Western countries the Chinese gave special consideration to Canada. Such special consideration was definitely the outcome of the grain trade of the 1960s. In China, at a time when its economy had deteriorated primarily due to the failure of GLF and due to natural calamities, in the early 1960s, China was forced to look outward especially to the West for foodgrains. Among the Western countries, China could establish trade relations with Canada as the latter was also facing problems in disposing off its surplus wheat. The grain trade certainly made the Chinese perceive that it was not only possible but also in their interest to develop healthy relations with Western countries, such as Canada.

Canada being a trading nation, trade considerations had been an important component of Canadian foreign policy, especially in its relations with China. Due to its comparatively small domestic market, Canada relied more on foreign trade than most other
industrialized countries. Expansion of trade through export oriented mechanisms was so vital to the Canadian interests that Canadian foreign policy was oriented to develop and maintain close relationships with those countries which offered the best opportunities for its long term markets. Even the principle of ideology was relegated to the background.

It may be pointed out here that, a country's foreign policy cannot be one-dimensional. From time to time other factors such as security, sovereignty, political and moral considerations assert primacy in the making of foreign policy. However, in the Sino-Canadian relations as there were no direct perceptions of threats to anyone's security and sovereignty, considerations of trade had always been the dominant factor in the growing relationship for the Chinese. The only threats from Canada towards its security perceptions was Canada's involvement in the Korean War, and the Indo-China crisis and its position on the Taiwan problem. However, over the years, through its foreign policy Canada made it clear that it had nothing to gain by jeopardizing China's sovereignty or security in any way.

China had also never appeared as a direct threat to Canadian interests. Once it became a huge market for Canada's surplus grain which was barely competitive in the international market, Canada granted generous credit terms to the Chinese Communists even though there were no formal diplomatic relations. When its stake in China increased as a result of the increasing grain transactions, Canada was forced to adjust its policy towards China accordingly.
Following the establishment of trade relations in 1961, China showed growing interest in Canada. An article from the Red Flag (Hong Qi), the theoretical journal of the Chinese Communist Party, suggested in 1964 that Canada had "deep contradictions" with the US. This was a significant departure from the previous Chinese perceptions of Canada as a "faithful follower" of US imperialism.\(^1\)

However, with the advent of the GPCR, the PRC was once again dragged inwards and the Cultural Revolution acted as a stumbling block to the growing Sino-Canadian relations. As it recovered from the domestic turmoil, China responded positively to the Canadian initiative for granting recognition and started negotiations with Canada before looking towards any other country. The Chinese were so genuinely interested that they did not even publish or announce any news about the ongoing talks in the official news media.

In the Sino-Canadian political relations the two important issues, the recognition and China's representation in the UN were overlapping. This study has attempted to analyse these two issues separately as far as possible. Now the question arises whether under the prevailing circumstances Canada did its best to grant diplomatic recognition to China and to secure Beijing's representation at the UN? Many Canadian academics have opined that Canada's failure to unilaterally grant recognition to China and vote for its representation in the UN were yet other examples of Canada's dependence on the US.

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1. Szu Mu, "Introducing a Book which Examines America's Control of Canada", Ref Flag (Hong Qi), no.12, 1964, pp.33-38.
There were fundamental reasons behind the failure of Canada to act in an unilateral fashion with respect to the recognition and UN issues. The US opposition was not the only important reason but one among the many. Canada was caught in a dilemmatic situation. In Canada, there had been political opposition and hostile public attitude towards the Chinese Communists and particularly to the Communist ideology. The Canadian public apathy towards China was the outcome of China's participation in the Korean War and its growing influence in Asia.

Moreover, attempts by Canada to persuade other countries to initiate a movement against the US position towards China failed. At this juncture taking any drastic measure would have raised problems for the US Government and with the Canadian public without any compensating advantages to Canada either in domestic or external spheres. Under such circumstances, Canada's "cautious diplomacy" by waiting for a majority move on the representation issue, clearly shows that Canada intelligently used its position as a bargaining level to persuade Washington and its Pacific allies and to a lesser extent other countries to take account of a gradually changing position on the Chinese representation issue.

Events such as the launching of GPCR, China's growing power with the attainment of nuclear capability and the Vietnam War forced the representation and recognition issues to the forefront in the mid 1960s. Neither Canada's foreign policy makers nor the politicians were able to take a definite stand. They were once again unable to decide which issue to support first, recognition or representation. During the St. Laurent era, Paul Martin took a
decision in 1966 to abstain on the Albanian resolution. As insignificant as this may appear in retrospect, it was nonetheless the first substantive change in Canadian policy since 1949, though the Chinese still had a solid sense of mistrust towards the UN. At that point of time, it was impossible on Canada's part to go any further as there was no evidence that an unilateral action from Canada in the 1960s would have led other countries to change their stand at the UN. These factors were no less responsible than the US opposition in deterring Canada from supporting the China issue at the UN.

However, the Sino-Canadian relations took a significant turn with Trudeau's coming to power in Canada. Canada's normalization of relations with China with the establishment of diplomatic relations and China's entry into the UN were based on Trudeau's quest for realism in Canada's foreign policy. It was considered realistic as it ended the isolation of the world's most populous country, regardless of its political system, ideology and attitudes, in order to serve world peace and security.

It was the Trudeau Government which at last could take a definite stand on the two issues. To Trudeau, the granting of recognition to China was the first priority which was achieved after prolonged negotiations with China at Stockholm. It finally solidified a Canadian sense of distinct identity by proving that Canada could pursue its own foreign policy at variance with the US to a certain extent. As a consequence of the diplomatic breakthrough and subsequently China's entry to the UN there
emerged a more distinctive image of Canada in the international arena.

With the successful conclusion of the negotiations in 1970, there emerged a new "formula" which came to be known as 'Canadian formula' for other countries in normalizing their relations with the PRC. The Chinese might have used the establishment of diplomatic relations with Canada as a testing ground for their experiments to normalize relations with the outside world. The Chinese were apparently satisfied with the formula for dealing with Taiwan as were the Canadians. The Chinese were able to reaffirm their previous stand on Taiwan while the Canadians diplomatically avoided taking a definite stand on Taiwan, merely taking "note" of the Chinese claim. This was unique in the sense that unlike the Sino-French negotiations, the joint communiqué did not ignore the question of Taiwan in totality. This new formula quickly became a standard usage for other countries in similar positions. For instance, in late 1970, China could normalize its relations with Italy, Chile, Ethiopia and Equatorial Guinea with the help of the 'Canadian formula'. It can be rightly said that the normalization of Sino-Canadian relations became a symbolic watershed for a more flexible Chinese foreign policy and Canada's sincere desire to end China's self-imposed isolation from the international scenario. However, it would be misleading to say that the Canadian move was an act of anti-Americanism by its policy makers. Canada did not have to pay a high diplomatic cost for its achievement. Trudeau was fortunate to initiate diplomatic talks with China in a conducive environment. With the change in
the Government in the US and American desire to come closer to China, the Canadian actions did not arouse much objections from the US Government. In other words it can be rightly said that in a way, the normalization of relations laid the groundwork for Nixon's China initiative. Moreover, the announcement of diplomatic recognition favourably affected other countries' external behaviour towards China.

Significantly, Canada's proposal to begin recognition talks with China was perfectly timed by the Canadian policy makers. The PRC had just recovered from the disruptive events associated with the GPCR which had been interpreted as an era of isolation from the outside world and of severe obsession with ideological issues and domestic problems. At that point of time, although the Chinese themselves had given little indication of interest, for developing relations with capitalist countries, the Canadian initiative to start official talks was undoubtedly remarkable in breaking the logjam. China's serious desire to negotiate with the Canadians clearly signifies that the Canadian initiative must have been welcomed by the Chinese.

Trudeau's pragmatic China policy was the outcome of the lessons learnt from the past failures of Canadian initiatives towards China. Unlike the previous leaders of Canada, the Trudeau Government did not pursue the China issue by taking China's representation to the UN as the first line of action. His approach was different from the earlier ones. He consciously separated the recognition issue from the UN question and linked
the progress of negotiations for the establishment of diplomatic relations to Canada's support for the Chinese representation in the UN. Moreover, the successful outcome of Canada's diplomatic initiative towards China signalled a shift in emphasis from Canada's traditional North Atlantic allies to the Pacific rim area.

Most likely the Chinese must have seen the negotiations with Canada almost in terms of negotiating with the US through an intermediary. They were sure that the terms acceptable to Ottawa would set the pattern for eventual recognition by Washington and other countries. In the process, the negotiations went at a snail's pace for twenty months and the Chinese proved themselves to be one of the toughest negotiators in the international community.

While it might be argued that Canada could have done more to speed up the process, regarding the UN issue, there was hardly any certainty that its efforts would have been rewarded with an early success. Whatever diplomatic maneuvering techniques were available to it, were practised during the Stockholm talks. In the end, Canada's recognition of the PRC broke the impasse at the UN and soon other countries followed suit, thereby making China's entry to the UN inevitable. In the final analysis it can be said that it was not because of the Canadian lobbying or leadership that China could be represented in the UN but that the majority of the UN member countries including Canada wanting China to be represented within the broad principles of the UN.
The momentum produced by the normalization of relations between the two countries contributed to the betterment of Sino-Canadian trade relations. During the 1960s, China separated politics from trade. However, in the 1970s, due to China's opening up to the outside world, it started linking trade with politics. As a result, the new diplomatic connections with Canada prompted the Chinese to conclude the largest one-year wheat import agreement with Canada up to that time. It was made public two weeks after the declaration of the joint communique. After the recognition China diverted all her grain deals from Australia to Canada, even though the Australian grain was cheaper. The grain trade with Australia only resumed after it recognized China in 1973.

China had always appreciated those countries and individuals who had contributed towards bringing China back into the international organizations and promoted good relations with her. Zhou Enlai had often stated, "China will never forget old friends". Canada was one among the many Western countries which provided grain for China when it was undergoing great difficulty and at a time when the US's trade embargo against China was in force. Moreover, it was Canada which took a lead to recognize China and made concerted efforts to bring back the mainland to the UN. For these Canada could achieve a special position in the Chinese minds.

Shortly after the normalization of relationship, Canada's Minister for Industry, Trade and Commerce, Jean-Luc Pepin
indicated Canada's willingness to take "whatever commercial advantage it could" out of the new connection and led the trade commission to Beijing in June 1971. The economic interaction between the two countries developed fairly and steadily. Institutional ties between the two countries got strengthened in facilitating the bilateral trade. The Sino-Canadian economic relations, however, were not completely free from trouble. There persisted trade disputes such as Canada's desire to further diversify its exports and China's complaint about ever-growing trade deficits with Canada.

Since the rise of Deng Xiaoping in China's domestic politics, the Chinese began to stress more on economic development and modernization. To expedite such processes, China needed a peaceful international environment and more Western technology. To this end, the Chinese Government pursued an "open door" policy in 1979, hoping to consolidate and further enhance both political and economic relations with most industrialized countries. Canada took the advantage of such developments and there emerged a diversification in the trade pattern between the two countries.

Canada's exports to the PRC had been dominated by primary products, particularly wheat. In 1985, wheat still represented two-thirds of all Canada's exports to China. However, it must be remembered that China had become basically self-sufficient in food production and improvement in the transport system had enabled China to have an effective grain distribution system. Moreover, in spite of the new pragmatist leadership's incentive programmes for more profitable cash crops, the per capita grain output in
China rose from 319 Kgs. in 1978 to 365 Kgs. in 1985. All these factors had a direct impact on the nature of bilateral trade since the 1970s. As a result of these, China's import of wheat and wheat flour from Canada dropped from 4374 thousand tonnes in the crop year 1972-1973 to 2614 thousand tonnes in 1985-1986. Moreover, the percentage of wheat imports to total trade with Canada dropped from 87.9 per cent in 1972 to 64 per cent in 1985, inspite of China's total imports from Canada showing a rising trend.

Reduced wheat imports were largely offset by an increase in China's imports of end products from Canada, which rose dramatically prior to 1985. China's "four modernization" programmes and "open door" policy gave high priority to improving its economic infrastructure, particularly in the transportation, telecommunications and energy sectors. In all these fields Canada possesses great expertise which is internationally competitive. Canadian exports in these areas had benefitted from the massive CIDA programmes and the willingness of a number of large Canadian firms to enter into technology transfer agreements and joint ventures. The CIDA China programme turned out to be a greater success than expected. Not only did the CIDA's role become a model for other development assistance programmes, but its funds also contributed significantly to trade expansion.

The Chinese had also increased their exports to Canada since the 1970s. This was possible as Canadian consumers became more familiar with Chinese goods. However, the Canadian quotas on
Chinese textiles and apparel certainly remained a bone of contention. In order to balance its trade deficit with Canada, China all along in the 1970s and 1980s demanded a more equal trading relationship which could not be achieved. It must be borne in mind that inspite of an increasing bilateral trade relationship, the trade was not a major component of either country's multilateral trade. Nevertheless, many excellent trading opportunities existed and exporters on both sides of the Pacific pursued their development.

In the Sino-Canadian relations cultural and academic exchanges had also played a dominant role in making the bilateral relationship more strong. In order to strengthen the relationship intermingling between the peoples was a necessity. It was widely thought that the more the number of people and ideas flowed across the Pacific the better it would be for mutual understanding and cooperation. Such exchanges which were missing prior to the recognition became vital aspects of the 1970s and 1980s.

Prior to the establishment of official relations, there were hardly any formal exchanges, the only exception being a small medical exchange in 1964 between the China Medical College of Beijing and McGill University of Montreal. During this period, however, many Canadian scientists, academicians and businessmen had visited China on an informal basis. Among the few cultural exchanges, the Peking Opera's tour of Canada and the exchange of journalists from Toronto's Globe and Mail and Beijing's New China News Agency represented special cultural links, which created a
base for future interaction between the two countries. Such exchanges served as positive examples of "people-to-people" cooperation at a time when no diplomatic relation existed. Moreover, during these two decades more Canadians had visited China than the Chinese visiting Canada. It signifies the fact that it was a Canadian initiative to break China's isolation from the outside world.

With the normalization of relations, cultural and academic exchange programmes were officially used vigorously as means for interaction between the two different social and political systems. The institutionalization of the Canadian Communist, Norman Bethune, in the 1970s signified the keen desire for strengthening the bilateral relationship. The name of Bethune became a magic touchstone in the relationship. With Bethune at their sides, many spectacular cultural events took place between the two countries. Moreover, many formal academic exchanges took place primarily through irregular exchanges of delegations in the subjects related to education, medicine and science.

Since 1979, with the "open door" policy, there came changes in the concept and practice of these exchanges. Once the initial goals of opening towards each other were reached the exchanges were adjusted to suit existing needs. In the late 1970s and early 1980s the cultural exchange programmes were curtailed in order to reduce the huge costs such programmes entailed. Other factors had also contributed to alteration in the exchange programmes. As the bilateral relationship became more stable and routinized there was less need on both sides to organize spectacular and expensive
cultural events. Now both the countries started sending individual artists and less expensive performers instead of major exhibitions and troupes. There were various twinning and linkage arrangements and new provincial initiatives. It can be rightly said that by 1985, the cultural and academic exchanges had paid off. In the beginning both needed such exchanges to break the ice and to get to know each other better. By the early 1980s this was achieved and both started concentrating on development related activities to the greatest possible extent. By 1985, the cultural exchanges had been curtailed but the academic exchanges related to science and technology had increased substantially with more Chinese visiting Canada primarily for studies related to economic and development activities. Definitely such exchanges played a vital role in the growth of bilateral trade too, which had been all along the primary goal for the Canadians. Perhaps it would be right to conclude that the real achievement was that the glamour and high expectations of the early 1970s had been replaced by a realistic bilateral relationship in the 1980s. Although Canada no longer enjoys the special position which it assumed immediately after its recognition of China in 1970, Canada continues to be a country upon which China focuses much attention.