

# Harper's Beijing trip highlights Canadian-Chinese tensions

Keith Jones  
13 November 2014

Canadian Prime Minister Stephen Harper made an abbreviated trip to China last weekend, cutting short his participation in an Asian Pacific Economic Cooperation (APEC) summit so he could return to Ottawa for Tuesday's Remembrance Day ceremony.

Harper was determined to be front and center at Tuesday's ceremony at the National War Memorial, because it could be readily harnessed to his government's concerted campaign to exploit the killings of two Canadian Armed Forces soldiers in separate incidents last month. By presenting these killings—which were carried out by lone, psychologically disturbed individuals—as terrorist acts, the government has sought to silence the widespread opposition to Canada's participation in the new US-led war in the Middle East and justify fresh attacks on democratic rights. (See: Canadian government exploiting shootings to promote militarism, attack civil rights)

In the immediate aftermath of the Oct. 20 and 22 attacks, Harper signaled that he was going to scrap his long-discussed China trip altogether. However, Canadian big business quickly made its displeasure known. So did Beijing.

As a result, Harper ended up making a whirlwind China visit. He was accompanied by Industry Minister James Moore, Trade Minister Ed Fast and dozens of business leaders.

China is Canada's second biggest trade partner and second biggest export market. Of Canada's major trade partnerships, that with China is far and away the fastest growing. In 2013, Chinese state-owned CNOOC purchased Calgary-based Nexen, a major oil and natural gas producer, for US \$15.1 billion. It remains the largest overseas investment ever made by a Chinese corporation.

Nonetheless, powerful voices within Canada's corporate elite argue that Canada has not done enough to exploit the opportunities provided by the rapid growth of Chinese capitalism. Canadian manufacturers have been far slower than many of their rivals to site production in China. And the plans of Canada's energy giants to make China a major export market for Canadian oil and natural gas have not even begun to be realized.

During Harper's visit, Canada-China business deals worth more than \$2 billion were announced.

Much more significant, however, was the finalization of a Chinese-Canadian government deal to site the first Chinese currency (yuan) exchange in the western hemisphere in Toronto. As part of this agreement, China is advancing a \$9.3 billion foreign exchange quota or line of credit to Canada.

The Toronto Financial Services Alliance, a partnership of the Ontario government, the City of Toronto, and Canada's big banks and financial houses, lobbied heavily for the establishment of the Canadian yuan trading hub. Bay Street anticipates that the yuan currency exchange will attract considerable international business, thereby further solidifying Toronto's position as one of the world's top ten financial centers. Other Canadian corporations also stand to benefit, since they will be able to purchase Chinese currency directly without having first to buy US dollars, resulting in lower transaction costs.

The head of global banking for HSBC Canada lauded the currency hub deal. "China," Jason Henderson told the Canadian Press, "is the second largest economy in the world and is growing faster than any of the world's large economies... We need to tap into that economy." The head of the Canadian Chamber of Commerce, former Mulroney Conservative government cabinet

minister Perrin Beatty, was more circumspect, saying, “The rest of the world is here looking for opportunities to do business and we’re playing catch-up. But...it’s not too late.”

While the Canadian bourgeoisie is anxious to cash in on China’s rise, it is also deeply troubled that China’s expansion is undercutting the economic and geopolitical dominance of the US, Canadian imperialism’s closest economic and military-security partner.

Harper, himself a neoconservative ideologue, and his Conservatives have repeatedly voiced suspicions over “Communist China’s” intentions.

In late 2012 and in response to the Nexen takeover, the Harper government changed the rules governing foreign investment in Canada to give Ottawa broad new powers to reject takeovers of Canadian companies by foreign state-owned enterprises. In so doing, it indicated that any such future takeovers in the energy sector would be very rare.

Far more importantly, Canada, totally unbeknownst to the Canadian population, has become deeply implicated in Washington’s “Pivot to Asia”—that is, the US drive to strategically isolate and encircle China.

As part of this drive, the US is redeploying its military forces to the Asia-Pacific region—by the end of this decade 60 percent of US naval power is to be deployed in the Pacific—and strengthening its military ties with key regional allies, most importantly Japan and Australia.

In November 2013 the Harper government signed an agreement to enhance military-security cooperation with the US in the Asia-Pacific region, the “Asia Defence Policy Cooperation Framework.” The Framework’s details have not been publicly divulged, but it is clearly aimed at more closely integrating Canada’s military into the US’s war plans.

As it is, no military in the world is more closely integrated with the Pentagon than Canada’s. Moreover, in recent years the Canadian Armed Forces has moved to expand its independent presence in Asia, with plans to establish forward bases, including in Singapore and South Korea.

Canada is also working with the US to establish a US-led, pan-Pacific economic bloc, involving a dozen countries, including Japan, Australia, Vietnam, Malaysia and Mexico, but not China. The scarcely

concealed aim of the Trans Pacific Partnership (TPP) is to place pressure on China, by undermining her position as a production hub, and most importantly by pressuring her to submit to a US-designed international economic order.

On the sidelines of the APEC meeting, Harper met with US President Obama and the leaders of the other prospective TPP states.

While the Canadian and Chinese governments continue to pursue closer economic ties, Beijing is keenly aware of Canada’s ever expanding military-security partnership with the US. Spats over both economic and security issues have repeatedly erupted between Ottawa and Beijing.

The Canadian government, with the full support of the media, has repeatedly accused Beijing of cyber-espionage. Needless to say, in trumpeting these claims, the media invariably passes over the fact that Canada is itself deeply implicated in spying on China through its partnership with the US National Security Agency-led “Five Eyes Network.”

During his Beijing visit, Harper made a point of raising a wide range of Canadian complaints against China. “You can rest assured,” Harper told a press conference shortly after meeting with Chinese President Xi Jinping, “every single item that is important in the area of consular issues, human rights, governance, the rights of minorities — I have raised every single one of those.”

Harper’s “items” included the case of two Canadian Christian missionaries, Kevin and Julia Garratt, who have been detained by Chinese authorities since August on suspicion of espionage. The Garratts ran a café near China’s highly sensitive border with North Korea. According to Canadian press reports, Kevin Garratt made a “hobby” of photographing goods crossing the border into North Korea.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**