

# Canada's ruling elite uses diplomatic flap to caution Trudeau over China

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Disputes within Canada's ruling elite over how to respond to the rising economic power of China came to a head last week after Chinese Foreign Minister Wang Yi angrily rebuked a journalist for asking about alleged human rights abuses at an Ottawa press conference.

Amanda Connolly, a reporter for *IPolitics*, an online news portal, questioned Wang about Beijing's human rights record—in particular its treatment of Kevin Garratt, a Canadian who has been detained in China since 2014 on allegations of spying. A pastor living near the Chinese-North Korean border, Garratt, according to Canadian news reports, made a “hobby” of photographing cargo shipments between the two countries.

Visibly frustrated by Connolly, Wang retorted that her questioning was “irresponsible” and “unacceptable” and showed “prejudice” against China.

Canadian government representatives quickly went into damage control after the corporate media and opposition parties criticized Foreign Minister Stephane Dion, who was at Wang's side as part of a joint press conference, for remaining silent during the terse exchange.

Prime Minister Justin Trudeau issued a statement declaring Wang's behaviour unacceptable and saying that Ottawa had raised concerns with him over Beijing's respect for human rights, including its detention of Garratt. For its part, Beijing held a press briefing the following day at which a Foreign Affairs Ministry spokeswoman sought to present a more conciliatory public pose by inviting journalists to come to China and learn about the country.

The incident cannot simply be dismissed as a random diplomatic flap. It is a manifestation of the rapidly deepening geopolitical, economic and diplomatic tensions in the Asia-Pacific region, brought on by the Obama administration's provocative “pivot to Asia,” which is aimed at economically and militarily isolating and encircling China.

Indeed, the Chinese foreign minister's trip to Ottawa occurred under highly unusual circumstances. It was only announced by the Canadian government the day prior to Wang's arrival, and it later emerged that Wang had insisted on a face-to-face meeting with Trudeau, although standard diplomatic practice called for him to meet only with his Canadian counterpart, Dion.

It is obvious that Beijing is deeply troubled by Trudeau's recent visit to Japan, where he not only signed on to the G7's communiqué criticizing China's stance over the South China Sea, but also held separate bilateral talks with Prime Minister Shinzo Abe. At a press conference following Trudeau's meeting with Abe, the Japanese prime minister declared that the two countries “shared concerns” about security issues in the South China Sea. Canada is also moving to deepen security cooperation with Tokyo.

The provocative actions of the US in the Asia-Pacific region, which have included armed sea and air missions aimed at challenging Chinese sovereignty over South China Sea islets, are intensifying the danger of a global conflagration among nuclear powers. This inevitably places tremendous strains on inter-state relations.

Wang's outburst came the same week as the US International Trade Commission announced an investigation into 40 Chinese steel companies with the aim of subjecting them to punitive tariffs.

## Canada and the US's anti-China “Pivot”

Canada's full integration into the US's anti-China “pivot” is not a new development. In 2013, Canada and the US struck a secret military agreement to expand naval cooperation in the Pacific. The Liberal government is committed to pressing ahead with the Trans-Pacific Partnership (TPP) trade and investment deal, which it sees, like the vast majority of the Canadian ruling elite, as essential to upholding Washington's regional and global hegemony and thereby maintaining the global order that Canadian imperialism has relied on for decades to assert its predatory interests.

At last weekend's Shangri-La Dialogue, where the US took a stridently anti-China stance, Canadian Defence Minister Harjit Sajjan vowed that Canada would be a “contributor” to “peace” and “security” in the Asia-Pacific region, both euphemisms for upholding US imperialism's predominance, adding that this is a key objective of the Liberal government's plans to modernize Canada's navy.

In recent months, a series of articles have appeared in the corporate media that argue for Canada's participation in the TPP for geopolitical rather than economic reasons. The right-wing *National Post* has led the way, with columnist Michael Den Tandt writing in March, “At immediate issue is the furtherance of commerce between North America and the countries girdling the Pacific. The iceberg below the waterline is the survival of the post-war Pax Americana itself, on which global security and prosperity have rested for the past 70 years.” The TPP is needed, argued Den Tandt, as part of what must be a Canadian-backed drive to “check the rise of China and the resurgence of a territorially aggressive Russia.”

The United States remains by far Ottawa's most important trading partner, with over 70 percent of exports heading south of the border. However, China has emerged over the past decade as Canada's second-largest customer and has made significant investments in Canada's oil and gas sector. At the same time, China has displaced

Canada as the United States' largest trading partner. These developments and the overall relative economic decline of the US have prompted some of the most powerful sections of Canadian capital and Canadian imperialist strategists to argue that Canada must prioritize developing new markets, especially in the Asia-Pacific, the world's fastest growing region.

Sections of Canada's corporate elite see massive potential in the Chinese market and are urging the government to initiate free trade talks, noting that Australia has forged a free trade deal with Beijing even while playing a leading role in the US's war preparations against China.

The *Toronto Star* recently published a column by Hugh Stephens, a fellow with the Canadian government-sponsored Asia-Pacific Foundation, that left no doubt that Canadian efforts to expand commerce with the Asia-Pacific should be connected with an expansion of its military presence in the region. Stephens cited US President Barack Obama as an example to follow, noting, "As a starting point, Canadian governments might take a page from Obama's playbook on 'rebalancing' with Asia. ... The key is consistency and commitment." Stephens went on to praise Obama's visit to Vietnam just prior to the G7 summit, but naturally neglected to mention that Obama's main acts while there were to lift a US arms embargo on the Southeast Asian country and to encourage Hanoi in its territorial claims against China in the South China Sea.

Stephens and others don't just view the United States as a military ally, but also as an economic competitor. Reflecting the conflicting economic and geopolitical interests in the region, which makes relations between the various powers even more explosive, he pointed to increasing numbers of Canadian businesses choosing to set up in Asia rather than the US. This went "against the conventional wisdom" in which Canadian companies use "the US market as [their] traditional stepping-stone" to world markets. "Canadian policy-makers would be well advised to do their utmost to further" this new orientation, Stephens advised.

### Differences over whether to prioritize China or Japan

Although the Liberals did not raise China as a major issue in their election campaign, Trudeau has made clear on several occasions that his government wants to strengthen economic ties with Beijing. The Liberal government quietly began a review of Canada-China relations earlier this year, according to a *National Post* report. While the previous Conservative government concluded a foreign investment promotion and protection agreement (FIPPA) with China, Beijing was angered when it placed restrictions on foreign state-owned companies buying Canadian firms in strategic sectors, including energy.

Announcements of joint Sino-Canadian economic projects, including possibly Canada's participation in the Chinese-led Asian Infrastructure Investment Bank (AIIB), are expected to be made prior to the G20 summit due to be held in China in the fall.

Bowing to the wishes of Washington, Canada remained on the sidelines when Britain and other European powers announced that they were becoming founding members of the Beijing-led AIIB.

Within Canada's elite, there are increasing complaints that the Conservatives' decision to remain outside the AIIB and regulatory delays to oil pipelines and other infrastructure projects are causing

Canadian big business to be left behind in the race for new markets in Asia. This relates above all to energy exports, which the corporate elite had hoped to use to vastly expand trading relations with both China and Japan.

In an article revealingly titled "How Canada was outplayed by America in the race to become an energy superpower," the *Financial Post* complained that the US rejection of the Keystone XL pipeline and the development of fracking had given the US the edge. However, the *Post* pointedly added, "It also received plenty of help from Canadians blocking oil and gas transportation and infrastructure in their own country."

Some sections of the ruling elite favour concentrating on oil and gas exports to China, while others, for both commercial and geo-political reasons, back a focus on Japan—the world's third-largest importer of oil products and largest importer of liquefied natural gas.

Both major opposition parties, the Conservatives and the trade union-backed NDP, seized on Wang's dressing down of Connolly to denounce Beijing and suggest the Liberals are appeasers.

Interim Conservative leader Rona Ambrose reacted by stating that if the TPP should unravel due to rising protectionism in the US, Canada should pursue a bilateral trade deal with Japan before considering one with China. While urging Trudeau to be more forthright in his advocacy of TPP, she added, "I worry about talking about a free trade agreement with China because there's not a lot of 'free' in China." Ambrose continued, "I do believe we should focus on countries where we have a lot of commonality. Japan makes sense to me. I'm not sure we should put all our eggs in a free trade agreement with China."

NDP foreign affairs critic Hélène Laverdière denounced China, saying Chinese President Xi Jinping had "unleashed an extraordinary assault on basic human rights and their defenders," while remaining conspicuously silent on Washington's aggressive foreign policy, including its trashing of international law to wage war and mount summary executions, and its belligerent anti-China policy.

The NDP's anti-China stance is nothing new. Shortly after being elected NDP leader in 2012, Thomas Mulcair travelled to Washington and reassured Canada's closest ally that the NDP fully backed its military-strategic offensive against Beijing.



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