

Trudeau attempts balancing act in eight-day China visit

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During an eight-day visit to China that ended this Tuesday, Canadian Prime Minister Justin Trudeau met with top government leaders, including President Xi Jinping, and attended the G20 summit in Hangzhou.

Trudeau's trip was overshadowed by the strategic crisis facing Canadian imperialism as it seeks to balance between the United States, its longstanding military-strategic ally and principal economic partner, and China, whose burgeoning markets it is anxious to milk under conditions of anemic growth in the advanced capitalist countries.

Since coming to power last November, the Liberals have worked to strengthen Canada's decades-long partnership with US imperialism, including by signaling support for the Obama administration's Trans-Pacific Partnership (TPP) trade and investment deal, which is the economic arm of Washington's anti-China "Pivot to Asia." Trudeau and his ministers have also parroted the provocative US and Japanese line on the territorial disputes in the South China Sea.

Canada is deeply implicated in the US "Pivot," having struck a secret military agreement with the Pentagon in 2013 on joint action in the Asia-Pacific region. Earlier this year, the Liberals agreed to step up security cooperation with Japan, which has its own territorial disputes with China in the East China Sea and is moving to arm Beijing's South China Sea rivals, beginning with the Philippines.

In his public events in China, including meetings with top business figures, Trudeau evaded discussion of the South China Sea and other geopolitical disputes, but his aides insisted he did raise them during his summit with Xi. This was in keeping with the stated principal purpose of Trudeau's visit: expanding economic ties with the world's second largest economy.

The most substantial outcome of Trudeau's trip was the announcement that Canada will soon apply to join the Chinese-led Asian Infrastructure Investment Bank (AIIB). Last year Britain led a host of US allies in joining the AIIB in defiance of Washington's wishes. Ultimately, only two other major economic powers stood with the US in refusing

to join the AIIB at its founding—Canada and Japan.

Washington opposes the AIIB because it represents a challenge to the US-led World Bank, which is a key part of the international framework established by US imperialism to consolidate its predominant position in the wake of World War II. Trudeau did not say how much Canada intends to invest in the AIIB, but it is expected this will be announced when Ottawa formally joins later this year.

Trudeau stressed Ottawa's desire to "reset" Canada's relations with Beijing, and, to this end, it was agreed he and Chinese Premier Li Keqiang will meet at least once per year.

The Liberal government is claiming that Beijing's suspension of plans to subject canola imports to tougher regulations to limit the risk of fungi outbreaks constitutes an important victory. Canada currently exports \$2 billion worth of canola to China annually. In coming weeks, negotiators will continue to work for a resolution to the dispute over extraneous material in China's canola imports.

During Trudeau's visit, 56 business deals were signed between Canadian and Chinese businesses, with a total value of a little over \$1 billion. The Canadian and Chinese governments also agreed to conduct a feasibility study into a free trade agreement, although Canadian officials were quick to say that any formal negotiation is still a long way off.

In a speech delivered in Hong Kong at the end of his trip, Trudeau emphasized the need to strengthen commercial ties and accused the former Conservative government of overseeing a "hot and cold" relationship with China.

However, much of the Canadian media is suggesting that Trudeau gave up more than he got. The *Globe and Mail*, the main mouthpiece of the Canadian financial elite, complained that Trudeau had "provided China a valuable vote of confidence and international prestige" by signing up to the AIIB, while he had only secured a "Band-Aid solution" to the canola dispute and failed to make progress on other matters. Complaints were also raised about Canadian corporate access to protected areas of the Chinese economy and Trudeau's apparent failure to make any progress in securing the release of Kevin Garrett, a Canadian national

currently being detained by Beijing on accusations of spying on trans-border shipments with North Korea.

While much of Canada's business and political establishment favours rapidly expanding economic ties with China, there are major differences on how far this should go, how Ottawa can gain greater access for Canadian investors, and how Canada can best exploit profit-making opportunities in China under conditions where Washington is ratcheting up geo-political pressure on Beijing.

The previous Conservative government imposed restrictions on Chinese investment in Canada's energy sector after Calgary-based Nexen Energy was taken over by the state-owned China National Offshore Oil Company (CNOOC) in 2012. Trudeau indicated yesterday that he would be open to lifting these restrictions to facilitate the inflow of Chinese capital and boost investment in Canada's troubled Alberta oil sands. "We need to draw in global investment as a way of being able to properly develop our resources in ways that are going to create a lot of jobs in Canada," he said.

The right-wing *National Post* has repeatedly attacked Trudeau for not making a more demonstrative display of Canada's support for the US's provocative and disingenuous claims that China is threatening "freedom of navigation and overflight" in the South China Sea. During Trudeau's China visit the *Post* published a stream of articles that accused Trudeau of ignoring or soft-pedaling Chinese human rights violations and failing to "tell China to stop violating international law" in the South China Sea.

While some Conservatives want Trudeau to concentrate on expanding trade ties with Japan, most support a focus on China with the proviso that the Liberals more vigorously advance Canadian business interests at home and abroad.

Speaking on CTV's "Question Period" Sunday, Conservative interim leader Rona Ambrose called on Trudeau to move ahead with the construction of oil pipelines to transport Alberta's tar sands oil to tidal water, a vital step if Canada is to export oil to China. Her call was backed up by former Progressive Conservative Prime Minister Brian Mulroney, who urged Trudeau to lead a "nation-building exercise" by overcoming opposition to Big Oil's pipeline projects.

Discussions on Canada's long-term orientation to China have assumed a renewed urgency over recent months, as Canada's economy sputters and Canada continues to lose market share in the US, especially to China and Mexico. In April, the Trudeau government quietly announced a review of its China policy but was careful not to discuss its substance publicly. A *National Post* article reported that a book containing essays by leading diplomats and academics entitled *Moving Forward: Issues in Canada-China Relations*

was doing the rounds in government.

The book advances the case for a dramatic expansion of Canada-Chinese economic ties, including through a free trade agreement. Citing Canada's role as a "middle power," several of the authors also argue for Ottawa to seek to bridge differences between China and Washington, with particular reference to the South China Sea.

Writing in the conclusion, former Canadian Ambassador to China David Mulroney argues that Ottawa could follow the example of Australia and reach a free trade deal with China while retaining close ties to the US. Mulroney, however, neglects to mention the fate of former Labour Party Prime Minister Kevin Rudd, who was associated with a policy of balancing between China and the United States and seeking to arbitrate their disputes. In 2010 Rudd was unceremoniously ousted as government leader in a backroom coup carried out by political operatives working in close collaboration with Washington. Under Rudd's successor, Canberra quickly fell in line with US demands and in 2011 provided Obama with the stage from which he announced the anti-China "Pivot."

Five years on, the current Australian prime minister, Malcolm Turnbull, is under increasing attack within the establishment for his reputed reluctance to carry out Washington's demand that Australian warships court confrontation with China in the South China Sea (See: "Knives out for Australian PM Malcolm Turnbull").

The example of Australia was raised in even more explicit terms by senior *Globe* columnist Konrad Yakabuski. In an August 29 column titled "The risk of going easy on China," Yakabuski complained about the Trudeau government's "kid-gloves" treatment of Beijing's "lawless behaviour" in the South China Sea. He then went on to praise a recent Australian decision to block on "national security" grounds a Chinese company from taking over the country's main electricity provider. Otherwise, claimed Yakabuski, "China could turn out the lights and cripple Australia's economy" if Canberra "backed the United States in a military dispute in (the) South China Sea."

Warming to his right-wing task, the *Globe* columnist then asked if "Canadian leaders," and especially Trudeau, "who seems to take a more benign view of China than most Western leaders," will "be able to say No" to Beijing so as to uphold "our broader national-security interests."



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