

US sanctions against North Korea target China

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The US Treasury announced new sanctions on Tuesday that not only target North Korea, but a number of Chinese companies and individuals. The latest penalties underscore Washington's determination to exploit the current confrontation with Pyongyang to undermine China economically and strategically.

The announcement followed Trump's decision on Monday to redesignate North Korea as a state sponsor of terrorism—an utterly cynical move that further undercuts the possibility of negotiations to end the crisis. A North Korean spokesman yesterday denounced the step as “a serious provocation” and warned that Pyongyang would continue to strengthen its nuclear arsenal as long as the US continued its “hostile” policy toward his country.

The new US sanctions will hit six North Korean shipping companies and 20 vessels, along with the Korea South-South Cooperation Corporation, which allegedly organises the employment of North Korean guest workers in other countries, including Russia and China.

Treasury Secretary Steven Mnuchin declared that the US was “steadfast in our determination to maximise economic pressure to isolate it [North Korea] from outside sources of trade and revenue.” His comments demonstrate that Washington is seeking a complete blockade of North Korea, aimed at strangling it economically, not simply the enforcement of existing UN sanctions.

The impact of the latest US sanctions on the Pyongyang regime is limited. Successive UN Security Council resolutions already ban virtually all North Korean commodity exports, including coal, iron, other minerals and seafood, as well as limiting joint investment and the hiring of extra North Korean guest workers, and capping the sale of oil and related

products to North Korea.

The US, however, is going well beyond the UN measures, which were pushed by Washington and reluctantly agreed by China and Russia in a bid to forestall war. In effect, the Trump administration has unilaterally declared that any trade or investment with North Korea is out of bounds and any individual or company that does so faces exclusion from the US financial system.

The US Treasury imposed secondary sanctions on three Chinese companies—Dandong Kehua Economy and Trade, Dandong Xianghe Trading and Dandong Hongda Trade—which it claimed had done more than \$750 million in combined trade with North Korea over almost five years up to August 31. This included trade in coal, iron ore, lead, zinc and silver ore, lead metal and ferrous products, as well as notebook computers.

The Trump administration has not attempted to justify its move against these companies by referring to UN sanctions, international law or even previously declared US policy toward North Korea. Up until the latest UN resolution in August, the purchase of coal, iron ore, lead and ferrous products was not subject to a total ban. The US has arbitrarily singled out Chinese companies for retrospective penalties.

Chinese citizen Sun Sidong and his company Dandong Dongyuan Industrial were also sanctioned for allegedly exporting more than \$28 million worth of goods, including items connected to nuclear reactors, to North Korea over several years.

Chinese foreign ministry spokesman Lu Kang on Wednesday condemned the US actions, saying: “We consistently oppose any country adopting unilateral sanctions based on its own domestic laws and regulations and the wrong method of exercising long-arm jurisdiction.” Lu warned that “if other parties wish

to have effective cooperation with China” they should share intelligence and cooperate with China “to appropriately handle the issue.”

The Trump White House, however, has no intention of winding back the confrontation with North Korea or China. During his visit to Beijing earlier this month, Trump demanded that China “act faster and more effectively” to force North Korea to capitulate to US demands for it to abandon its nuclear programs.

However, every step taken by China is only met with new US pressure. The decision to rename North Korea as a sponsor of terrorism was a deliberate slap in the face to Chinese efforts to bully Pyongyang to the negotiating table on US terms. Just last week, Chinese President Xi Jinping sent a special envoy to North Korea for the first high-level talks with its leaders in more than two years.

The US confrontation with North Korea is also aimed at weakening and ultimately subordinating China, which Washington regards as the chief threat to its continued dominance in Asia and the world. The sanctions against Chinese companies are just an element of Washington’s far broader plans for trade war measures against China. In Beijing, Trump demanded that China “immediately address the unfair trade practices” in order to reduce its trade surplus with the US.

Trump’s trade representative Robert Lighthizer, who accompanied Trump to Beijing, is notorious for his advocacy of trade war measures against China. According to a *Wall Street Journal* article this week entitled, “US throws out playbook on China trade,” Lighthizer “shocked the Chinese hosts by declining their proffered trade concessions including a financial-opening package... His message: Half-measures won’t work for a White House seeking fundamental change.”

Beijing is reluctant to impose a complete economic blockade on North Korea, fearing it will provoke an economic and political crisis in Pyongyang that Washington will exploit. An implosion in North Korea would not only threaten chaos on China’s border but raise the possibility that the US could impose a pro-American regime in Pyongyang.

At the same time, China is acutely aware that the US has advanced military preparations and plans for an all-out war and, to use Trump’s words, the “total destruction” of North Korea, which is formally a

Chinese ally.

A debate has opened up in Chinese ruling circles over how to respond to the US over North Korea. According to an article in the *Diplomat* this week, a rare public debate between academics over the contentious issue points to deep divisions in the Chinese state apparatus. While one wing blames the US for the crisis and continues to call for a negotiated end to the standoff, its opponents suggest that China should cut ties with North Korea and draw up “contingency plans” with the US in case of war, or regime collapse in Pyongyang.

The very fact that a public debate is taking place at all suggests real fears in Beijing that the US will wage a war of aggression against North Korea that could drag China and the world into a catastrophic conflict.



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