

US anti-China campaign intensifies factional conflicts within Canada's ruling elite

By Roger Jordan
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Sharp differences have emerged within Canada's ruling elite over Ottawa's policy towards China. The rift is directly tied to Washington's escalating diplomatic, economic and military-strategic offensive against Beijing, which has already roiled Canada's relations with China, and to intense US pressure for Canada to adopt an even more hardline anti-China stance.

The latest salvo in this increasingly fractious dispute came in the form of Wednesday's lead article in the *Globe and Mail*. Titled "Canada-China relations need 'urgent rethink,' Mulroney says," the article promoted the call of the former Progressive Conservative Prime Minister for the establishment of a "blue-ribbon" committee to fundamentally redefine Canada's China policy.

Mulroney, who has counselled the federal Liberal government on its dealings with the Trump administration and has close ties to both sides of the aisle within the US political establishment, told the *Globe* that "China has become an aggressive global player and a real threat to Canada." He said Ottawa must do "whatever" is needed to preserve the Canada-US military-strategic partnership; and praised Prime Minister Justin Trudeau for spurning calls to free Huawei Chief Financial Officer Meng Wanzhou, whose extradition from Canada to the US is pending, as part of a deal to "reset" Ottawa-Beijing relations.

The remarks of Mulroney, who speaks on behalf of key sections of the Canadian ruling elite, signal a pronounced shift in the direction of an even more confrontational approach towards Beijing. Just last year, Mulroney was advocating that former Liberal Prime Minister Jean Chretien be sent as an interlocutor to Beijing to negotiate the release of Canadian citizens Michael Spavor and Michael Kovrig, who were detained following Meng's arrest. Like Chretien, Mulroney has long had close ties to the multi-billionaire Desmarais family, which has had extensive business dealings with China for decades.

Mulroney's intervention followed the publication in mid-June of an open letter to Trudeau from 19 retired diplomats and senior politicians, including former Liberal Foreign Minister Lloyd Axworthy, former Conservative Foreign Minister Lawrence Cannon, former New Democratic Party leader Ed Broadbent, and Derek Burney and Hugh Segal, who both served as chief of staff under Mulroney. The 19 urged the Trudeau government to use its legal prerogative to end Meng's extradition to the United States and return her to China.

Meng was detained by Canada in Dec. 2018 at the behest of the

Trump administration on fabricated charges of violating US sanctions against Iran. Her prosecution under criminal charges that could result in a 30-year jail-term is a political provocation, aimed both at intimidating China into acceding to US economic demands and furthering Washington's campaign to thwart Beijing's emergence as a dominant player in 5G, AI, and other pivotal new technologies. Recently released RCMP documents written in the hours prior to Meng's arrest confirm Canadian authorities knew full well that her arrest would prove politically explosive.

The authors of the open letter argued that allowing Meng to go free could bring about the release from Chinese custody of Michael Kovrig and Michael Spavor, who were charged with espionage on June 19. But they tied this to broader strategic considerations. "Removing the pressures of the extradition proceeding and the related imprisonment of the two Michaels will clear the way for Canada to freely decide and declare its position on all aspects of the Canada-China relationship," wrote the signatories.

In an attempt to put this proposal into practice, a high-level delegation of Canadian officials, including former Conservative Foreign Minister John Baird, reportedly travelled to China last November for negotiations on releasing Spavor and Kovrig.

None of the letter's supporters is advocating a pro-Beijing policy. They are fully committed to maintaining Ottawa's close military-strategic partnership with Washington, but merely want Canada's corporate elite to retain the option of pursuing lucrative business opportunities with China. Their chief fear is that Canadian imperialist interests are being damaged by Ottawa being so closely associated with the bipartisan US drive to economically isolate and militarily encircle China. Mulroney's intervention underscores that the proponents of this approach are increasingly isolated within ruling circles.

Nevertheless, the open letter triggered an outraged response, with right-wing corporate media outlets denouncing it as tantamount to negotiating with "terrorists" and engaging in a "prisoner swap." Right-wing columnists railed against an old and "out-of-touch" Liberal foreign policy establishment bent on "appeasing" Beijing.

Trudeau promptly dismissed any suggestion Ottawa exchange Meng for Kovrig and Spavor, and stressed that his government will not "intervene" in Meng's case. "Releasing Meng Wanzhou to resolve a short-term problem would," Trudeau claimed, "endanger thousands of Canadians who travel to China and around

the world by letting countries know that a government can have political influence over Canada by randomly arresting Canadians.”

Trudeau’s rebuff to the retired politicians and diplomats was, as far as it went, greeted enthusiastically by the *Globe and Mail* and *National Post*, Canada’s leading right-wing publications, as well as by the pro-Liberal *Toronto Star*. But influential sections of the ruling class, including the Conservative Party, remain frustrated with Trudeau’s failure to impose punitive sanctions on China and end Canadian involvement in the Chinese-led Asian Infrastructure Investment Bank.

They reject out of hand any attempt to reduce tensions with China, and instead demand that the government “stand up” to Beijing’s “bullying” and immediately act on Washington’s demand it block Huawei from any involvement in Canada’s 5G cell phone network. Of the five countries in the Five Eyes alliance, which unites the signals intelligence agencies of the United States, Britain, Canada, Australia, and New Zealand, only Canada has not yet banned or at least imposed sweeping restrictions on the use of Huawei 5G technology. In his *Globe* interview, Mulroney insisted that Canada must do “whatever it takes” to retain a leading role in the Five Eyes partnership.

Writing in the *National Post*, John Iveson complained that while Trudeau had “ruled out a prisoner swap,” nobody should “expect him to take a harder line” towards China.

An open letter countering the call for Meng to be released was subsequently published at the initiative of the Macdonald-Laurier Institute (MLI), which assembled 30 high-ranking military and defence policy officials to warn darkly of China’s nefarious global activities. Earlier this year, the MLI helped organize the issuing of a statement signed by academics and politicians, including the main contenders for the Conservative Party leadership, that touted false claims China had hid the coronavirus from the world, dubbed the pandemic Beijing’s “Chernobyl moment,” and demanded China be held “accountable” for its supposed responsibility for the global pandemic.

The Canadian Security Intelligence Service, Canada’s primary spy agency, also weighed in to the debate by describing Canada as a “permissive target” for Chinese interference. “Canada is kind of a sleepy and unaware target,” David Mulroney, a former Canadian ambassador to China told Global News. “We don’t have the same kind of vigilance that you now see in places like Australia and New Zealand. That had better change.” Presumably enthused by the former ambassador’s hawkish view of Beijing, Brian Mulroney told the *Globe* that David Mulroney would be his recommendation for chair of the proposed blue-ribbon panel to redefine Canada’s China strategy.

The bitter factional conflicts tearing apart the Canadian bourgeoisie arise out of the rapidly accelerating global capitalist crisis and the escalating rivalry between the United States and China. Ottawa has relied on its close partnership with US imperialism for over three-quarters of a century to advance its own predatory imperialist ambitions. However, Washington is sinking into ever deeper economic and political crisis, as the ongoing coronavirus debacle has laid bare, and is seeking to offset its economic decline with unilateral and increasingly aggressive threats, bullying and military actions, including against its

erstwhile European and Canadian allies. As a result, the Canadian ruling elite’s traditional geopolitical calculations are being rendered inoperable.

Since early June, the Trump administration has dramatically ratcheted up tensions with China, including by deploying three aircraft carrier strikes group to operate in the western Pacific. Following last month’s deadly border clash between India and China in the Himalayas, Trump administration officials intruded into the dispute to denounce Chinese “aggression.” US intelligence has also declared high-profile Chinese companies, including Huawei, to be directly controlled by the Chinese government, which clears the way for them to be targeted by tougher sanctions. Speaking in Copenhagen late last month, US Secretary of State Mike Pompeo told his European audience that American troops were being redeployed from Europe to the Asia-Pacific to counter China.

As it escalates its confrontation with China, raising the danger of a catastrophic war fought with nuclear weapons, Washington is also issuing starker warnings to its allies to fall into line. In early June, the US State Department warned that it would “reassess” intelligence sharing with Canada if Huawei is permitted to participate in its 5G network.

Pressure is also being applied on the economic front. Last week, Trump threatened Canada with the re-imposition of 10 percent tariffs on aluminum, citing the alleged flooding of the US market with foreign aluminum as the pretext. Later in the week, Democratic Senate leader Charles Schumer chastised Canada for its refusal to open its dairy and agricultural markets, which Ottawa protects with high tariffs.

Under these conditions, the explosive character of the factional disputes within the Canadian ruling elite should not be underestimated. An editorial in the *Toronto Sun* earlier this year raised the prospect of Trudeau’s removal should he fail to stand up firmly enough to China.

That such a scenario is by no means mere idle speculation can be seen by the political situation in Australia, which last week marked the tenth anniversary of the unceremonious removal of Prime Minister Kevin Rudd in a backroom coup initiated by US assets in the Labour Party. Rudd was deemed to be an obstacle to Washington’s offensive against China, as he sought to position Australia as a mediator and go-between helping to manage US-China tensions, rather than a subordinate ally and launching pad for US military aggression in the Asia-Pacific.

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