

Editorial

Playing the China Card

In his speech last week to Wall Street and again in his telephone conversation with U.S. President George W. Bush, Prime Minister Paul Martin threatened to increase trade with China if the U.S. continues to refuse to abide by decisions of the NAFTA dispute resolution panel. The U.S. media, as well as the U.S. ambassador to Canada, dismissed Martin's tough talk as pre-election rhetoric. The Canadian media is also suggesting that Martin's threats are part of a Liberal election strategy in which they plan to portray themselves as anti-American and anti-Alberta in order to capitalize on public sentiment against high oil prices and the continuing U.S. tariffs on softwood lumber.

The cynicism of the media is probably well deserved. However, the fact remains that the Canadian government is actively pursuing increased

trade with China. As the article "Canada's Trade With China" (see page 3) points out, China is now Canada's second largest trading partner next to the United States and the level of trade between Canada and China is growing at a very rapid rate. Whether this is a consequence of the ongoing trade war between Canada and the U.S. is not so clear. Since the 1950s Canadian monopoly capital has viewed China as a potentially lucrative market. While essentially an appendage of American monopoly capital, Canadian monopoly capital also has its own financial interests and has a history of pursuing trade opportunities in countries with which the U.S. has had bad relations, such as Cuba, China, the Soviet Union and North Korea. For example, Canada began selling wheat to China in the late 1950s and sold

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Commentary

Nobel Peace Prize Rewards El Baradei and IAEA for Serving Imperialism

Awarding the International Atomic Energy Agency and its head, Mohamed ElBaradei the 2005 Nobel Peace Prize confirms that the Prize is regularly conferred on those who serve imperialism.

The IAEA and ElBaradei have most recently supported the Americans in attacking Iran on its nuclear energy program. He was confirmed for his third term to lead the agency last month, after the Americans initially tried to block him arguing he was being "soft" on Iran. Immediately after he was confirmed, the IAEA launched its latest campaign against Iran.

ElBaradei has also been the chief spokesperson for the imperialist position that the main problem with nuclear weapons is not their existence or their

concentration in the hands of a few imperialist countries or their allies but their proliferation, that is the acquisition of nuclear weapons by those nations with whom various imperialist countries have no arrangements. In this regard, ElBaradei has attacked both North Korea and Iran for allegedly trying to acquire nuclear weapons, while remaining largely silent on Israel, a country already known to possess these weapons.

ElBaradei's award has been welcomed by most of the imperialist nuclear powers, with even the Americans, who were angered by his refusal to falsify intelligence on the existence of weapons of mass destruction in Iraq, offering lukewarm praise.

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Candu nuclear reactors to China at a time when the U.S. was trying to isolate China economically and politically. Canada's role in this regard was two-fold. First, like monopoly capital anywhere, the main motive of Canadian monopoly capital is to maximize profits and profits are always high in countries on the U.S. blacklist. Secondly, the Canadian government and Canadian monopoly capital has played a role in softening up various of these countries for penetration by U.S. imperialism. China is actually a prime example in this regard, as it was the Canadian government of the day which served as a go-between in arranging the visits to China by Henry Kissinger and Richard Nixon in the early 1970s.

Now that trade relations between the U.S. and China have normalized, Canada has lost its privileged position in Chinese markets, but that does not mean that Canadian monopoly capital has given up its ambitions to profit from the current Chinese economic boom. This would be the case whether or not Canada was involved in a trade war with the U.S. At the same time, it would be naïve to assume that there is nothing behind Martin's threats. While the anti-American, anti-Alberta stance of the Liberal party may be in the service of narrow political aims, those political aims are a reflection of the deeper, underlying narrow economic aims of a section of Canadian monopoly capital which is being hurt by the U.S. trade war. China and the United States are involved in a world-wide struggle for access to and control of energy resources and China has been making inroads into many energy markets that the U.S. claims as its exclusive jurisdiction, such as Venezuela. Canada also falls into that category and China has recently made big investments in the Alberta Tar Sands, indicating that it intends to challenge the U.S. monopoly over Canadian oil.

During the Cold War there were not a few smaller countries that thought they could advance their own economic and political interests by playing one big power off against another. In almost every case, trying to profit from the inter-imperialist rivalries of the big powers has had disastrous consequences for smaller countries. Martin's playing of the "China card" in Canada's trade dispute with the U.S. is a similar attempt to profit from inter-imperialist and inter-monopoly rivalries. However, there is no evidence that the Martin government is interested in pursuing a strategic course which would lessen Canada's dependency on the United States. The

Canadian Council of Chief Executives (CCCE), the organization of the biggest corporations in Canada, has made it clear that, while it is extremely upset with the behaviour of the U.S. government on the issue of softwood lumber, its main concern is to strengthen the North American bloc against their biggest competitors – China and India. Whatever his rhetoric, Martin ultimately will do whatever the CCCE tells him to do.

The interests of the Canadian people do not lie in pursuing this kind of imperialist politics or in exchanging dependency on American monopoly capital for dependency on Chinese monopoly capital. Rather, the interests of the Canadian people lie in developing a genuinely independent and self-reliant economy which participates in trade relations with other countries on the basis of mutual benefit.

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ElBaradei himself said the significance of the award was to send a "very strong message: 'Keep doing what you are doing'", adding the Peace Prize has strengthened his resolve to "prevent the proliferation of nuclear weapons".

One of the most frank reactions to the Nobel announcement came from Israeli Vice Premier Shimon Peres, himself a Peace Prize recipient along with Yasser Arafat and Yitzhak Rabin in 1994. He told Israel Radio that the Nobel Committee's decision was "a warning to Iran."

"The message is to prevent the proliferation of weapons of mass destruction because if the irresponsible people in the world – and there are quite a few of these – get nuclear weapons, it will be very difficult to exist in the world," he said. "If Iran gets nuclear weapons, there will be a danger that every country that hates others will be able to get nuclear weapons."

The most frank criticism of the Prize came from Hindankanio, an organization representing survivors of the American atomic bomb attacks on Hiroshima and Nagasaki, which asked in a statement: "What has ElBaradei or the IAEA ever done to further peace in the world?". The group condemned the Nobel committee's decision as an "insult to all those killed and injured 60 years ago in Hiroshima and Nagasaki or who have died since and those groups which have worked tirelessly since 1945 for the complete elimination of all nuclear arms."

Canada's Trade with China

China is now the world's second largest economy after the United States. It is the third largest exporter in the world after Germany and the United States. In 2004, China accounted for 6.5 percent of global exports, compared with Germany at 10 percent and the United States at 9 percent. It is the third largest importer in the world too. In 2003, China accounted for 5.3 percent of global imports, compared with Germany at 7.7 percent and the United States at 16.8 percent.

China is Canada's second-largest trading partner after the United States. While still small in relation to Canada's trade with the United States, Canada's trade with China is growing rapidly. For the first six months of 2005, trade between the two countries increased 21 percent over the same period last year. Canada's trade with China has now surpassed its trade with Japan.

China is Canada's second-largest import source after the United States, with Japan and Mexico ranking third and fourth. In 2004, imports from China increased by 30 percent over 2003. Canada's top imports were electrical machinery, industrial machinery, toys and sporting equipment, and furniture and bedding. For the first six months of 2005, Canada's imports from China grew by 25 percent, keeping up with the increase of last year. Imports from China represent 4.6 percent of Canada's total imports.

Machinery and equipment imports from China surpassed consumer goods imports for the first time early in 2004, and were 20 percent larger by the first quarter of 2005. In 2004 consumer goods recorded the smallest increase of all the other groups of imports. Over half of last year's increase was for computers and telecommunications equipment. The remainder was mostly industrial machinery and measuring and control instruments. Industrial goods imports, led by petrochemicals (hydrocarbons and nucleic acids), plastics, as well as iron, steel and aluminum, rose sharply last year. About half of the increase in pipes and tubes was used in the oil and gas industry.

Autos, mostly motors and parts, constituted the fourth largest and fastest growing group of imports last year. In the first contract of its kind between Canada and China, the Canadian firm CAMI (a GM

affiliate) and Shanghai GM agreed in November 2003 that China would manufacture American-designed motors for a new Chevrolet line built in Ontario in 2004. Shanghai GM is to supply 180,000 V6 motors and 75,000 L4 motors a year. In the auto sector, China's production rose sharply after it abolished a 50 percent limit on foreign participation in local business ventures, thereby conforming with WTO regulations on foreign investment. While auto production in China was slightly below Canada's in 2001, it jumped in 2002 to surpass Canada's total by 50 percent. By 2003, its 4.4 million assemblies were twice Canada's. China ranked sixth in the world in auto output, after the U.S., Japan, Germany, France and South Korea. Almost all of China's auto output is for the domestic market, but it is already planning to enter the global market soon.

While Canada's imports from China rose rapidly in 2004, exports grew even faster. China was Canada's fourth-largest market in 2004 with a growth of 40 percent compared to 2003. Organic chemicals and metals and minerals contributed nearly a third of all Canadian goods exported to China in 2004. Organic chemicals, almost all ethylene glycol, rose four-fold, by over \$0.5 billion, and is on track to reach \$1.4 billion in 2005. China uses ethylene glycol (produced almost entirely in Alberta) primarily to produce polyester for textiles and clothing. The implication is that Canada has made much more money supplying a basic input to China's textile and clothing exports (mostly to the US and EU) than it lost in domestic clothing and textile output to these imports.

Canada's consumer goods and forestry exports to China have slowed recently, partly due to China's growing capacity to produce these goods. Consumer goods (mainly autos) fell 50 percent in 2004 and so far in 2005 were only 30 percent of last year's first-quarter level. Meanwhile, forestry products reversed the 20 percent increase recorded in 2004. China's government helped finance the modernization of several state-run paper mills between 1998 and 2002. The government also supported a sharp expansion of pulp capacity in 2005.

The rapid growth of China's economy has led to an increase in demand for the handling and transport

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“Mission Against Terror” Tour Winds up in Winnipeg

A cross-Canada tour of the Cuban documentary film “Mission Against Terror” had its final screening in Winnipeg on October 7. More than 150 people viewed the film about the history of U.S. terrorist attacks against Cuba and the case of The Cuban Five and participated in the discussion period afterwards with the filmmakers, Bernie Dwyer of Ireland and Roberto Ruiz of Cuba.

The film outlines the continuous attacks against Cuba by Miami-based groups since the victory of the Cuban Revolution 45 years ago, attacks which have killed and maimed more than 3000 people. The most serious of these, the 1976 mid-air bombing of a Cubana airliner which killed all 73 people on board, was masterminded by the infamous Orlando Bosch, a Cuban exile who to this day lives freely in Miami. The film showed excerpts from recent live television interviews with him, boasting about his exploits. It was in order to gain information about their plans that the men, now known as The Cuban Five, infiltrated these Miami-based groups. They then passed on information about impending terrorist attacks to the Cuban government, who in turn, passed this information on to the U.S. government and the FBI in good faith that they would arrest the terrorists and

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of goods as well as energy. These sectors account for more than one-quarter of investment spending in China. This is partly why Canada’s exports of machinery and equipment to China have rebounded by nearly 40 percent in the first quarter of 2005. The largest increases were for industrial machinery (notably construction and mining) and transportation equipment (mostly aircraft).

China’s economy uses coal as its primary energy source (67.1 percent of all its energy consumption in 2003). With coal consumption rising a further 12 percent in 2004, coal explained the doubling of Canada’s energy exports to China in 2004. While energy currently represents only 1 percent of Canada’s shipments to China, this sector led Canada’s direct investment in China. Alberta-based firms played a leading role in building several projects, notably in the province of Heilongjiang and offshore. Heilongjiang is the hub of exploration and development of oil and gas in China.

prevent further attacks. However, the response of the U.S. government and the FBI was to arrest the informants, put them in isolation for 17 months, and then charge them with a large number of criminal offences. Most of the charges were a variation of “conspiracy to commit espionage”, with a charge of “conspiracy to commit murder” added for one of the men after the Cuban government downed an airplane flown illegally over Cuban airspace by one of the Miami groups, the Brothers in Arms. It is illegal under U.S. law to charge an individual for the actions of a government, but that is just what the U.S. government has done. The myriad of other charges are also trumped up, as The Five broke no laws except the minor one of failing to register as foreign agents. Following a highly-charged, kangaroo trial in Miami, they were convicted and sentenced to a total of five life sentences plus 34 years. They are now serving their seventh year in various maximum-security prisons around the U.S.

The campaign to free The Five is on an upswing, buoyed by the May decision of the UN Human Rights Commission Working Group that their trial was illegal and their detention arbitrary, as well as by the August ruling by three judges of the U.S. Atlanta Circuit Appeal Court that overturned their trial and called for a new one to be held in a venue outside Miami. Although the Miami State Attorney has since called for this decision to be ruled on by all twelve judges of that Appeal Court, the movement to free the Five continues to gain momentum.

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Editor: Ken Kaltornyk

To contact the Manitoba Branch of CPC(M-L):

Fax: 477-6741

Email: mrc-cpcml@mts.net

Internet: www.modern-communism.ca

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