

In China the SCO Is Conducting a Productive and Civilised Summit While the G7 Is One Big Argument Inside a Political Circus

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The sun rising in the east

The Shanghai Cooperation Organisation (SCO) summit in Qingdao has not formally begun and already the Presidents of China and Kazakhstan have met to discuss deepening trade ties with a particular emphasis on Astana's participation in the One Belt-One Road trading initiative. Furthermore, the Vice Foreign Ministers of China, Pakistan and Afghanistan have met to discuss a future road map for regional peace in Afghanistan and beyond while a key point for the summit will be the trilateral discussions between China, Pakistan and India as a means of both harmonising existing trading relations and ironing out disputes between New Delhi and its neighbours. Indeed, any linger worries that there might be tense moments when discussing India's relationship with fellow SCO members Pakistan and China have already been overshadowed by a conflict ridden summit being held in Canada simultaneous to the SCO meeting in China.

Canadian bacon with a side of tariffs

In Quebec, the group that used to be called the G8 but since Russia's 2014 suspension and ultimate withdrawal in 2017 has been the G7, is about to begin a series of meetings that are already revolving around little more than the stand-off between Donald Trump's pro-tariff administration and the governments of every other nation. With the exception of Trump's seemingly all-weather friendship with Japanese Premier Shinzō Abe whom he met yesterday in the US, all of the other G7 leaders are upset with Trump over the steel and aluminium tariffs that recently went into effect against the European Union and fellow NAFTA members Canada and Mexico.

Canadian Prime Minister Justin Trudeau has been indignant about Trump's tariffs and has threatened to take action against Washington at the level of the World Trade Organisation (WTO). It is thought that Trudeau will refuse to speak privately with Trump over the issue on the sidelines of the summit, although this could still change, while it is also being reported that a private meeting between Trump and UK Premier Theresa May has been cancelled because of an infamously poor personal relationship.

Tensions between Trump and his EU colleagues including German Chancellor Angela Merkel remain strained over anti-EU tariffs, threats from Trump to ban luxury German car imports from the large US market and moreover the JCPOA (aka Iran nuclear deal). European leaders have insisted that they seek to maintain their economic ties with Iran in an attempt to preserve the JCPOA in spite of the US withdrawal. However, the looming threat of CAATSA

sanctions on EU companies who continue do business with Iran has augmented anger in Europe which has only been compounded by the <u>related issue</u> of tariffs.

Apart from Trump's frequent golfing partner Abe, the G7 leader thought to have the best relationship with Trump is French President Emmanuel Macron. While Trump often shares little other than cold handshakes with Merkel and May, during Macron's recent visit to the White House the two leaders fondly embraced each other on multiple occasions.

Now though, Macron has become the most outspoken of all the G7 leaders against Trump's tariffs and his generally unfriendly negotiating position vis-a-vis the EU in a sign that perhaps the political romance between the two is on the rocks. Macron has stated,

"The six countries of the G7 without the United States, are a bigger market taken together than the American market. Maybe the American president doesn't care about being isolated today, but we don't mind being six, if needs be

...I would like to say Mr. Trump that the measures taken are counterproductive. We can't engage in a trade war against friends".

While Macron is talking tough and channelling the anti-Atlanticist language of erstwhile Gaullist leaders, in reality for all of the EU's wealth, because Brussels has been so cautious in forming partnerships with Asian economies including China, Russia, the Eurasian Economic Union as a whole and now because of incredibly poor relations between Turkey and the EU, Brussels has been left with little meaningful leverage to "stand up" to its traditional US partner. If these problems weren't bad enough for the so-called "western alliance" the arrival of an inexperienced new Italian coalition government presents something of an mystery element to the summit as it is not entirely known if Rome will be siding more with Brussels or Washington in the new plethora of disputes.

For his part, Donald Trump has fired back at both Macron and Trudeau in a series of Tweets that underscore the resentment that is rapidly building among the so-called "western alliance".

Please tell Prime Minister Trudeau and President Macron that they are charging the U.S. massive tariffs and create non-monetary barriers. The EU trade surplus with the U.S. is \$151 Billion, and Canada keeps our farmers and others out. Look forward to seeing them tomorrow.

— Donald J. Trump (@realDonaldTrump) June 7, 2018

Prime Minister Trudeau is being so indignant, bringing up the relationship that the U.S. and Canada had over the many years and all sorts of other things...but he doesn't bring up the fact that they charge us up to 300% on dairy — hurting our Farmers, killing our Agriculture!

Donald J. Trump (@realDonaldTrump) June 7, 2018

Why isn't the European Union and Canada informing the public that for years they have used massive Trade Tariffs and non-monetary Trade Barriers against the U.S. Totally unfair to our farmers, workers & companies. Take down your tariffs & barriers or we will more than match you!

Donald J. Trump (@realDonaldTrump) <u>June 8, 2018</u>

Canada charges the U.S. a 270% tariff on Dairy Products! They didn't tell you that, did they? Not fair to our farmers!

Donald J. Trump (@realDonaldTrump) June 8, 2018

Looking forward to straightening out unfair Trade Deals with the G-7 countries. If it doesn't happen, we come out even better!

— Donald J. Trump (@realDonaldTrump) June 8, 2018

Clearly, Trump is making the most of the fact that while the EU and Canada represent a large economic area when taken in totality, when it comes to the ability to mount serious pressure on traditional partners, the US remains in a stronger position vis-a-vis the Brussels-Ottawa axis. In a clear sign that Trump is revelling in the fact that his last "friend" in the G7 is the Japanese Premier, has anti-Canada and anti-EU Tweets were preceded by a friendly video montage of his recent discussions with Abe.

Great day of meetings with Prime Minister <u>@AbeShinzo</u> of Japan! <u>pic.twitter.com/uKcdA8RxoN</u>

— Donald J. Trump (@realDonaldTrump) June 7, 2018

Kim to the rescue?

Seemingly lost on most observers is the fact that shortly after the G7 summit in Canada which appears to be doomed to failure before it begins, Trump will be shortly travelling to Singapore for his meeting with DPRK head of state Kim Jong-un. Not only is it guaranteed that due to cultural considerations Kim Jong-un and his colleagues will be more respectful than the often loudmouthed and boisterous Europeans, but whilst Trump and his EU/Canadian partners both look hellbent on refusing to make compromises (at least for the moment), Kim's self-evidently sincere desire for peace and multilateral cooperation likely means that even if no concrete agreements are any closer after the Singapore summit, at least Trump and Kim will likely be cordial to one another which is more than can be said for most Trump's G7 colleagues with the exception of the lone Asian head of government in attendance.

Russia vindicated by circumstance

All of the above serves to demonstrate that Russia's dramatic falling out with its former G8

partners after 2014 was a blessing in disguise. Beginning in the 1990s, many contemporary Russian leaders became hellbent on forcibly "westernising" the Russian economy and society with a completely wilful disregard for the realities of Russian economic characteristics, Russia's important Asian and African allies and a woeful misunderstanding of Russia's history, the events of recent years which have pushed Russia back to its position as a Eurasian superpower. This has helped to extricate Moscow from the circus that is currently unfolding in Canada.

Russia's natural position is with her Asian partners in the SCO. Because Russia is now unwanted by the G7 nations who now don't even agree on a great deal between themselves, it is clear that while Russian leaders in the 1990s and early 2000s failed to make the bold moves necessary to return to Russia's natural home in Eurasia, circumstance has dictated that Russia's natural home is now the place where she is most welcome. Furthermore, a recent remark by Trump indicating that he would like Russia to re-join should be read more as a rhetoric device to provoke Washington's European and Canadian partners, more than an earnest reflection of reality.

Full circle - back to China

It is virtually guaranteed that the SCO meeting hosted by Xi Jinping will be more objectively successful than the G7 meeting hosted by Justin Trudeau. Furthermore, when it comes to the issue of peace in Korea, here too China along with fellow SCO partner Russia have many more positive contributions to make than any of the G7 who in the case of the EU and Canada remain remote from the issue. In the case of Japan, a difficult history with Korea (to put it politely) means that Tokyo's role in the peace process will ultimately be less important than that of China, Russia and the two Korean states themselves and less influential in terms of both optics and singing off on a final agreement than that of the United States.

I personally do not doubt that the rows between Washington on the one side and Canada and the EU on the other will eventually subside, but the childish insults being levelled be multiple G7 leaders prove that the SCO is not only a more civilised forum but ultimately a more productive and cohesive one.

The influence of China over the SCO contrasted with the US influence over the G7 goes a long way in explaining the different characteristics of the two summits which in turn goes along way towards explaining how different the outcomes of both summits will be.

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