

# Lifton on China's Attitude towards Trudeau's Proposal for Free Trade

✘ *There is no better sign of the fracturing of globalization than Canadian Prime Minister's, Justin Trudeau's, announcement of his goal of negotiating a mutual free trade pact between Canada and the PRC. In fact when viewed through the lens of "free trade" CIC's, China's large and well capitalized foreign investment firm (owned in part and backed by China's enormous sovereign wealth fund), recent closing of its Toronto office makes very good sense. CIC is acting as the vanguard for Chinese investments worldwide in critical natural resources for China's ongoing industrial and technological development. By closing its office in Toronto's de facto mining finance center CIC and China are sending a strong message to Canada about investing in natural resources development under its, China's, current (WTO[?]) relationship with Canada. I think that China by this move is also sending an unofficial vote of no confidence in a Canada that would join a US led TPP, the trans-Pacific free trade pact that specifically excludes China.*

Note that Chalco's current Molycorp assets bid is primarily targeted at what was Canada's premier rare earth technology utilization company,, the former Neo Materials, and yet it does not involve any revenue producing Canadian operations, but could involve reviving Neo's and the world's formerly largest recycler of gallium perhaps by transferring the technologies to China. If this comes about it will be interesting to see if Neo's Utah, USA, based world-class ultra-purification facility for gallium trichloride used by the chip industry is included as a non-US (Canadian owned) asset.

I believe that Prime Minister Trudeau will receive a warm welcome from the Chinese trade representatives who will be in Davos later this month to hear him speak about his plans and hopes for Canada's economic future.

I firmly believe after reading, for the last year, the commentary on China's new 5-year plan in the Chinese English language press that China's pollution control and switchover from an investment led to a consumer oriented economy places a barrier to any further globalization of natural resources trade and in fact will be the vanguard of a retreat to regional and national resource economics' determinism.

Whether or not China manipulated rare earth prices to topple Molycorp as many conspiracy theorists believe, China will simply not allow foreign markets to restrict its supply of lithium, cobalt, and the other critical materials for alternate energy storage.

You will know if and when China reopens its Toronto CIC office that Prime Minister Trudeau's plan is working.