

China summons American ambassador over detention of Huawei executive

Peter Symonds

10 December 2018

China has condemned the detention of top Huawei executive Meng Wanzhou by Canadian authorities on December 1 and threatened retaliation against Canada and also the US, which is seeking her extradition. The highly provocative actions of the US are part of the Trump administration's broader campaign to prevent Chinese corporate giants such as Huawei from challenging American technological dominance.

Meng, who is Huawei's financial controller and daughter of its founder and current head Ren Zhengfei, was seized while changing planes in Vancouver on her way to Mexico from Hong Kong. She is still being held pending the outcome of a bail hearing due to continue today. If Meng is extradited to the US and convicted on charges of fraudulently evading American sanctions on Iran, she faces up to 30 years in jail.

Chinese foreign vice-minister Le Yucheng summoned Canadian ambassador John McCallum on Saturday to lodge a "strong protest" over Meng's detention and urged Ottawa to release Meng immediately. Beijing has warned of "grave consequences," accusing Canada of "hurting the feelings of the Chinese people."

On Sunday, Le also summoned Terry Branstad, the US ambassador in China, to lodge "solemn representations and strong protests" against the case against Meng. He told Branstad that the US should immediately correct its wrong action and overturn the order for her arrest.

Editorials over the weekend by the state-run Xinhua news agency and the *People's Daily*, the mouthpiece of the Chinese Communist Party (CCP), reinforced the condemnation, giving voice to widespread public outrage in China.

Xinhua denounced the detention as an "extremely nasty" act and warned that it caused "serious damage to Sino-Canada relations." It noted that Canadian Prime Minister Justin Trudeau must have known about the pending arrest, but chose not to notify China, but instead

"assisted the US side's unilateral hegemonic behaviour."

The *People's Daily* warned that to "avoid paying a dear price" Canada had to "immediately stop its infringement of the legitimate rights and interests of the Chinese citizen." In a warning directed at the US, the editorial declared: "China will not stir up trouble. But it is also not afraid of trouble. Nobody should underestimate China's confidence, willpower and strength."

To add insult to injury, Meng's arrest took place as President Trump was holding talks with Chinese President Xi Jinping at the G20 summit in Argentina to do a deal to halt Washington's escalating economic war against China that has led to massive US tariffs on Chinese goods, and counter-tariffs by China. A vague agreement by the two leaders to resolve a long list of US economic demands within 90 days is now in doubt.

Speaking on CBS television yesterday, Robert Lighthizer, the US trade representative, blithely declared that Meng's detention "shouldn't really have much of an impact" on trade talks. "This is a criminal justice matter. It is totally different from anything I work on," he said.

However, as Lighthizer is well aware, the US-China talks over the next three months are not simply about reducing the US trade deficit with China. On the basis of allegations of intellectual property theft and forced technology transfers, the Trump administration is demanding that Beijing end its "Made in China 2025" plans to make the country a global leader in key hi-tech industries, including computer chips, robotics and electric cars.

The US has already targeted Huawei, the world's second largest smartphone manufacturer, as well as ZTE, another huge Chinese hi-tech corporation. In May, the Pentagon ordered retail outlets to stop selling Huawei and ZTE smartphones on military bases. In August, Trump banned the US government and government contractors from using equipment from the Chinese manufacturers.

Washington has also enlisted allies such as Australia and New Zealand which have barred Huawei and ZTE from involvement in establishing the next generation, 5G wireless networks. Last week UK telco group BT announced it would not buy Huawei equipment for the core of its 5G network.

The high stakes involved were spelled out by Paul Triolo, the head of global tech policy at risk consultancy Eurasia Group, who told CCN that Huawei was the only company in the world right now that can produce all the elements of a 5G network, including base stations, data centres, antennas and handsets, and assemble them “at scale and cost.”

An editorial in the state-run *China Daily* last week declared: “The US is trying to do whatever it can to contain Huawei’s expansion in the world simply because the company is the point man for China’s competitive technology companies.”

Meng’s detention demonstrates that the US will stop at nothing to ensure that China does not threaten its lead in key hi-tech products and related military hardware and systems, or more broadly its global economic and strategic dominance. Her arrest dramatically escalates the thuggish US practice of imposing unilateral sanctions, not backed by the UN, in this case by President Obama against Iran, then inflicting massive penalties on individuals and corporations that violate them.

In the hearing last Friday, a lawyer for Canada’s Justice Department for the first time outlined the US allegations against Meng and Huawei, which is accused of using a Hong Kong company, Skycom Tech, between 2009 and 2014 to do business with Iranian telcos. It is alleged that Meng misled American banks into clearing transactions that were in violation of US sanctions.

A lawyer for Meng told the bail hearing that there was “no evidence” that Skycom was a subsidiary of Huawei during the time in question and declared that US allegations of fraud against his client would be “hotly contested.”

The Beijing regime has not indicated what retaliation it might take if Meng is extradited to the United States and put on trial on fraud charges. Clearly the Chinese leadership has to weigh up the consequences of a complete breakdown of talks with the US over trade and other economic issues, against the lawlessness of American actions and the danger that any deal would be quickly broken by the White House.

Aggressive US economic, diplomatic and military moves against China, begun under Obama’s “pivot to

Asia,” are intensifying under Trump. In a demagogic speech two months ago, US Vice President Mike Pence lashed out against Beijing, denouncing it on issues ranging from “human rights” and intellectual property theft, to the “militarization” of the South China Sea and creating “debt traps” for countries through its Belt and Road Initiative for massive infrastructure spending across Eurasia.

Speaking on CBS television yesterday, Republican Senator Marco Rubio stepped up the threats against Huawei and ZTE, declaring that he would introduce legislation to ban the companies from operating in the US. “Huawei and ZTE and multiple Chinese companies pose a threat to our national interests, our national economic interests and our national security interests,” he said. Rubio is a senior member of the Senate foreign relations committee and chairman of the Congressional-Executive Commission on China, which is a hotbed for anti-China propaganda and measures.

Locking Huawei out of the US could threaten its existence. Tom Holland of Gavekal Research pointed out last Friday that 33 of Huawei’s 92 main suppliers are US companies, including chipmakers Intel, Qualcomm, and Micron, and software firms Microsoft and Oracle. “If Washington now prohibits these companies from selling to Huawei, the Chinese telecoms giant will struggle to survive,” Holland wrote in a note.

The detention of the Huawei executive has far broader implications. Just as the Trump administration has been threatening trade war measures not only against China but against allies such as Germany and Japan, so the US could target their top executives in the same manner as Meng has been detained on concocted charges. The arrest is another sign of the accelerating economic rivalry and conflict that is leading towards the eruption of global war.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact