

Huawei executive's arrest provokes anti-US protests in China

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Canada's arrest of Meng Wanzhou, chief financial officer of the Chinese tech giant Huawei, has provoked outrage in China. Meng was released on bail on harsh and humiliating conditions on Tuesday after 10 days in detention. She faces extradition to the United States on two fraud charges, each carrying jail terms of up to 30 years. She is due back in court on February 6 for extradition proceedings that could last for months.

Meng is accused of misleading American financial institutions into allowing transactions involving the sale of goods to Iran banned under US sanctions. Meng's detention is part of a far broader US campaign, under both the Obama and Trump administrations, aimed at undermining Huawei and other Chinese tech companies.

The political character of Meng's arrest was underscored by US President Donald Trump's comments to Reuters, which made clear her fate was a bargaining chip in US-China trade relations. Trump declared he would "certainly intervene" in the case if he thought it was "good for what will be certainly the largest trade deal ever made" or "good for national security."

Trump's remarks undermine claims by the Canadian government that Meng's detention was purely a legal-administrative matter and was not political or the result of pressure from Washington. Canadian Prime Minister Justin Trudeau was at pains to maintain the deceit, declaring: "Regardless of what goes on in other countries, Canada is—and will always remain—a country of the rule of law."

Meng's treatment, however, has led to a wave of anger in China against both Canada and the US. "On Chinese social media, the US and Canadian embassies' accounts on the Weibo platform have been flooded with comments denouncing the arrest and calling for

Meng's release," *Bloomberg* reported.

Calls have also gone out for a boycott of Canadian brands, including high-profile Canada Goose Holdings, a maker of prestige parkas, whose shares have plummeted by more than 18 percent since Meng's arrest.

The *Washington Post* cited the comments of several people on the streets of Beijing. "This is definitely not just about the law. This is something very vile in nature," office worker Lang Bin said. "The United States is deliberately doing this to Huawei because Huawei is an industry leader in China," Chen Lili, a young doctor, told the newspaper.

A number of Chinese companies have taken measures of their own against Apple, which Huawei surpassed this year as the world's second largest supplier of smart phones, behind Samsung. Mengpai Technology has offered to subsidise staff who buy Huawei phones while fining those who bought Apple phones. Shenzhen Huiyisheng called for employees to hand in their Apple phones and threatened dismissal if they refused to do so.

The Chinese government has condemned the actions of Canada and the US, hauling in their ambassadors to Beijing for a dressing down and warning of "grave consequences" if Meng were not released.

In what appears to be retaliation, Chinese authorities earlier this week detained former Canadian diplomat Michael Kovrig, who works for the Brussels-based think tank, the International Crisis Group (ICG). Chinese foreign ministry spokesperson Lu Kang provided no details of Kovrig's arrest, but suggested that his activities in China were illegal because the ICG was not a registered non-government organisation.

Canadian Public Safety Minister Ralph Goodale expressed concern at an arrest, "where there's no

apparent or obvious cause” but added that “we want to make sure we get all the facts.” The US State Department, however, dispensed with the niceties. Utterly hypocritically, it called on China to “end all forms of arbitrary detention and respect the protections and freedoms of all individuals.”

Meng’s arrest, undoubtedly engineered by Washington with Canada’s collusion, was a thinly-veiled act of gangsterism. The allegations against the Huawei executive are based on US sanctions unilaterally imposed against Iran, and backed, not by the UN or any international body, but by threats of US economic and legal penalties.

China, however, has responded cautiously so as not to jeopardise the possibility of an agreement with the Trump administration to end the escalating economic war between the two countries. According to *Bloomberg*, Chinese authorities are attempting to rein in the outpouring of angry protests on social media.

The ramifications of Meng’s arbitrary detention already are being felt in the US and China. *Business Insider* reported that Chinese researchers in hi-tech sectors have been warned not to travel to the US unless absolutely necessary. An internal research centre memo urged anyone who had to go to the United States to delete sensitive information from their computers and phones.

The *Wall Street Journal* reported the concerns of the 1,500 Huawei employees in the United States about their jobs, amid the ongoing US campaign to block its activities. The Chinese company operates on 18 sites in the US, including its North American headquarters in Texas and a substantial research and development facility in California. It spends about \$8 million annually in partnerships with more than 50 US universities, which is increasingly coming under fire in Congress from anti-China hawks.

Huawei has been something of a flagship for Beijing’s ambitious “Made in China 2025” program aimed at making China a leading contender in hi-tech industries such as robotics, artificial intelligence and electric cars. As well as being a leading producer of smart phones, Huawei is already the world’s largest supplier of cellular tower equipment and related telecom infrastructure.

At the same time, Huawei is heavily dependent on advanced chips bought from American companies to

build its products. It imports around \$10 billion a year of components from the United States and is acutely sensitive to any threat to those supplies. Earlier this year, Huawei’s smaller rival ZTE was threatened with collapse when the US government maintained a ban for months on the sale of high-end chips to the company, which similarly had been accused of breaching American sanctions on Iran.

In turn, the US could be vulnerable to loss of access to Chinese technological advances as it seeks to roll out the emerging fifth generation of cellular technology, known as 5G. Washington has sought to block the use of Huawei equipment in its new networks, on the grounds of “national security,” and has pressured allies such as Australia and New Zealand to follow suit. Huawei, however, is a leading 5G developer. China holds about 10 percent of patents related to 5G standards, mostly belonging to Huawei.

Meng’s arrest underscores the determination of the US ruling class to use every means available to prevent China from challenging its dominant position in advanced technology, which is critical to ensuring its global economic and strategic hegemony.



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