Johnson government falls in behind Washington's economic war with China

Jean Shaoul
9 June 2020

UK Prime Minister Boris Johnson has come out openly in support of the US against China over Hong Kong. He announced that Britain will open its doors to any of the 2.9 million Hong Kong citizens eligible for a British National Overseas passport if China imposes its national security law.

Writing for the Murdoch press *Times* newspaper June 3, Johnson said that his offer, which would require a change in Britain's immigration rules, would allow anyone holding or eligible to hold these passports to come to the UK for a renewable period of 12 months, be allowed to work or study and thus potentially be eligible for citizenship. He described his offer—riddled with all sorts of loopholes—as extending "the hand of friendship" to the people in Britain's former colony.

He forgot to say that this former colony, seized from China, has never benefited from Britain's "friendship." It was wrested from China in 1841 during Britain's first two-year-long opium war, served as Britain's commercial gateway to the country and became a byword for colonial domination, oppression and social misery.

In 1997, after the expiry of its 99 year "lease"—a term that denotes its feudal and exploitative relationship with the territory—the UK handed Hong Kong back to China under a 50-year form of semi-autonomy known as 'one country, two systems" that perpetuated its citizens' lack of democratic rights under British rule.

Johnson's "offer"—coming from a man whose career has been built on fostering xenophobia and who made limiting immigration into Britain the centrepiece of his Brexit strategy, even increasing the visa fee for vital staff for a National Health Service which has more than 100,000 vacancies—is disgusting. It is a cynical and hypocritical public relations stunt aimed at demonstrating his craven support for US President Donald Trump, even though it means threatening the City of London's profit base, the last prop of the British economy.

Johnson made this offer amid the Trump administration's escalating anti-China campaign. This has included blaming Beijing for the global COVID-19 pandemic and US Secretary of State Mike Pompeo's declaration that the "facts on the ground" showed that Hong Kong no longer had "a high degree of autonomy" from China.

The US is preparing to impose a raft of economic and trade sanctions that would damage Hong Kong's position as a global financial hub, the third most important in the world, and its role as a springboard into mainland China due to its looser export controls and agreements on technology transfers, academic exchanges, taxation, currency exchange and sanctions. This economic assault on Hong Kong forms part of Washington's broader efforts over the last 10 years to undermine China's economic and strategic position and prepare for a possible war.

Pompeo's announcement came in response to China's declaration last month that its annual National People's Congress (NPC) would pass a new national security law covering subversion, terrorism and foreign influence in Hong Kong. The legislation, if enacted, would override Hong Kong's legislature, which had to abandon a similar law in 2003 in the face of mass demonstrations against its reactionary measures, led by pro-imperialist forces.

Trump upped the ante, saying in a bellicose speech that the US would respond "very powerfully" if the NPC passed the proposed legislation, while Assistant Secretary of State David Stilwell confirmed that the State Department was discussing what punitive action to take.

Washington's assault on Hong Kong's special economic status threatens to undermine Britain's banking, financial services, fintech and commercial corporations, on whose speculative and parasitic activities the British economy has become ever more dependent and which are in turn heavily reliant on the Far East for the

© World Socialist Web Site

majority of their profits, not to say their viability.

More than 300 UK-based companies have regional headquarters or offices serving Hong Kong's domestic market and the region, while the UK is the prime destination for Chinese foreign investment, which in the last five years has equalled the total in the previous 30 years.

Last week, Britain's largest bank HSBC, which had once threatened to move its headquarters to Hong Kong and generates the bulk of its profits in Asia, announced that first-quarter profits had nearly halved as it set aside $3 billion in bad loan provisions due to the coronavirus pandemic. This comes just two months after it announced that it would shed 35,000 jobs worldwide to cut costs.

Johnson's very public support for Washington has prompted a furious response from China's foreign ministry, which warned Britain to "step back from the brink" and "abandon" its "cold war mentality." It said, "Interfering in Hong Kong's affairs" will "definitely backfire." Both HSBC and Standard Chartered Bank have now distanced themselves from Johnson and declared their support for China's national security legislation for Hong Kong, thereby driving a wedge between the City and the government and intensifying its political crisis.

Johnson's "Get Brexit Done" game plan involved straddling two horses: seeking an ever-closer alignment with Washington's economic and military agenda while at the same time pursuing bilateral trade deals with countries around the world, including China. He thought that a "Global Britain" approach would either compensate for the loss of trade with the European Union (EU), that accounts for nearly 50 percent of British exports, or enable him to force a trade deal with the EU on the strength of his alliance with Washington.

He had therefore been reluctant initially to alienate China and join the Trump administration's economic war. However, Washington made it clear abstentionism was unacceptable.

Johnson then came under heavy pressure from right-wing forces in both the Conservative and Labour parties opposed to China's growing economic power.

The Henry Jackson Society, a British foreign policy think tank closely aligned with neo-conservatives in the US, argued in a recent report, endorsed by former head of MI6 Sir Richard Dearlove, that the Five Eyes countries (US, Canada, Australia, New Zealand and the UK) should reduce their dependence on China for "strategic" goods that service critical national infrastructure. It called for Huawei, the Chinese telecoms manufacturer, to be designated as a high-risk vendor and barred from playing any part in the development of Britain's 5G network.

Johnson has been forced to review the decision—made in January—to allow Huawei equipment a limited role in the project. A similar controversy has erupted over the plan to build the Sizewell C nuclear plant with China Nuclear Energy (CGN). Sizewell is the second of three nuclear plants that the Chinese government agreed to build in the UK under a 2015 deal signed with the Cameron government.

Pro-imperialist NGO Hong Kong Watch's chief executive Johnny Patterson described Britain's response as "limp, inane and could have been copied and pasted directly from their previous statements" and called for the government to coordinate a joint response of "like-minded" countries to China's move.

Adding to the pressure on Johnson, seven former foreign secretaries, both Labour and Conservative, appealed to Foreign Secretary Dominic Raab for Britain to be more assertive over Hong Kong. Concerned that the response to China should not be left to Trump, and unwilling for Britain to sever its ties with the European powers from whom it is becoming increasingly isolated, they appealed to him to coordinate a European response to China.

While Trump has proposed a meeting in September of the G7 nations plus Australia, Korea, India and Russia, the European Union is at odds with the Trump administration over its handling of the conflict with China, which it views as contrary to its commercial and geostrategic interests. At an EU meeting last week, only Sweden supported Washington's proposed sanctions.

In throwing in his lot with Washington, however reluctantly, over sanctions against Hong Kong and China, Johnson has intensified his government's political crisis and isolation. His delusional fantasy of "Global Britain" has been exposed as a chimera. It has proved impossible for Britain to pursue its own international commercial interests without jeopardising its strategic relationship with the US, the world's dominant military power that has, since the end of World War II, enabled London to "punch above its weight" on the world arena.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site