

US drops demand Canada extradite Huawei CFO Meng Wanzhou, allowing her to return to China

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Under a deal worked out by Washington and Beijing at the highest political levels, Meng Wanzhou, the chief financial officer of Huawei and the daughter of its founder, returned to China Saturday, after living under house arrest for nearly three years in Vancouver, British Columbia.

As part of the deal, Meng, who was seized by Canadian authorities at the behest of the Trump administration in December 2018, pled not guilty in an on-line New York court appearance to charges of committing bank fraud to evade US sanctions on Iran.

The Canadian authorities' decision to arrest Meng during a Vancouver stopover had all the hallmarks of a political kidnapping, timed as it was to coincide with a bilateral meeting between then US President Donald Trump and his Chinese counterpart Xi Jinping on the sidelines of a G-20 summit. Trump's goal at the meeting was to extract sweeping concessions from China on trade and economic relations.

The deal to release Meng was designed to be face-saving for all concerned. US prosecutors officially pledged to suspend their concocted fraud case against Meng, until December 2022, at which point the criminal charges against her will be dropped entirely, provided that Meng does not violate any other federal laws. The US Justice Department claimed that Meng's admission in the Statement of Facts that she described Skycom, a subsidiary of Huawei, as a business partner engaged in "normal business cooperation" in a 2013 power-point presentation instead of a company controlled by Huawei was an acknowledgement of guilt. This is a spurious reading of the evidence and, in any event, far from the incendiary allegations the US levelled against Meng that she duped the HSBC bank so as to violate Washington's punitive, unilateral sanctions against Iran.

Several prominent US legal experts described the Justice Department's deferred prosecution agreement as unlike any they had previously seen, underscoring that Washington effectively decided to abandon the case. Following the announcement of the deal, the Chinese government reiterated its position that Meng's detention and prosecution were purely political and emphasized that she had made no acknowledgment of guilt. Her return to China became the occasion for the regime to whip up nationalism, with her red-carpet welcome ceremony broadcast on state television and livestreamed online.

The dropping of the US request for Meng's extradition and her return to China was accompanied by the tit-for-tat release of two Canadian citizens, Michael Kovrig and Michael Spavor, whom Beijing had detained on charges of spying in the immediate aftermath of Meng's seizure by Canadian authorities.

Underscoring that the prisoner swap was orchestrated at the highest levels of the Biden administration, Kovrig and Spavor were picked up by a US Air Force jet destined for Alaska at precisely the same moment that Meng boarded her Air China-chartered flight from Vancouver. Kovrig's and Spavor's return to Canada Saturday was exploited by the political establishment and corporate media to intensify their virulent anti-China campaign.

Several considerations were at play in Washington's decision to abandon its prosecution and persecution of Meng. First, the case against her, as the Statement of Facts attests, was based on a tendentious, politically-motivated representation of her dealings with HSBC and in serious danger of collapsing. While the Canadian government was emphatic in its support for Meng's extradition, with lawyers for the Attorney General vigorously defending it in court, the judge hearing the extradition case, B.C. Supreme Court Associate Chief Justice Heather Holmes, increasingly expressed concern about its legal foundation. At an August 12 hearing, she described the fraud case against Meng as "unusual," noting, according to a *Globe and Mail* report, that "no one lost money, the allegations are several years old, and the intended victim, a global bank, knew the truth even as it was allegedly being lied to."

The proceedings also uncovered how Meng's rights were blatantly violated by Canadian authorities. For several hours Canada Border Services agents concealed from Meng that she was effectively under arrest as soon as she arrived in Canada in December 2018 and thereby got her to hand over her phone and other possessions. They then handed them to the Royal Canadian Mounted Police, which in turn made their contents known to the FBI.

There was no doubt concern in the Biden administration that if Meng's extradition or subsequent trial collapsed or became the occasion for further embarrassing revelations about the lawlessness of US and Canadian authorities, it would represent a serious blow to Washington's propaganda campaign against Beijing.

This campaign, which touts the US as the leader of a "democratic" coalition of nations that respect the "rules-based international order" against China and other "authoritarian" regimes, is political cover for an ever expanding military-strategic offensive against China whose logic is a catastrophic global conflagration. Earlier this month, Washington established a new Indo-Pacific war alliance with Australia and Britain (AUKUS), whose first action has been to supply Australia with nuclear-powered and nuclear missile-capable submarines.

The release of Meng may also have been motivated by a desire to

mend fences with the European powers, who, led by France, have angrily protested the secretly negotiated AUKUS deal, which cuts across their own plans to play a greater role in the Indo-Pacific. Meng's trial over Iranian sanctions would have involved the extraterritorial application of US laws, which the European powers view with hostility.

Finally, Washington has largely gotten what it wanted out of Meng's detention, which was part of a concerted pushback against Huawei's emergence as one of the world's largest high-tech concerns. Key US allies, including Australia and Britain, have explicitly banned Huawei from their 5G networks, while many others have effectively blacklisted the company by choosing competitors. US authorities also introduced bans and restrictions preventing businesses from trading with Huawei, including an August 2020 measure that requires companies selling any product with a US-made microchip to Huawei to first obtain a license. At the time, this move was described as imposing a "death sentence" on the Chinese company as a maker of 5G technology products.

By taking the dispute with Beijing over Meng off the table, Washington removes what had become an impediment to any meaningful interaction with the China's Communist Party-led capitalist regime, enabling it to concentrate on stepping up diplomatic pressure to make concessions on climate change and other issues that Biden has said are up for negotiation. US imperialism views the climate change negotiations as a vital arena in the pursuit of its global economic and geo-political interests and providing it with an avenue to attack China economically, including potentially through "carbon tariffs." In his address to last week's UN General Assembly, Biden summed up this policy by referring to a "new era of relentless diplomacy." This is by no means a turn away from, but rather a critical component of, the comprehensive economic and military pressure US imperialism is exerting on China.

By securing the release of Kovrig and Spavor as part of its settlement of the Meng case, Washington is also in a position to ratchet up pressure on Canada to fall even more fully into line behind its diplomatic, economic, and military campaign of intimidation against China. Canada has yet to formally exclude Huawei from its 5G network, and repeated delays to the release of its updated China policy have frustrated US officials. Speaking just days prior to Meng's release, David L. Cohen, Biden's nominee as Washington's new ambassador to Ottawa, told a US Senate confirmation hearing, "We are all waiting for Canada to release its framework for its overall China policy. As ambassador, if I'm confirmed, it's an appropriate role to be engaged in discussions and make sure that Canada's policies reflect its words in terms of the treatment of China."

The most vociferously anti-China sections of the Canadian political establishment certainly got the message as they unleashed tirades against Beijing over the weekend, combined with demands that Canada further expand its across-the-board military-security cooperation with the United States. Ignoring the fact that Beijing's seizure of Kovrig and Spavor was a reaction to the initial political kidnapping of Meng, Guy Saint-Jacques, Canada's former ambassador to China, stated, "We must agree among ourselves on sanctions that we could apply against China if they ever use this hostage diplomacy again. It's about sending a very powerful message that this kind of bullying can't carry on. We have to put teeth to it."

Conservative Senator Leo Housakos, a leading anti-China hawk, added, "Now that the two Michaels are home and the Chinese communist regime's thuggery has been fully exposed for what it is,

what we've known it is all along, Canada can no longer continue to deal with this regime as honest brokers." Housakos demanded that the Trudeau government immediately ban Huawei from the 5G network and announce a boycott of the 2022 Beijing Winter Olympics.

Far from avoiding confrontation with Beijing, the Trudeau government has lined up squarely behind US imperialism's concerted geostrategic and military offensive against China. Under Trump, the Trudeau government supported the renegotiation of NAFTA to create an even more explicitly US-led protectionist North American trade bloc directed against China. The Liberals have also more fully integrated Canada's military operations into US-led aggression in the Asia-Pacific, including by sending warships and submarines to the South China Sea.

Last month, the Trudeau government concluded an agreement with the US to modernize NORAD, the joint Canada-US aerospace and maritime defence, with the aim of consolidating the North American imperialist powers' domination of the Arctic and preparing for a new age of "strategic competition" and potential nuclear war with Russia and China.

However, Trudeau continues to be associated by his political opponents with efforts to expand trade relations and even conclude a free trade deal with China. China is an important export market for corporate Canada, especially natural resources and agricultural products.

The exclusion of Canada from AUKUS gave further ammunition to Trudeau's critics, who saw in this Ottawa's sidelining by the US in the Indo-Pacific. It became the occasion for denunciations of the Liberal government from the right in the final days of the election campaign and demands from the military-security establishment for a more comprehensive foreign policy strategy and increased military spending.

Though Trudeau has avoided making any major statement about Canada-China relations since the Meng deal, the government gave its full support to the media-engineered propaganda campaign surrounding Kovrig and Spavor's return to the country. Trudeau and Foreign Minister Marc Garneau both flew to Calgary to welcome the pair, who travelled on from Alaska in a Canadian Armed Forces plane.



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