

Averting World Conflict With China

by Ron Unz via claire - Unz Review *Friday, Dec 14 2018, 10:22pm*

international / prose / post

As most readers know, I'm not a casual political blogger and I prefer producing lengthy research articles rather than chasing the headlines of current events. But there are exceptions to every rule, and the looming danger of a direct worldwide clash with China is one of them.

Consider the arrest last week of Meng Wanzhou, the CFO of Huawei, the world's largest telecom equipment manufacturer. While flying from Hong Kong to Mexico, Ms. Meng was changing planes in the Vancouver International Airport when she was suddenly detained by the Canadian government on an August US warrant. Although now released on \$10 million bail, she still faces extradition to a New York City courtroom, where she could receive up to thirty years in federal prison for allegedly having conspired in 2010 to violate America's unilateral economic trade sanctions against Iran.

Although our mainstream media outlets have certainly covered this important story, including front page articles in the New York Times and the Wall Street Journal, I doubt most American readers fully recognize the extraordinary gravity of this international incident and its potential for altering the course of world history. As one scholar noted, no event since America's [deliberate](#) 1999 bombing of China's embassy in Belgrade, which killed several Chinese diplomats, has so outraged both the Chinese government and its population. Columbia's Jeffrey Sachs correctly [described](#) it as "almost a US declaration of war on China's business community."

Such a reaction is hardly surprising. With annual revenue of \$100 billion, Huawei ranks as the world's largest and most advanced telecommunications equipment manufacturer as well as China's most internationally successful and prestigious company. Ms. Meng is not only a longtime top executive there, but also the daughter of the company's founder, Ren Zhengfei, whose enormous entrepreneurial success has established him as a Chinese national hero.

Her seizure on obscure American sanction violation charges while changing planes in a Canadian airport almost amounts to a kidnapping. One journalist asked how Americans would react if China had seized Sheryl Sandberg of Facebook for violating Chinese law...especially if Sandberg were also the daughter of Steve Jobs.

Indeed, the closest analogy that comes to my mind is when Prince Mohammed bin Salman of Saudi Arabia kidnapped the Prime Minister of Lebanon earlier this year and held him hostage. Later he more successfully did the same with hundreds of his wealthiest Saudi subjects, extorting something like \$100 billion in ransom from their families before finally releasing them. Then he may have finally over-reached himself when Washington Post columnist Jamal Khashoggi, a Saudi dissident, was killed and dismembered by a bone-saw at the Saudi embassy in Turkey.

We should actually be a bit grateful to Prince Mohammed since without him America would clearly have the most insane government anywhere in the world. As it stands, we're merely tied for first.

Since the end of the Cold War, the American government has become increasingly delusional, regarding itself as the Supreme World Hegemon. As a result, local American courts have begun

enforcing gigantic financial penalties against foreign countries and their leading corporations, and I suspect that the rest of the world is tiring of this misbehavior. Perhaps such actions can still be taken against the subservient vassal states of Europe, but by most objective measures, the size of China's real economy surpassed that of the US several years ago and is now substantially larger, while also still having a far higher rate of growth. Our totally dishonest mainstream media regularly obscures this reality, but it remains true nonetheless.

Provoking a disastrous worldwide confrontation with mighty China by seizing and imprisoning one of its leading technology executives reminds me of a comment I made several years ago about America's behavior under the rule of its current political elites:

Or to apply a far harsher biological metaphor, consider a poor canine infected with the rabies virus. The virus may have no brain and its body-weight is probably less than one-millionth that of the host, but once it has seized control of the central nervous system, the animal, big brain and all, becomes a helpless puppet.

Once friendly Fido runs around foaming at the mouth, barking at the sky, and trying to bite all the other animals it can reach. Its friends and relatives are saddened by its plight but stay well clear, hoping to avoid infection before the inevitable happens, and poor Fido finally collapses dead in a heap.

Normal countries like China naturally assume that other countries like the US will also behave in normal ways, and their dumbfounded shock at Ms. Meng's seizure has surely delayed their effective response. In 1959, Vice President Richard Nixon visited Moscow and famously engaged in a heated "kitchen debate" with Premier Nikita Khrushchev over the relative merits of Communism and Capitalism. What would have been the American reaction if Nixon had been immediately arrested and given a ten year Gulag sentence for "anti-Soviet agitation"?

Since a natural reaction to international hostage-taking is retaliatory international hostage-taking, the newspapers have reported that top American executives have decided to forego visits to China until the crisis is resolved. These days, General Motors sells more cars in China than in the US, and China is also the manufacturing source of nearly all our iPhones, but Tim Cook, Mary Barra, and their higher-ranking subordinates are unlikely to visit that country in the immediate future, nor would the top executives of Google, Facebook, Goldman Sachs, and the leading Hollywood studios be willing to risk indefinite imprisonment.

Canada had arrested Ms. Meng on American orders, and this morning's newspapers reported that a former Canadian diplomat had suddenly been detained in China, presumably as a small bargaining-chip to encourage Ms. Meng's release. But I very much doubt such measures will have much effect. Once we forgo traditional international practices and adopt the Law of the Jungle, it becomes very important to recognize the true lines of power and control, and Canada is merely acting as an American political puppet in this matter. Would threatening the puppet rather than the puppet-master be likely to have much effect?

Similarly, nearly all of America's leading technology executives are already quite hostile to the Trump Administration, and even if it were possible, seizing one of them would hardly be likely to sway our political leadership. To a lesser extent, the same thing is true about the overwhelming majority of America's top corporate leaders. They are not the individuals who call the shots in the current White House.

Indeed, is President Trump himself anything more than a higher-level puppet in this very dangerous

affair? World peace and American national security interests are being sacrificed in order to harshly enforce the Israel Lobby's international sanctions campaign against Iran, and we should hardly be surprised that the National Security Adviser John Bolton, one of America's most extreme pro-Israel zealots, had personally given the [green light](#) to the arrest. Meanwhile, there are credible reports that Trump himself remained entirely unaware of these plans, and Ms. Meng was seized on the same day that he was personally meeting on trade issues with Chinese President Xi. Some have even suggested that the incident was a deliberate slap in Trump's face.

But Bolton's apparent involvement underscores the central role of his longtime patron, multi-billionaire casino-magnate Sheldon Adelson, whose enormous financial influence within Republican political circles has been overwhelmingly focused on pro-Israel policy and hostility towards Iran, Israel's regional rival.

Although it is far from clear whether the very elderly Adelson played any direct personal role in Ms. Meng's arrest, he surely must be viewed as the central figure in fostering the political climate that produced the current situation. Perhaps he should not be described as the ultimate puppet-master behind our current clash with China, but any such political puppet-masters who do exist are certainly operating at his immediate beck and call. In very literal terms, I suspect that if Adelson placed a single phone call to the White House, the Trump Administration would order Canada to release Ms. Meng that same day.

Adelson's fortune of \$33 billion ranks him as the 15th wealthiest man in America, and the bulk of his fortune is based on his ownership of extremely lucrative gambling casinos in Macau, China. In effect, the Chinese government currently has its hands around the financial windpipe of the man ultimately responsible for Ms. Meng's arrest and whose pro-Israel minions largely control American foreign policy. I very much doubt that they are fully aware of this enormous, untapped source of political leverage.

Over the years, Adelson's Chinese Macau casinos have been involved in all sorts of political [bribery scandals](#), and I suspect it would be very easy for the Chinese government to find reasonable grounds for immediately shutting them down, at least on a temporary basis, with such an action having almost no negative repercussions to Chinese society or the bulk of the Chinese population. How could the international community possibly complain about the Chinese government shutting down some of their own local gambling casinos with a long public record of official bribery and other criminal activity? At worst, other gambling casino magnates would become reluctant to invest future sums in establishing additional Chinese casinos, hardly a desperate threat to President Xi's anti-corruption government.

I don't have a background in finance and I haven't bothered trying to guess the precise impact of a temporary shutdown of Adelson's Chinese casinos, but it wouldn't surprise me if the resulting drop in the stock price of Las Vegas Sands Corp would reduce Adelson's personal net worth were by \$5-10 billion within 24 hours, surely enough to get his immediate personal attention. Meanwhile, threats of a permanent shutdown, perhaps extending to Chinese-influenced Singapore, might lead to the near-total destruction of Adelson's personal fortune, and similar measures could also be applied as well to the casinos of all the other fanatically pro-Israel American billionaires, who dominate the remainder of gambling in Chinese Macau.

The chain of political puppets responsible for Ms. Meng's sudden detention is certainly a complex and murky one. But the Chinese government already possesses the absolute power of financial life-or-death over Sheldon Adelson, the man located at the very top of that chain. If the Chinese leadership recognizes that power and takes effective steps, Ms. Meng will immediately be put on a

plane back home, carrying the deepest sort of international political apology. And future attacks against Huawei, ZTE, and other Chinese technology companies would not be repeated.

China actually holds a Royal Flush in this international political poker game. The only question is whether they will recognize the value of their hand. I hope they do for the sake of America and the entire world.

Author retains copyright.

<http://www.unz.com/runz/averting-world-conflict-with-china/>

Inverse Times Open Publishing. <http://inversetimes.lingama.net/news/story-391.html>