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# Of Canaries and Ropes: Theoretical and Policy Dilemmas Stemming from Canada's Huawei 5G Networks Saga

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## Introduction

- 1 The pair of allusions in this article's title speak to some important implications for Canadian defence and security policy, and by extension to the policies of other Western countries, the United States among them. The avian allusion stems from the practice of British coal miners, starting shortly before that war, to carry a caged canary down into the shafts with them, where the hapless bird could serve as an early warning system for the detection of the buildup of dangerous gases; if it died, it was time for the miners to throw down their picks and scurry from the premises. The rope imagery, though widespread in English demotic usage for centuries, really came into its own, geostrategically, following the First World War and the Russian revolution, when Lenin purportedly remarked, apropos the importation of Western capital and technology during the years of the USSR's "new economic policy", that the Soviets could count upon the capitalists vying with each other for the "rope contract". By this he meant that when the time came for them to be hanged, the capitalists would happily participate in their own demise, without ever realizing what was happening to them (Jordan G.R. and R.L. Stokes, 1952). In other words, Western economic entities would

contribute to strengthening the economy of the very country that most loomed as their principal ideological and security challenger during the 1920s.

- 2 While the pair of allusions may be old, they highlight some very contemporary policy dilemmas facing Canada, the United States, and other Western governments, and do this by demonstrating how interwoven domestic and external security interests can be. Those dilemmas have once more been put on display – one could almost say on cruel display – by Russia's war against Ukraine. Whatever else Putin's current aggression does, it serves to remind Western (especially Western European) leaders of the dangers that can stem from a failure to recognize that trade links are not just about "commerce"; they also bring in their wake, under certain conditions, powerful geopolitical risks. Nor is it only dependence upon Russia that proves worrisome, because as this article will argue, Western interdependence with China had been occasioning a growing amount of concern well before Vladimir Putin hatched his madcap scheme to invade Ukraine in February 2022. It is upon those China-related concerns, in both their theoretical and empirical dimensions, that this article focuses, using Canada's experience with Huawei as a cautionary tale of great potential applicability to the ensemble of Western countries as they ponder the future of multilateralism.
- 3 Today's concerns about the security implications of trade are an echo of similar concerns that were expressed at an earlier time, prior to the advent of an era of globalization that had increasingly characterized the decades since the end of the Second World War, until the past few years. Those decades had seen the "postwar" world metamorphose into the "post-Cold War" one, in which globalization accelerated by leaps and bounds after the demise of the Soviet Union.
- 4 The current policy dilemmas facing Canada and other Western countries stem from several factors, and are reflected in the growing disillusionment with the current state of globalization. Most importantly, there has been a widespread rejection of globalization in the one country, the United States, that until very recently had been its most enthusiastic champion, and had more than any other single country been responsible for the creation of the political-economic order that emerged out of the wreckage of the Second World War. Over the course of the postwar decades, that order came to be styled, the "Liberal International Order", or LIO. Until very recently, it was quite popular in many Western countries, Canada and the United States especially, where there existed an almost Messianic conviction that "engaging" potential adversaries through tightened bonds of economic interdependence was the best remedy to the twin problems of global conflict and global poverty. Today, engagement with countries whose political values are decidedly different from, and opposed to, Western values looks like a delusion, so much so that many wonder how the conviction could have ever taken root in the first place.
- 5 There is, of course, a reason why it took root: policymakers' reading of recent history. Following the Second World War, the idea became fairly well entrenched in Western countries that economic competition fuelled by "neo-mercantilist" policies had contributed to the breakdown of global order during the 1930s (Zoellick R.B. and J. Gedmin, 2020). As a result, policymakers in the United States, Canada, and other developed capitalist states (especially the United Kingdom) took steps to promote the spread of liberal economic practices, on the assumption that doing so would enhance the prospects of peace – as well, of course, as generate prosperity for the members of

the "cooperating" community (Cronin J.E., 2014; Mead W.R., 208; Rosenboim O., 2017). Cold War realities meant that the geographic bounds of that community would necessarily be the "West", broadly conceived to represent the capitalist states. This meant that there would be large swathes of territory outside those bounds. But the ending of the Cold War changed the perspective, such that it was now possible to imagine that what John Mearsheimer terms "hyperglobalization" and what many others like to call "neo-liberalism" could come to characterize political-economic realities virtually everywhere on earth (Mearsheimer J.J., 2019; Gerstle G., 2022).

- 6 The possibility that globalization, by enriching states which might not turn out to be so "friendly" to Western interests and which might instead use their new-found riches not to strengthen but to weaken the LIO, was not regarded as anything to worry seriously about, in those heady years of the early 1990s. Some observers did, to be sure, ruminate on the hypothetical (if unlikely) possibility of something going badly wrong with the new arrangements (Papayoanu P.A. and Kastner S.L., 1999). For the most part, though, it was generally thought at the time that a rising tide would be bound to lift all boats, in the bargain making those boats skippered by autocratic rulers ever more susceptible to having new, democratic, hands eventually take the tiller. Who could gainsay this logic, which after all had "worked" to build a prosperous and democratic West following the Second World War? Presumably the same logic could be made to work more generally following the Cold War, converting more and more countries into economic and security partners, just as had been done after 1945, when Germany and Japan were transformed into central pillars in the postwar order, through that era's policies directed at engagement (of former Axis adversaries) and enlargement (of the West). Through these devices, it was believed, peace would break out across the planet (Mandelbaum M., 2019).
- 7 Now we are entering an era in which globalization, "hyper" or otherwise, no longer gets praised as the closest thing imaginable to economic, political, and security godliness. Instead discussions of "de-globalization" and its merits are making the rounds. With those discussions has come a renewed interest in economic statecraft, or "geoeconomics" (Baldwin D.A., 2020; Blackwell R.D. and J.M. Harris, 2016). As had happened in previous eras, thoughts have again turned toward the allure of *relative* gains from interdependence over that of absolute gains (Grieco J., Powell R., and D. Snidal, 1993).
- 8 It is in this context that the two allusions derive their contemporary significance, for both draw our attention to the unavoidable domestic economic stakes of international security competition. As the case of Russia, above, indicates, the economic stakes can be very high indeed in the resource sector. But even higher are the stakes in the realm of "high-technology", especially in the telecommunications sector. That sector (to cite Lenin once again) has to be regarded as the "commanding heights" of the modern economy (Yergin D. and J. Stanislaw, 1998). Control of the sector's fifth-generation (or 5G) technology is key, so much so that it brings to mind the prophesy of a famous geopolitical theorist of Lenin's era, Halford Mackinder. He was famous for many things not least of them being his dictum regarding the geographic fulcrum of global power: "Who rules East Europe commands the Heartland; who rules the Heartland commands the World-Island; who rules the World-Island commands the world" (Mackinder H.J., 1904). We might update Mackinder's aphorism by paraphrasing him: "Who rules 5G rules the Internet of Things (IoT), who rules the IoT rules the world".

- 9 Although hypotheses about pivots of global power rarely if ever feature much discussion of Canada's domestic economy, in this case, bringing Canada into the discussion is warranted. For Canada's experience with Huawei really does appear to have helped China along considerably in the process of providing the latter with Lenin's "rope", testifying willy-nilly to the activity of a country extending to another country the help it needs to undercut the economic and security interests of the country lending it a hand. Moreover, because Canada was such a "first mover" in this strange tale of enabling, to its own detriment, the technological rise of an unfriendly state, it can and should represent for other countries what the canary was for the miners: an early-warning signal of what might go wrong should policymakers not pay enough attention to the unavoidable linkages between interdependence and security, in both its domestic and external dimensions (Chiu J., 2021; Manthorpe J., 2019). That is the story I tell in this article, against a backdrop of broader theoretical and empirical developments.

## The *Problématique*

- 10 The place to begin the inquiry is with the rising mood of pessimism regarding the security implications of globalization. While it is true that in some parts of the world and within certain ideological precincts there had for some time been distrust of economic interdependence, what is striking about today's pessimistic mood is the degree to which the United States *itself* has begun to take a hard look at both the security and economic implications of globalization. And when it starts to take such a look, it behooves Canada and other countries to pay attention to the direction of its gaze. That it has been reassessing the once-vaunted merits of hyperglobalization must come as a surprise to observers elsewhere, not least those in France, who had for some decades accustomed themselves to thinking that globalization was just a code word for "Americanization", with the latter not generally regarded as representing a healthy trend (Biarnès P., 1998; Guéhenno J.M., 1999; Kuisel R.F., 1993). That the USA itself might defect from arrangements believed to be so beneficial to it was not considered to be a real possibility – until it clearly became one, for reasons I relate below.
- 11 But it is not only in the USA where discussion has been turning to the security implications of interdependence, as this article's subsequent section will demonstrate, with its focus upon Canada's once-promising but now discredited involvement with Huawei. Those implications embrace both an international and a domestic dimension, and have been accentuated by two phenomena: 1) growing worries about the security and defense implications of China's economic "rise", and 2) the February 2022 Russian invasion of Ukraine, one immediate consequence of which has been to inject with steroids the extant debate over the strategic wisdom of enriching certain countries, through globalization and interdependence.
- 12 If the China threat remained potential, and as a result lurked somewhere in an indeterminate future, the Russia one is emphatically in the "here and now", as one Western country after another awakens to the sobering thought that their consumers' purchases of Russian hydrocarbons have effectively been providing Vladimir Putin with the means of killing Ukrainians. True, in the case of Russia it has not been high-tech telecommunications that present the problem, but what Russia does provides an excellent illustration of the Janus-faced nature of trade as an element of state power,

something so brilliantly analyzed decades ago by Albert Hirschman (Hirschman 1945), who probed the ways in which commercial intercourse contributed to the power and influence of states. Hirschman highlighted two principal means ("effects") by which trade enhanced state power. Through importing essential commodities (often strategic minerals), states were able to grow more powerful industrially and therefore militarily; this constituted what he called the "supply effect" of trade. And through manipulating their export of certain items, by attaching political conditions to the continuance of business with dependent consumers, states could enhance their influence over the latter; this is what is termed the "influence effect" of trade.

- 13 Complications introduced by the "supply" and "influence" effects of hydrocarbon trade between Western countries and Russia, important as these are, shrink into insignificance compared with the effects that would stem from China's dominance of 5G and other high-tech sectors. This would be so regardless of whether Beijing chooses to emulate its current ally, Moscow, and do in Taiwan what Putin has done in Ukraine. And it is not a challenge simply to North American countries; European states will also need to contemplate more "strategically" than heretofore the implications of their interdependence with China (Bond I., Godement F., Maull H.W. and V. Stanzel, 2022). Many of them have started to do this.
- 14 The concluding section of the article turns the attention briefly to the possible implications of Western countries' attempts to "de-link" from their interdependence with the two increasingly hostile countries, China and Russia. Here the question will be posed (but not answered) regarding the feasibility of what some are today referring to as "friend-shoring", meaning a project intended to keep alive the prospect of "multilateralism", but within a more bounded Western order comprised of like-minded or otherwise "friendly" countries attempting, to the extent possible, to enjoy the benefits of economic interdependence without courting the security dangers that obviously inhere in what used to be called, in earlier eras, "trading with the enemy".

## From Allusions to Illusions: the USA's Defection(?) from the "Liberal International Order"

- 15 There are several reasons for the current funk about the prospects of the LIO. One looms above all the rest, and it is the suspicion that the U.S. had been engaged, during the Trump years, in a concerted campaign intended to sabotage that order. Michael Kimmage has rattled off a list of the leading contemporary challenges confronting the LIO. High on the list of difficulties have been the increase in democratic backsliding in many parts of Europe; the failure of the Middle East to embrace democratization at all; the resurgence of a rebarbative and nationalistic Russia under Vladimir Putin; and, even more importantly, the unstoppable (or at least unstopped) "rise" of China.
- 16 Yet worrisome as the items on this list may be, today's funk really has its rootage in American soil. For to Kimmage, applying terminology that reflects an easy identity between the constructs of "West", "Washington consensus", and the LIO, the principal peril posed to the latter has been the American *retreat* from it. "With Trump's election", he writes, "an American-led West was becoming an object of nostalgia. It might still be a rhetorical figuration or a future option, but it was no longer the point of orientation for American foreign policy. The Washington consensus had unraveled most spectacularly not in Beijing or Moscow or Damascus but in Washington, DC" (Kimmage

- M., 2020: 256). The United States, in effect, had cast it aside as outmoded, and even dangerous, political junk.
- 17 One of course can object that Donald Trump is no longer in power, such that whatever may have been his impact upon the international order need no longer concern us, for we can rest assured that the post-Trump era will feature a return to the tried-and-true principles enshrined in the LIO. This way of framing the matter is wrong, for two reasons. The first reason is obvious: in two short years the U.S. electorate might decide to make of Donald Trump – should he manage to escape prosecution for his involvement in the failed *putsch* of 6 January 2021 – the reincarnation of Grover Cleveland, by returning him to office as the 47<sup>th</sup> president, just as the U.S. electorate, having defeated Cleveland in 1888, returned him to office in 1892<sup>1</sup>.
  - 18 The second reason may not be so obvious, but it is important nonetheless: that the USA is losing faith in the LIO should not be taken as evidence that it is similarly abandoning the multilateralism that came to characterize the years between the ending of the Second War and the ending of the Cold War. Importantly, one should not confuse the future prospects of one institution (the LIO) with those of a related, albeit different, institution, known as "multilateralism". It is this latter institution's sustainability that will make, or break, the workability of any future friend-shoring initiatives launched in a bid to remedy the problems stemming from interdependence with countries such as China and Russia, as well as those problems resulting from increasingly complicated, and therefore problematical, supply chains (Hayashi Y., 2022).
  - 19 Multilateralism is not synonymous with the LIO, though both institutions have been coming under growing strain. As many observers have noted, we would need to go back to the interwar era to encounter such a pervasive sense of despondency as that of today, regarding the future of multilateralism. The dysthymia that had dominated public discussions during the "twenty years' crisis" (Carr E.H., 1940) of that era contrasted markedly with the regnant optimism that had characterized the years leading up to August 1914. Not surprisingly, after the disaster to which the interwar crisis gave rise between 1939 and 1945, it only made sense for policy intellectuals to envision some means whereby a return to the "good old days" of the world prior to 1914 – the world of ever-increasing interdependence between the great powers of the world. At that time, as would happen again in the immediate aftermath of the Cold War, it really did seem as if interdependence had corroborated a new truth about international politics, namely that when people and goods could move freely across borders, armies would never again have to do so (Emmerson C., 2013). It was even possible, in those heady years of peace prior to 1914, to regard war, for so long the scourge of the planet, as finally having been unmasked for what it was, the "great illusion" (Angell N., 1911).
  - 20 Of course, during that era so often recalled, not only in France, as *la belle époque* (Winock M., 2002), problems abounded. Even in the most advanced and cosmopolitan part of the planet, Europe, those pre-1914 decades were hardly paradisiacal, what with more than 15 000 people dying in terrorist attacks during the fifteen years before 1914, and where the continent's largest country, Russia, resembled nothing so much as a "constantly simmering civil war whose outbreaks of insurrection and reprisal punctuated a fragile stalemate in the state" (Blom P., 2008: 113). Conditions in Europe's colonial empires were, it goes without saying, much worse. The era only looked so good



because what came after it, the new Thirty Years' War of 1914-1945, was so evidently horrific (Ferguson N., 2006).

- 21 If there is such a thing as an historical learning curve, then the "international community" certainly clambered up one following the Second World War. Enabling this rapid and inspiring exit from the recent experience of great-power war was the greatly reinvigorated geostrategic institution known as multilateralism, fueled in large part by a sustained commitment of the liberal democracies of the wartime alliance, under the prodding of Washington and London, to work to prevent the kind of geopolitical backsliding that had proven so costly after the First World War. Today, that global order is itself tottering, and to more than a few analysts, it is because, like the order that ended in 1913, today's has also been built on illusions.
- 22 One of those illusions concerned the relative painlessness of globalized free trade, such that in increasing overall global wealth (which it did), it could also ensure that the fruits of greater prosperity could be more ethically and equitably shared (which it did not). Another of those illusions was that a liberal power of such vast capacity – in the event, the United States – could be counted upon to understand that as it was the principal beneficiary of the LIO, it must fall to it to become *and to remain* the order's leading champion. Quite a few analysts were moved to suggest that for the United States, the appropriate role to adopt had to be that of "hegemon", even if it remained unclear what the concept of hegemony was actually supposed to mean, in practice (Wilkinson D., 1999). But whatever it might have meant, the "h-word" (Anderson P., 2017; Ikenberry G.J. and D. Nexon, 2019) implied one certainty: there could be no "Amerexit" from the task of overseeing the liberal international order.
- 23 One astute critic of American foreign policy has recently given to the post-Cold War mindset a delightful metaphorical label, the "Emerald City consensus". Andrew J. Bacevich invokes this trope to identify that magical place to which the yellow brick road led in "The Wizard of Oz" – a place where all wishes could be fulfilled, and all dreams come true. For Bacevich, this post-1991 consensus rested upon on three core assumptions, all of them critically dependent upon Washington's superintendence. These assumptions were: 1) that "unfettered" capitalism worked best for Americans and everyone else; 2) that "unabashed" United States military domination of the system worked best for Americans and everyone else; and 3) that the purpose of life after the Cold War had become, for Americans and everyone else, to enjoy to the fullest individual liberty while taking on as few as possible civic responsibilities.
- 24 In light of this trio of assumptions, Bacevich finds it easy to understand his fellow citizens' defection from the LIO: they simply ceased to believe that it was still working to promote their interests. Bacevich and former President Donald Trump, with whom he stood in fundamental disagreement on so many issues, did share at least one important quality: membership in the same Baby Boom generation. "During the period stretching from the mid-1940s through the 1980s, as [Donald Trump] and I passed from infancy and childhood into adolescence and then manhood, most Americans most of the time nurtured the conviction that the three versions of postwar freedom to which they subscribed could coexist in rough equipoise. That their nation could be simultaneously virtuous *and* powerful *and* deliriously affluent seemed not only plausible, but essential" (Bacevich A.J., 2020: 15-16, 88). Somewhere along the post-Cold War road, however, the incompatibilities between the three aspirations became too glaring to be ignored, or reconciled.



- 25 I introduce the Bacevich argument here, because it illustrates the problems of confusing multilateralism and the LIO, effectively treating them as one and the same. Simply put, Bacevich's Emerald City consensus cannot and really should not be considered synonymous with the entirety of the political institution known as multilateralism (Ruggie J.G., 1992). This latter can better be construed as having two stages: 1) the initial post-1945 era of cooperation, basically between the "like-minded" states; and 2) the post-Cold War era of more generalized globalization, sustained by the belief in the inevitable triumph of liberal democracy following the disappearance of the Soviet Union. It is this latter, exuberant if not degenerate, stage that represents the Emerald City, otherwise known as the LIO. Thus, multilateralism might be considered the progenitor, and the LIO an offspring. The former predates and is more geographically circumscribed than the latter, and it can presumably survive the latter's passing.
- 26 Bacevich's metaphor possesses the considerable merit of highlighting what had been, as Kimmage notes, *by far* the leading (yet not the sole) source of the current angst about the future of the LIO: the conviction that the USA *had* lost faith in the post-Cold War order it did so much to bring into existence. It has indeed lost that faith, but it should not follow that it has similarly lost faith in the pre-existing, more geographically bounded, multilateral order of the four post-1945 decades, to which Bacevich has also attached a metaphorical label stemming from a Hollywood blockbuster, "The Boone City Consensus"<sup>2</sup>. If anything, the dual impact – at least for the moment – of Russia's war on Ukraine and China's unwillingness to distance itself from its Moscow ally has been to re-cement the kind of Western security cooperation that characterized Boone City multilateralism, centered as it was on the transatlantic alliance. How long this rediscovered solidarity among allies might be expected to last, is anyone's guess; but for the time being, the rallying effect has been palpable, and demonstrates clearly the relationship between domestic economic security and external physical security. This is the deeper significance of the Canada-Huawei saga, to which we now turn.

## Canada and the Huawei Challenge, Contextualized

- 27 So long as it was possible for policymakers in the United States, Canada, and some other Western countries to imagine that the Emerald City could be reached, there had been little urgency in pondering the security implications of deeper engagement with China, and even less to fret about a Russia considered far too feeble to pose much of a threat. In the case of China, which appeared to be (and remains, barring any Ukraine-related nuclear catastrophe) the most profound of the two revisionist challenges to the Western order, it was for a long time possible to believe that when that country's leaders told everyone who would listen that their rise would be a "peaceful" one, they were telling the truth. Besides, there was a lot of money to be made from American and other Western multinationals' business dealings in China – and for good measure those activities would have the advantage of providing American and other Western consumers with lower-cost goods of ever higher quality, effectively enriching those consumers who managed to hang onto their jobs, by extending their purchasing power.
- 28 So, there was a lot to like about enhanced interdependence with China. Gradually, though, things to dislike began to surface, generating the suspicion that perhaps China's leaders were exaggerating the extent to which their country's rise *could* be

peaceful. Although there had been intimations of a new, tougher Washington stance toward Beijing being adopted as early as the second Obama administration (Mori S., 2019; Puglisi A.B., 2021), the gloves only really came off during the Trump administration (Davis B. and L. Wei, 2020). This was ironic, given that China's political leadership had favoured Donald Trump over Hillary Clinton during the 2016 presidential campaign, on the grounds that the Democrat would be inclined to harass China on human-rights issue, whereas her Republican challenger was well known as a businessman with scant regard for the issue of human rights. But the torrent of rationality-defying antics of the Trump White House was such as to trigger consternation in many allied countries, to say nothing of a non-ally like China, about the quality of the U.S. leadership during the chaotic 2017 to 2021 period. Still, one must give the devil his due, for when it came to assessing the danger to the U.S. interests posed by China's increasingly aggressive foreign policy – its self-damaging "wolf warriorism" as well as its openly declared drive for global technological dominance – the Trump administration was hardly alarmist.

- 29 This message regarding the threat from China's drive for technological dominance came through loudly and clearly in a speech delivered by Trump's Attorney General, William Barr, in early February 2020. Barr cut to the chase by telling his auditors at a Department of Justice conference on China that Beijing's quest for domination was "backed by industrial policy involving huge investments in key technologies, massive financing, and subsidies in the hundreds of billions of U.S. dollars. Unfortunately, it also involves industrial espionage and theft of technology and intellectual property, as well as forced technology transfers, predatory pricing, leveraging China's foreign direct investment, and strong-arm sales tactics in target markets, including the use of corruption. Make no mistake about it – China's current technological thrusts pose an unprecedented challenge to the United States" (United States Department of Justice, 2020).
- 30 Barr's words indicate that while the coronavirus pandemic may have magnified the renewed interest in the security implications of high-technology trade and investment, it did not cause it to develop in the first place. What Covid-19 did was to heighten interest in the implications of a digital future in which 5G technology is expected to transform the electronic "ecosystem" of the entire globe (Braml J., 2022; Sanchez V., Karina V. and N. Akyesilmen, 2021). The ongoing struggle over 5G speaks to the unavoidable reality that with economic prowess *inexorably* comes military prowess on the part of revisionist states. This is the chief reason why so much anxiety has been triggered by China's rise, for it is the belief of many (and not just those smitten with the charms of "power transition theory") that in the anarchical international system a state's growth in economic capability will translate into a comparable growth in military capability (Gilpin R., 1981; Kennedy P., 1987; Allison G., 2017). This need not generate geopolitical competition of all against all, as it is possible for states to develop such a degree of trust in the intentions of fellow states as to enable them to avoid a headlong descent down the geopolitical rabbit hole known as the "security dilemma" (Herz J.H., 1950; Jervis R., 1978). But the shifting patterns of global economic (including technological) competence will assuredly continue to engender and exacerbate strains between states that do not trust each other very much. And compared with the halcyon era in which the Emerald City consensus took shape, today's international system does not feature much in the way of trust, especially between China and the United States.

- 31 It is this question of trust that gets us to the Canadian case, which provides a fascinating object lesson for other allies who might be inclined to think that "you can do business" with China<sup>3</sup> without suffering any adverse political consequences. Over the past few years, diplomatic relations between Ottawa and Beijing have plummeted to a depth of antagonism not witnessed since the Korean War, when Canadian and Chinese soldiers had actually been shooting at each other. The steep decline in bilateral bonhomie was all the more surprising given the perfumed whiffs of romanticism that routinely characterized discussions of Sino-Canadian relations for most of the past half-century (Evans P., 2014).
- 32 Much of this romanticism stemmed from politicized memories of the work of Canadian doctor Norman Bethune, the ideologically engaged thoracic surgeon whose medical services during the 1930s on behalf of revolutionary causes (first in Spain, later in China, where he died in 1939) established him as a Chinese hero. In addition to the cult of Bethunism, Canada-China relations had been buoyed by the relatively early establishment of full diplomatic relations between Ottawa and Beijing, and by Ottawa's severing of relations with Taiwan, both of which occurred in 1970 during the prime ministership of Pierre Trudeau, father of the country's current prime minister, Justin Trudeau. Canadian endorsement of Beijing's "One China policy" opened the door for Beijing's viewing Canada as a promising collaborator indeed. Pierre Trudeau believed, as he would later write, that China would become one of the most influential countries in the world and that it should "not be allowed to assume it was without friends... [and] that Canada's influence... should continue to be exerted with that future in mind" (Head I.L. and P. Trudeau, 1995: 236-37).
- 33 Canada's being China's "friend" entailed, among other things, enhancing the quantity and quality of bilateral economic interchanges. One important area for economic cooperation was the technology sector, and in the early stages of China's post-Mao opening to the capitalist world, it was Canada that held the comparative high cards in high tech, and China that was, naturally enough, in pursuit of bettering its own hand. This bettering of China's technological hand, something that in the early going looked beneficial not only to it but to its trading partners, has recently taken a more worrisome turn, stimulated in part by the expressed goal of China to become a global leader in science and technology, the combination of the two being touted by President Xi Jinping as a "national weapon" essential for the increase in the country's power (*XinhuaNet*, 2016), a perfect illustration of Hirschman's supply effect in operation.
- 34 There is, of course, nothing either surprising or illogical in Xi's declaration; other great powers in other eras have acted similarly when it came to positioning themselves more advantageously in respect of their eras' most significant, or "strategic", economic assets. But neither can it come as any surprise that the Chinese bid for technological dominance in certain strategic sectors has been stimulating a reaction on the part of countries who, for reasons not terribly difficult to discern, cannot bring themselves to count upon China's upholding the liberal, rules-based, international order.
- 35 Canada figures in this story more than might otherwise be thought at first blush, given its relatively modest ranking among the world's economies (it has a GDP about the size of Italy's, or Russia's). This is due to China's having, until recently, made Canada a choice partner for cooperative projects including and especially the cultivation of research in high-tech. In theory, that cooperation might have been a "win-win" situation, generating as many benefits for Canadian interests as for Chinese interests,

but there has been growing well-founded concern in Canada's intelligence community that China has indisputably derived the lion's share of the gains from bilateral technology transfers, and has done so by means both fair and foul (Carvin S., 2021: 141-42). It has grown more capable by importing technology from Canada and other Western countries. Some believe that Canada's one-time national telecommunications "champion", Nortel, suffered irreparable damage as a result of the transfer of its technology to China (*National Post*, 2020). At times, these "transfers" have made a mockery of normal commercial etiquette, and have included outright theft of technology, a practice that has belatedly been causing alarms bells to sound within the Canadian intelligence community, which has lately taken to issuing warnings about the security consequences of "partnership" (*CTV News*, 2021).

- 36 Until late May 2022, Canada remained the only country among the "five eyes" – that elite intelligence-sharing club, which embraces it along with the US, the UK, Australia, and New Zealand – not to impose an outright ban on Huawei's participation in the development of domestic 5G networks, although the country's big telecommunications companies had for some time been voting with their feet and opting for such non-Huawei providers as Finland's Nokia, Sweden's Ericsson, and South Korea's Samsung to build their 5G networks, such that Ottawa's dithering on banning Huawei might have made little practical difference, in the end. As for that dithering itself, no one knows for sure why it occurred, with some seeking a possible explanation in Canada's desire to avoid jeopardizing its agricultural exports to China by antagonizing a government in Beijing that is obsessively allergic to criticism (Hui A., 2022). In the event, the other Huawei shoe finally dropped on Thursday, May 19<sup>th</sup> 2022, when Ottawa announced that it would ban Huawei (along with another Chinese high-tech company, ZTE) from the country's 5G networks (Curry B. and A. Posadzki, 2022; Griffiths J., 2022).
- 37 Since the 2017 adoption of China's National Security Law, Huawei's fortunes in Canada had begun to sag. There are two reasons. First of all, it had become increasingly difficult for Ottawa and the other "five eye" governments to believe that, were they to allow Huawei to become part of their 5G future, they would not be placing their countries' security in a compromising position, with sensitive intelligence making its way to authorities in China. This is so, notwithstanding that Huawei's founder and chief executive officer, Ren Zhengfei, insisted that he would "definitely" refuse if Beijing ordered his company to surrender his customers' data (*CNBC News*, 2019). Even in the event that China did not have a law requiring its companies, if asked, to surrender data they controlled, there is an even bigger reason for the headwinds currently buffeting Huawei. It is the challenge expressed earlier, at the heart of which is basically this question of trust. Can it really make any sense for Western countries to continue to assist, through interdependence, the technological rise of a country that cannot be counted upon to refrain from using its newly obtained prowess to jeopardize their own security interests?
- 38 Canada had been put in a delicate position over Huawei for non-strategic reasons as well. In December 2018 Meng Wanzhou, Huawei's chief financial officer and the daughter of its founder, was arrested at the Vancouver International Airport by Canadian law enforcement at the request of U.S. authorities who wanted her extradited to the U.S. to stand trial for violating Washington's sanctions against Iran. China, in retaliation, seized two Canadian hostages, Michael Kovrig and Michael Spavor (the "two Michaels") and kept them locked up for more than a thousand days, on spurious

charges of espionage – charges that resulted in one of the luckless hostages (Spavor) being convicted and sentenced to eleven years in prison. Both men were finally released and returned to Canada in the autumn of 2021, when the U.S. government agreed to drop the extradition request for Meng, who returned to China (Hampson F.O. and M. Blanchfield, 2021, 2021a).

- 39 The hostages might have been freed, but Huawei's Canada problem endured. It was a problem summed up in one word: trust. More than ever before, the thought is permeating Canadian governmental, and some business, elites that maybe "you can't do" certain kinds of business with China.

## Conclusions

- 40 Not surprisingly, China's image has tumbled drastically in the opinion of nearly all Canadians over the past few years, and not all of the damage inflicted was a result of the Meng Wanzhou affair. Were it simply a case of China's having availed itself of "hostage diplomacy", it might have been possible for analysts elsewhere in the transatlantic alliance to think that Canada's Huawei-related predicament has little or nothing to do with them. After all, it was not so long ago that many Europeans, blithely yet bizarrely, seemed to imagine they had no need to become caught up in whatever tensions might trouble United States (or Canadian) relations with China. In the inimitable words of one British scholar writing seventeen years ago, "Europeans do not do China" (Danchev A., 2005: 433).
- 41 But it is not just Europeans who will be caught up in this increasingly interwoven network of internal and external security relations; states in other regions, Latin America included, will also have to grapple with how best to promote their interests in a de-globalizing and "friend-shoring" world. In doing so, they will need to calibrate as finely as possible the benefits to be harvested from continued interdependence with China and Russia, against the risks to be run by any failure on their part to attempt to delink from the two autocratic countries. If the evidence of the Ukraine war is anything to go by, it is highly likely that they will continue to plump for the benefits of economic interchange, while leaving the security worries to those countries in the West whose values might inhibit them from continuing to vie for the "rope contract". Whether that is a wise choice for them to make, remains to be seen, especially in a world where friend-shoring will increasingly be the rule not the exception. But this latter question is a topic for a different article.

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## NOTES

1. No president other than Cleveland has managed to return to the White House after being defeated in a re-election bid. For this reason, Cleveland's terms in office are counted as two separate presidencies, the 22<sup>nd</sup> and 24<sup>th</sup>.

2. Representing a more restrained version of multilateralism in which the cooperating states shared political values, and taking its name from the fictional Boone City in William Wyler's 1946 film classic, *The Best Years of Our Lives*.

3. During the run-up to U.S. involvement in the Second World War, many isolationists preferred to believe that their country's economic interests could be advanced, irrespective of the political nature of the Nazi regime, through commercial interaction with the latter; for a stinging rebuttal of this naively optimistic perspective, written by a former U.S. diplomat in Berlin, see Miller D., 1941.

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## ABSTRACTS

In late May 2022 Canada joined its four other partners in the intelligence-sharing community dubbed the "Five Eyes", and banned the Chinese telecommunications firm Huawei from participation in its 5G network. This article explains what has been at stake for Canada and other countries in this saga, doing so in a way that emphasizes the tightly intermeshed nature of internal and international security. The metaphors in the article's title draw our attention to the manner in which Canadian security policy interests have been increasingly affected negatively as a result of high-tech interdependence with China. This paper explores the reasons for, and implications of this surprising denouement of an "engagement" strategy that at one time possessed a great deal of allure in Ottawa, but is now regarded with increasing skepticism.

Fin mai 2022, le Canada a rejoint ses quatre autres partenaires de la communauté d'échange de renseignements surnommée les « Five Eyes » et a interdit à l'entreprise de télécommunications chinoise Huawei de participer à son réseau 5G. Cet article explique les enjeux de cette saga pour le Canada et d'autres pays, en mettant l'accent sur la nature étroitement imbriquée de la sécurité intérieure et internationale. Les métaphores dans le titre de l'article attirent notre attention sur la manière dont les intérêts de la politique de sécurité canadienne ont été de plus en plus affectés négativement en raison de l'interdépendance dans le domaine de la haute technologie avec la Chine. Cet article explore les raisons et les implications de ce dénouement surprenant d'une stratégie d'« engagement » qui, à un moment donné, a été jugée comme souhaitable par Ottawa, mais qui est maintenant considérée avec un scepticisme croissant.

A finales de mayo de 2022, Canadá se unió a sus otros cuatro socios en la comunidad de intercambio de inteligencia apodada los "Cinco Ojos", y prohibió a la empresa china de telecomunicaciones Huawei participar en su red 5G. Este artículo explica lo que ha estado en juego para Canadá y otros países en esta saga, haciéndolo de una manera que enfatiza la naturaleza estrechamente entrelazada de la seguridad interna e internacional. Las metáforas del título del artículo llaman nuestra atención sobre el modo en que los intereses de la política de seguridad canadiense se han visto, cada vez más, afectados negativamente como resultado de la interdependencia de la alta tecnología con China. Este artículo explora las razones y las implicaciones de este sorprendente desenlace de una estrategia de "compromiso" que en su día tuvo un gran atractivo en Ottawa, pero que ahora se considera con creciente escepticismo.

## INDEX

**Palabras claves:** globalización, geoeconomía, Canadá, China, "friend-shoring", Estados Unidos

**Keywords:** globalization, geoeconomics, Canada, China, "friend-shoring", United States of America

**Mots-clés:** mondialisation, géo-économie, Canada, Chine, relocalisation, États-Unis

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