“Five Eyes” intelligence agencies behind drive against Chinese telecom giant Huawei

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Evidence has come to light that US operations against the Chinese telecommunications giant Huawei and the arrest and detention of one of its top executives, Meng Wanzhou, to face criminal charges of fraud brought by the US Justice Department are the outcome of a coordinated campaign by the intelligence agencies of the so-called “Five Eyes” network.

According to a major report published in the *Australian Financial Review* (AFR) yesterday, the annual meeting of top intelligence officials from countries in the network—the US, Britain, Australia, New Zealand and Canada—held last July decided to “co-ordinate banning” Huawei from 5G mobile phone networks.

The two-day meeting, held in the Canadian capital, Ottawa, decided that the intelligence chiefs should spend time publicly explaining “their concerns” about China.

In the months that followed “an unprecedented campaign” has been waged by the five members of the network “to block the tech giant Huawei from supplying equipment for their next-generation wireless networks” which has now led to the arrest of Meng in Canada.

On August 23, in one of his last acts as Australian prime minister before being deposed in an inner-party leadership coup, Malcolm Turnbull rang US President Trump to tell him that Huawei and another Chinese firm, ZTE, had been banned from the country’s 5G rollout. The basis of the decision was to exclude “vendors who are likely to be subject of extrajudicial directions from a foreign government.”

This was followed on October 29 by a speech by the director-general of the Australian Signals Directorate, Mike Burgess, in which, while not directly naming Huawei, he said the “stakes with 5G” could not be higher. It was the first public speech by the head of the organisation in its 70-year history.

The speech was followed seven days later by a decision of the New Zealand Labour government to ban Huawei from supplying 5G equipment to the phone company Spark.

The article then noted that on December 6, the head of the Canadian Security Intelligence Service (CSIS), David Vigneault, who had hosted the Five Eyes meeting, delivered his first public speech warning of a security threat.

“CSIS has seen a trend of state-sponsored espionage in fields that are crucial to Canada’s ability to build and sustain a prosperous, knowledge-based economy,” he said, referencing artificial intelligence, quantum technology and 5G. China was not mentioned specifically but there was no doubt it was the target and Canada is expected to shortly announce a ban on Huawei and ZTE.

The day after the speech by his Canadian counterpart, the head of Britain’s MI6 addressed a meeting at St Andrews University in Scotland in which he warned that “much of the evolving state threat is about our opponents’ innovative exploitation of modern technology.”

The British situation is more complex than that of the other Five Eyes members because of the agreement reached by British Telecom (BT) to partner with Huawei in the 3G and 4G networks 15 years ago. But that is changing as BT has said it will strip out Huawei equipment from its networks and will not use its technology in 5G.

The key attendee at the meeting was CIA director Gina Haspel. The US has been leading the push against China, has already banned Huawei and has been waging an international campaign to have its equipment

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banned by other strategic allies beyond the Five Eyes group.

The AFR article noted that the sharp focus of Washington on Beijing "plays into Trump's obsession with trade war but it would be wrong to think it's solely driven by the president. Over the last two years Republicans and Democrats in Congress and the departments of Defence, State and the security agencies have come to the conclusion China is a strategic threat."

Other evidence of the way in which the US intelligence and military apparatus is driving the attack on Huawei and Chinese technology companies more broadly has been revealed in an article published in the *Financial Times* yesterday.

It cited a leaked memo, "apparently written by a senior National Security Council official" warning about the implications of the rise of Huawei to become the world's biggest supplier of telecommunications equipment and that it was leading the field in the development of 5G.

"We are losing it," the memo said. "Whoever leads in technology and market share for 5G deployment will have a tremendous advantage towards … commanding the heights of the information domain."

The memo said 5G was "by no means simply a 'faster 4G'" but was "a change more like the invention of the Gutenberg press" as it would bring faster speeds, lower lead times between the network and the device and had a much larger capacity to transfer data.

These developments, the article said, will underpin self-driving cars, artificial intelligence and machine-to-machine communications, and will "transform the way everything from hospitals to factories operate."

China was far ahead in preparing for 5G which requires more base stations than existing networks and had almost 2 million cell sites in early 2018, ten times the number in the US. According to the Deloitte consultancy there are 5.3 sites for every 10 square miles in China compared to 0.4 in the US.

These figures make clear the reason for the ferocity of the US economic war against China. It fears that its economic and military supremacy is under direct threat and is determined to take all measures considered necessary to counter China's rise.

The objective logic of this development was underlined in an article, also published in the AFR yesterday, by Columbia University professor Jeffrey Sachs.

The arrest of Meng Wanzhou, he wrote, "is a dangerous move by US President Donald Trump's administration in its intensifying conflict with China. If, as Mark Twain reputedly said, history often rhymes, our era increasingly recalls the period preceding 1914. As with Europe's great powers back then, the United States, led by an administration intent on asserting America's dominance over China, is pushing the world towards disaster."

Sachs drew attention to the hypocrisy surrounding the detention of Meng on charges of committing fraud in breach of US-imposed bans on dealing with Iran. He noted that in 2011 JP Morgan Chase paid $88.3 million in fines for violating US sanctions against Cuba, Iran and Sudan. "Yet [CEO] Jamie Dimon wasn't grabbed off a plane and whisked into custody."

None of the heads of banks or their financial officers was "held accountable for the pervasive law-breaking in the lead-up to or aftermath of the 2008 financial crisis" for which the banks paid $243 billion in fines.

The US actions against Huawei were part of an "economic war on China, and a reckless one."

He noted that when global trade rules obstruct the "gangster tactics" of the Trump administration then it deems the rules have to go, citing a comment by Secretary of State Mike Pompeo in Brussels last week in which he admitted as much.

"Our administration," Pompeo said, "is lawfully exiting or renegotiating outdated or harmful treaties, trade agreements and other international arrangements that don't serve our sovereign interests, or the interests of our allies."

Pointing to the unilateral decision of the US to reject the decision of the UN Security Council to lift all bans on Iran as part of the 2015 Iran nuclear agreement, Sachs concluded: "The Trump administration, not Huawei or China is the greatest threat to the international rule of law, and therefore to global peace."

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