US anti-Huawei campaign suffers a blow

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20 February 2019

The US campaign to have its allies exclude the Chinese telecom giant Huawei from the development of 5G mobile phone networks on "national security" grounds appears to have suffered a significant blow. According to a report in the *Financial Times* on Monday, a major British intelligence agency has concluded that "it is possible to mitigate the risk from using Huawei equipment in 5G networks."

The report cited "two people familiar with the conclusion," who had been reached by the UK National Cyber Security Centre (NCSC). The impact of the finding, if confirmed, will extend far beyond Britain, cutting across a campaign by the US National Security Agency to have Huawei's involvement in 5G networks significantly reduced, if not outright banned.

The newspaper quoted a person "familiar with the debate" who said the British decision would carry "great weight" with European leaders, as Britain is part of the Five Eyes intelligence sharing network with the US.

"Other nations can make the argument that if the British are confident of mitigation against national security threats then they can reassure their public and the US administration that they are acting in a prudent manner in continuing to allow their communications service providers to use Chinese components as long as they take the kinds of precautions recommended by the British," the person said.

The *Financial Times* report on the NCSC assessment of Huawei followed its publication of an article on February 12 by Robert Hannigan, the director of the British intelligence agency GCHQ from 2014 to 2017, in which he took issue with the growing campaign "for Chinese companies to be frozen out of telecoms in Western countries, especially future 5G networks."

Hannigan wrote that concerns over cyber espionage, the growth of the Chinese technology sector and the direction of Chinese foreign policy were all "lumped together into a perceived cyber threat which can only be met by a blanket ban." All these arguments were "short on technical understanding of cyber security and the complexities of 5G architecture."

Hannigan cited the detention of Huawei's chief financial officer Meng Wanzhou in Canada and Trump's statement that this could be part of a trade deal as having "reinforced" the view that "there is a wider geopolitical campaign in play."

He noted that the NCSC had been "blunt about Huawei's shortcomings in security engineering and its general attitude to cyber security," noting that its failures were not unique, and that Huawei had promised to "address the criticisms and to spend huge sums doing so." Huawei has said the cost will be around $2 billion.

"The key point here," Hannigan continued, "obscured by the growing hysteria over Chinese tech is that the NCSC has never found evidence of malicious Chinese state cyber activity through Huawei."

He noted that there had been Chinese state-linked cyber attacks. "But the fact that these attacks did not require the manipulation of Chinese sovereign companies such as Huawei merely underlines how ineffective a blanket security ban based on company national flags is likely to be."

He described assertions that Chinese technology in any part of a 5G network represented "unacceptable risks" as "nonsense." Hannigan said the UK and other European governments should "hold their nerve" and base decisions on Chinese involvement in future telecoms on technical expertise and rational assessment of risks, rather than "political fashion or trade wars."

He concluded that "we should accept that China will be a global tech power in the future" and start managing the risk now, rather than pretending the west can sit out China's technological rise."

But this assessment points to the centre of the

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conflict. The US political, military and intelligence establishment, and not merely the Trump administration, has concluded that it cannot allow Chinese technological and industrial advancement as it regards it as a threat to American global economic, and ultimately, military dominance.

It has no intention of "sitting out" Chinese development but is determined to take action on all fronts—economic, political and military—to prevent it.

These geo-strategic interests were at the centre of the visit by US Secretary of State Mike Pompeo to Eastern Europe last week. According to US officials, speaking to a briefing during Pompeo's trip, the large number of small and mid-sized states in Central and Eastern Europe, many of which had a "high propensity for corruption," could allow China to "penetrate key sectors" and exert influence with the European Union.

Pompeo told Hungary's foreign minister that it would be difficult for the US to partner with countries where Huawei equipment was "co-located" with American technology.

In his address to the Munich Security Conference last Saturday US Vice-President Mike Pence also raised the issue of Huawei, repeating the US assertion that it posed a threat because of a Chinese law requiring telecom companies to share information with the government.

However, under conditions in which the tensions between the US and Europe are on the rise and emerged into the open during the conference, the US stand did not receive full backing.

The secretary-general of NATO, Jens Stoltenberg, told the *Financial Times* that the alliance was taking the issue "very seriously" but had to reach a conclusion.

Britain has signalled that it is far from fully in line with the US position. The head of the British intelligence service MI6, Alex Younger, has indicated that the situation is too complex to simply ban Huawei and that countries have a "sovereign right to work through the answer to all of this."

In Eastern Europe, Poland is most closely aligned with the US position on Huawei, but others have reservations. The Czech president, Milos Zeman, has said that moves against Huawei could hurt Czech economic interests. Slovakian Prime Minister Peter Pellegrini last month warned that politicians should be "careful not to become a tool in a trade war or a fight between competitors."

Large amounts of money and resources are at stake as Huawei is deeply involved in European telecoms networks. A very small operator barely a decade ago, it now supplies about a third of telecom systems.

Bloomberg has reported that the "nightmare scenario" for telephone companies would be if they have to remove Huawei equipment from their systems. The German provider Deutsche Telekom has estimated the cost of any retroactive ban as billions of euros.

Huawei has hit out at the US actions with Eric Xu, one of the company's three rotating chairmen, denouncing the Trump administration for conducting a "co-ordinated, tactical political campaign" against it.

And in view of the well-known fact revealed by WikiLeaks and whistle blower Edward Snowden that the world's major hackers and cyber spies are US intelligence agencies, he provided an interesting slant on some of the possible motives for the campaign.

"Is [the US] truly thinking about cyber security and protecting the privacy of other countries' citizens, or do they have other motives?" he said. "Some say that because these countries are using Huawei equipment, it makes it harder for US agencies to obtain these countries' data."

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