

US brings new charges against Chinese telecom giant Huawei

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The Trump administration has widened its war against the Chinese telecom giant Huawei with the announcement by the Department of Justice (DoJ) yesterday that it was bringing a series of new charges against the company.

The move follows decisions by both the British and German governments earlier this month not to specifically exclude Huawei from the setting up of their 5G networks in the face of US demands they do so.

The new indictments by the DoJ add to the charges already laid against Huawei by the US in 2019 accusing it of financial fraud in relation to the breaking of unilateral sanctions imposed by the US on Iran and the theft of technology from T-Mobile.

A statement issued by the DoJ said: “The new charges in this case relate to the alleged decades-long efforts by Huawei, and several of its subsidiaries, both in the US and in the People’s Republic of China, to misappropriate intellectual property, including from six US technology companies to grow and operate Huawei’s business.”

The bringing of the new charges underscores the distinctive approach taken by the US state towards what are in essence commercial disputes. The stealing or misappropriation of intellectual property is as old as capitalism itself and there is hardly a major firm in the US, Japan, South Korea or elsewhere that has not advantaged itself in this way.

In the recent period technology giants, including Apple, Qualcomm and Samsung have all been engaged in a series of lengthy court battles with each other over intellectual property theft.

However, in the case of Huawei, starting with the extradition proceedings against its chief financial officer Meng Wanzhou who is being held in Canada, as well as other Chinese firms, the US is using the DoJ to

bring criminal charges. This is a key component of the broader US objective to stymie the industrial and technological development of China which it regards as existential threat to American economic and military dominance.

This campaign enjoys bipartisan support as indicated by a joint statement issued by Republican Senator Richard Burr, chairman of the Senate Select Committee on National Intelligence, and his vice chairman Democrat Senator Mark Warner on the DoJ decision.

“The indictment paints a damning portrait of an illegitimate organization that lacks any regard for the law,” they said.

Representatives of the Trump administration have been conducting a global campaign to have Huawei excluded from the installation of 5G networks above all by its so-called strategic allies. But apart from the exclusion of Huawei by Australia, this campaign has enjoyed little success, largely because the development of the new technology by Huawei is more advanced than its rivals and cheaper.

The latest decision is clearly a response to the major setbacks in its anti-Huawei campaign in Britain and Germany.

Earlier this month the Johnson Tory government in the UK announced it would allow Huawei to participate in the development of the country’s next generation cellular phone network despite strenuous opposition from senior members of the Trump administration claiming it would endanger “national security” and jeopardise the intelligence ties between the two allies.

The *Financial Times* reported last week that Trump vented “apoplectic” fury against Johnson in a phone call following the British decision, which was taken against opposition from senior figures in the Tory party.

A group of so-called Tory grandees have since written a letter to Johnson calling for a “better solution” to the development of the new network and insisting that the government exclude “high-tech from untrusted, high-risk vendors.”

The major problem is, however, as British officials have noted, that the US cannot propose a viable alternative to equipment from Huawei.

Their views have received confirmation from a somewhat unlikely source. Last week, US Attorney-General William Barr floated the possibility that US firms seek to obtain a controlling interest in the Scandinavian firms Nokia and Ericsson in order to compete with Huawei.

Barr said it was “all very well to tell our friends and allies they shouldn’t install Huawei’s, but whose infrastructure are they going to install?”

The same issue lies behind the German decision not to rule out participation by Huawei in the roll-out of the 5G network there. The fear in German ruling circles is that having been something of a laggard in the development of internet and communications technology, it will drop even further behind in the rollout of 5G technology if it falls in completely behind US demands.

This week, after a protracted dispute over whether to allow Huawei to participate, the Merkel government adopted a strategy paper that sought to strike a compromise between the pro- and anti-Huawei camps. It said the government would ban “untrustworthy” companies deemed to be subject to state influence from taking part. But Huawei was not excluded outright as had been demanded by the US.

The German government said companies would be considered “trustworthy” if they had a “clearly defined security catalogue” that excluded the possibility of a foreign state from exerting influence on the 5G network.

Huawei has consistently denied it is subject to directives by the Chinese government and that it is a private company, making the point that one of the reasons for the US opposition is that it has backdoors operating in the networks of US companies that would be more difficult to install in Huawei gear.

Those assertions received confirmation this week with the revelations that both the Central Intelligence Agency (CIA) and the National Security Agency

(NSA) had been spying for five decades on governments around the world through the CIA-ownership of a Swiss firm that supplied encryption technologies.

In 2015, WikiLeaks revealed that the NSA had spied on German government officials for many years and had tapped the phone of German Chancellor Angela Merkel as well as targeting the phones of 125 top government officials.

The issue has resurfaced in the conflict over US demands to ban Huawei. Last November, Germany’s economy minister, Peter Altmaier, told a TV talk show that Germany had “not imposed a boycott” on US firms after the spying on Merkel was revealed and the US demanded from its companies that they pass on information deemed necessary to combat terrorism.

The level of tensions over the Huawei issue was indicated by the furious response from the US ambassador to Germany Richard Grenell. He said the remarks were “an insult to the thousands of American troops who help ensure Germany’s security” and there was “no moral equivalency between China and the United States.”

The decision by the US to open new charges against Huawei indicates that, notwithstanding the “phase one” US-China trade deal signed last month, none of the underling conflicts have been resolved and that they are set to intensify.



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