

# Cyber case puts more strain on US-China relations

May 20 2014, by Matthew Pennington



This wanted poster is displayed at the Justice Department in Washington, Monday, May 19, 2014, after Attorney General Eric Holder, Assistant Attorney General for National Security John Carlin, U.S. Attorney for Western District of Pennsylvania David Hickton and FBI Executive Associate Director Robert Anderson participated in a news conference where Holder announced that a U.S. grand jury has charged five Chinese hackers with economic espionage and trade secret theft, the first-of-its-kind criminal charges against Chinese military officials in an international cyber-espionage case. The indictment of five Chinese military officials on cyber espionage charges will intensify friction

between Beijing and Washington. Those tensions have only been growing as China gets bolder in asserting its territorial claims in disputed waterways in East Asia. (AP Photo)

The indictment of five Chinese military officials on cyber espionage charges will intensify friction between Beijing and Washington that has been growing as China gets bolder in asserting its territorial claims in disputed seas in East Asia.

That doesn't mean there will be a fracture in the U.S.-China relationship, which remains vital for both of the world powers, but it raises major doubts about the ability of U.S. and China to manage their differences.

"This adds to the mounting list of hugely problematic issues between the U.S. and China," said Jonathan Pollack, a specialist on East Asian politics and security at the Brookings Institution think tank. "Barring a level of candor and disclosure from China on some of these issues that we haven't seen to date, it seems to me we're heading for very troubled waters."

China reacted swiftly to the indictment that accuses the military officials of hacking big-name American makers of nuclear and solar technology. It rejected the allegations as "ungrounded and absurd" and denied its military or government personnel had ever participated in cyber theft of trade secrets. On Tuesday, China warned the United States was jeopardizing military ties and demanded Washington withdraw the indictment.

China also pulled out of working discussions on cyber security - an issue that loomed large when President Barack Obama met last June with Chinese President Xi Jinping.

That summit, held in California, was intended to set a positive tone for the relationship, what Beijing likes to call a "new model of great power relations." But the cracks in that model are already showing.

The two governments have tried, with limited success, to find common cause in resisting North Korea's development of nuclear weapons. They made strides last year toward negotiating a bilateral investment treaty that would deepen an economic relationship in which two-way trade already exceeds \$560 billion.

State Department spokeswoman Jen Psaki said the U.S. expects China to understand that the indictment relates to law enforcement, and that the two nations can still have a "constructive and productive relationship." She said she expected a high-level U.S.-China security and economic dialogue to go ahead as planned in about two months' time.

Michael Pillsbury, a former senior U.S. defense department official and China specialist, noted that Washington only announced the indictment nearly three weeks after it was made by a grand jury in Pennsylvania. That means it did not cloud the visit to Washington last week by China's People's Liberation Army's Chief of the General Staff, Gen. Fang Fenghui, who met Joint Chiefs Chairman Gen. Martin Dempsey. The two generals stressed the importance of military cooperation for regional stability.

But as China's power rises, and the U.S. attempts to broaden its footprint in Asia as part of its attempt to rebalance its foreign policy after a decade of war in the Middle East, there are growing areas of disagreement.

China has taken an increasingly strident approach in disputes with U.S. allies Japan and the Philippines over disputed islands and reefs in the East and South China seas. Washington has called out China over its

"provocative" actions.

Most recently, and just a couple of days after Obama completed a high-profile visit to Asia, China deployed a massive oil rig with dozens of supporting vessels to drill in a disputed area off the coast of Vietnam, near islands controlled by China but claimed by both nations. That sparked an offshore confrontation with Vietnamese vessels and triggered angry protests inside Vietnam that killed two Chinese workers and wounded 140 more.

Douglas Paal, an Asia expert at the Carnegie Endowment for International Peace, said that while the indictment of the military officials is the culmination of two years of increasing U.S. pressure on China on cyber issues, "a lot of Chinese will think the administration is doing this now as they are looking for some way to get a hook into China."

American concern over the Shanghai-based military unit to which the five indicted officials are said to belong has been public knowledge for more than a year. The U.S. Internet security firm Mandiant issued a report in February 2013 tracing hacking activities against 141 foreign entities in the U.S., Canada and Britain to that unit.

A month later, the Obama administration upped the diplomatic ante by directly calling for China to take serious steps to stop cyber-theft.

Talks on the issue, now suspended by China, have gained little traction. Analysts say Beijing does not draw the same distinction as the U.S. between spying for national security reasons, which Washington views as defensible, and economic espionage to gain market advantage, which it views as unacceptable.

The administration's message has also been diluted by the revelations of

former National Security Agency analyst Edward Snowden over U.S. eavesdropping on foreign communications - even against allies.

"The Chinese for the past year have been blowing off U.S. charges on cyber by pointing to Snowden. The indictment now gives the U.S. side a very concrete example to show to the Chinese, that what your guys are doing is different," said Michael Green, a former White House director for Asian affairs in the George W. Bush administration.

"It will lead to a new source of friction but one that is unavoidable in U.S.-China relations," he said.

© 2014 The Associated Press. All rights reserved.

Citation: Cyber case puts more strain on US-China relations (2014, May 20) retrieved 11 May 2024 from <https://phys.org/news/2014-05-cyber-strain-us-china-ties.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--