



Written by [William F. Jasper](#) on November 19, 2021

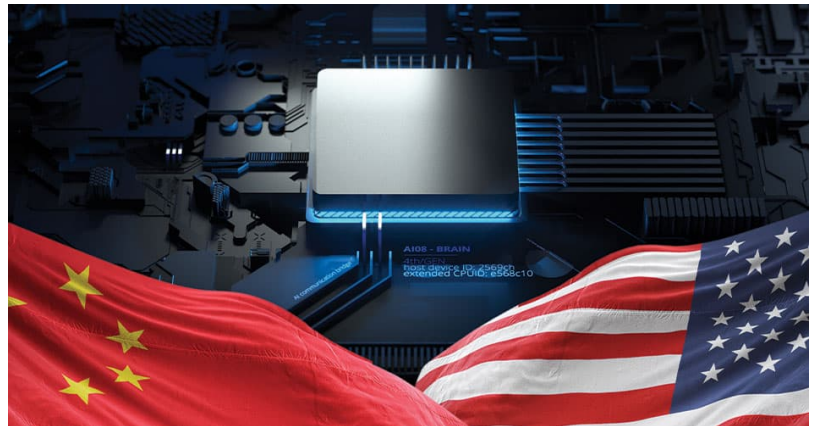
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China's Tech War

In mid-October, headline stories around the world heralded a stunning game-changer in global security. China had recently run two tests of a new nuclear-capable hypersonic missile that, reportedly, could evade U.S. anti-ballistic missile systems and deliver a nuclear first strike against the U.S. homeland. The new superfast missile also could be used to carry out surprise attacks against U.S. naval carrier groups, or U.S. air bases and U.S. land-based forces on foreign soil. What's more, this staggering new development had "caught US intelligence by surprise." This admission of surprise by our intelligence and defense institutions is all the more alarming when considered alongside the recent expressions of "complete surprise" by our political, military, and intelligence leaders regarding the rapid Taliban takeover of Afghanistan and the Biden administration's "evacuation" of American troops and personnel from that nation, which turned into an unmitigated (and deadly) disaster.

The stories on China's hypersonic missiles were based on two mid-October reports in the British *Financial Times* stating China had "tested a nuclear-capable hypersonic missile in August that circled the globe before speeding towards its target, demonstrating an advanced space capability that caught US intelligence by surprise."

The sources for the *Financial Times* were five unnamed individuals, presumably from the defense and intelligence communities, who claimed familiarity with the Chinese tests. According to the *Financial Times*, the Chinese military had launched a rocket that carried a hypersonic glide vehicle (HGV), which flew through low-orbit space before cruising down toward its target. The missile, which travels at least five times the speed of sound, missed its target by about 25 miles. But the *Times'* sources said the tests "showed that China had made astounding progress on hypersonic weapons and was far more advanced than US officials realised." "The test has raised new questions about why the US often underestimated China's military modernization," the *Times* noted, quoting one of its sources as saying, "We have no idea how they did this."



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“Made in the U.S.A.”: Using U.S.-provided technology, China beat the United States to the punch in test-launching their new hypersonic missile, giving them a potential nuclear first-strike capability. This image is an artist’s conception of the Chinese National Science and Technology Major Project 0901 Flying Vehicle. *(Photo credit: Wikimedia Commons)*

Chinese officials denied that the tests had anything to do with hypersonic missiles, claiming they were “a routine spacecraft experiment to verify the reusable technology of spacecraft, which is of great significance for reducing the cost of spacecraft use.” “It can provide a convenient and cheap way for humans to use space peacefully,” said China’s Ministry of Foreign Affairs spokesperson Zhao Lijian.

General Arnold Punaro (U.S. Marine Corps, retired) told Fox Business News that the hypersonic missile tests by the People’s Republic of China (PRC) are “clearly a game-changer” and a breakout effort by China to “weaponize space.” He also said, “It’s worse than a Sputnik moment,” referring to the Soviet Union’s 1957 launch of Sputnik 3, the world’s first successful satellite launch, an event that shocked the world and allegedly caught the U.S. scientific and intelligence communities by surprise.

The Biden administration did not officially confirm the Chinese missile tests until October 27, when General Mark A. Milley, the chairman of the Joint Chiefs of Staff, spoke about the tests on a Bloomberg Television interview show hosted by David Rubenstein, the Wall Street billionaire, chairman of the Council on Foreign Relations, and co-chairman of the Carlyle Group, one of the world’s largest investment firms.

“I don’t know if it’s quite a Sputnik moment,” General Milley told Rubenstein, “but I think it’s very close to that.” The tests, Milley said, were a “very significant technological event” that has grabbed “all of our attention.”

It *should be* getting the attention of Milley and other willfully blind officials in Washington. As with Biden’s Afghanistan debacle, the “no one saw this coming” excuse doesn’t wash. Our massively funded military and intelligence establishments are *paid* to see such dangers on the distant horizon — before they become an imminent, existential threat. As Heritage Foundation senior fellow Dean Cheng has noted, the politicians and Pentagon leaders have been apprised about Communist China’s hypersonic missile development program since at least 2014, but have taken a “lackadaisical” attitude toward it — until now. Mark J. Lewis, the Pentagon’s former director of defense research and technology, says the rush by officials and the media to characterize the Chinese breakthrough as unimaginably “novel” can



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be viewed as an effort to escape accountability. The expressions of surprise may be used to “help excuse a mundane intelligence failure,” he said in an interview with the *Financial Times*. “If we say some innovation is impossible to imagine, then no one is really responsible for missing it.”

Lewis, who is now a nuclear-weapons expert at the Middlebury Institute of International Studies in Monterey, California, explained some of the dangers of the new missile threat. “The only way to reliably see a hypersonic vehicle is from space, which makes it a challenge,” Lewis told the *Washington Post*. If it is traveling at hypersonic speeds — going at least a mile per second — it gives a missile defense system very little time to figure out what it is and how to stop it, he told the *Post*. For comparison, he noted that a conventional cruise missile would take an hour or two to reach its target, while a hypersonic missile could do so in minutes. “It is a huge concern,” he said. Indeed. And it is all the more concerning since the satellites we would need to detect this potential peril are also at risk from the anti-satellite weapons of China’s People’s Liberation Army (PLA) — which have also immensely benefited from generous technology transfers from the United States.

China Threat “Made in the U.S.A.”

What is particularly interesting about the *Post* article that included the interview with Mark J. Lewis is that it was published on April 9, 2021, *four months before* the startling Chinese missile tests and *six months before* news of the events reached the American public.

General Milley said the hypersonic missile menace now has “all of our attention.” But where was that attention previously? There is an extensive body of literature warning of China’s emerging HGV threat going back several years, so Milley and company have no excuse for claiming surprise. Even more remarkable about the *Post*’s article, however, is its exposure of the fact that this new “China” threat could actually carry the label “Made in the U.S.A.”

The *Post* article, titled “China builds advanced weapons systems using American chip technology,” is an “exposé” rarely seen in the establishment globalist media. We have put *exposé* in quotation marks because it is probable that the *Post* does not view it as such. There is no indication of outrage by the *Post* writers over the outrageous (and treasonous) practices it describes that have jeopardized not only U.S. national security, but also *global* peace, freedom, and security. Nevertheless, the *Post* report provides important details confirming the warnings that The New American has been sounding for decades concerning the treasonous actions and suicidal negligence that have allowed the sacking of America’s technological treasure-house by our enemies.

The *Post*’s story opens with this chilling intro: “In a secretive military facility in southwest China, a supercomputer whirs away, simulating the heat and drag on hypersonic vehicles speeding through the atmosphere — missiles that could one day be aimed at a U.S. aircraft carrier or Taiwan, according to former U.S. officials and Western analysts.”

The supercomputer, the *Post* continues, “is powered by tiny chips designed by a Chinese firm called Phytium Technology *using American software* and built in the world’s most advanced chip factory in Taiwan, which *hums with American precision machinery*, say the analysts.” (Emphasis added.) Phytium is, for all intents and purposes, a thinly disguised research arm of the People’s Liberation Army, and the hypersonic testing facility is run by the China Aerodynamics Research and Development Center (CARDC) under the command of Fan Zhaolin, a PLA major general.

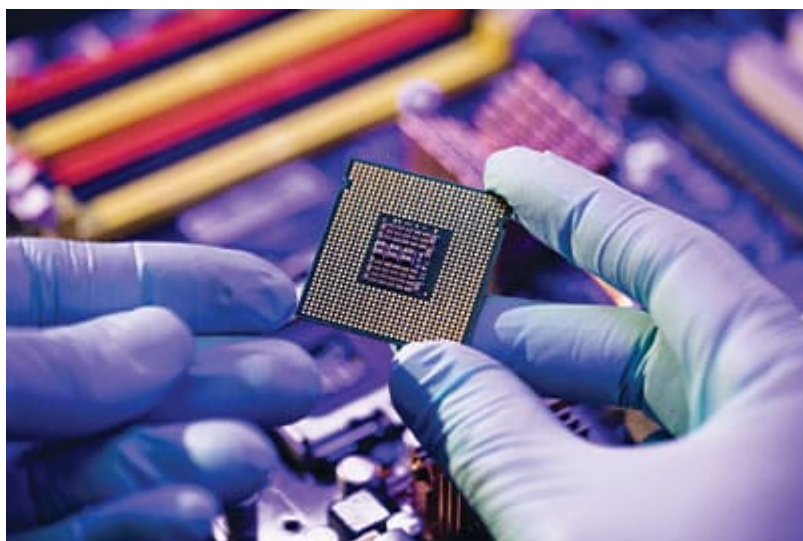


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“Phytium’s partnership with CARDC offers a prime example of how China is harnessing civilian technologies for strategic military purposes — with the help of American technology,” the *Post* article states, further noting that “the same computer chips that could be used for a commercial data center can power a military supercomputer.”

“Semiconductors are the brains of modern electronics, enabling advances in everything from clean energy to quantum computing,” the *Post* notes. “They are now China’s top import, valued at more than \$300 billion a year, and a major priority in China’s latest five-year plan for national development.” The article reports that in January of 2019, Chinese dictator Xi Jinping visited Tianjin, 70 miles from Beijing and home to Phytium, and “touted the company’s importance to the country’s ‘indigenous innovation’ effort.”



Chips for war: Modern weapons systems — missiles, bombers, fighter jets, satellites, radar, avionics, artillery, tanks, ships, and submarines — depend on microchips. Top Chinese chip manufacturers such as Phytium are still dependent on technology from the United States. *(Photo credit: Mykola Pokhodzhay/ iStock / Getty Images Plus)*

The truth is, China’s “indigenous innovation” is almost completely of foreign derivation, and much of it has been bought (legally and illegally) or stolen from the United States. For decades, China’s communist regime has been handed our technology on a platinum platter. Leading-edge weapons systems that American taxpayers have shelled out hundreds of billions of dollars for are rendered next to useless by suicidal policies that enable our enemies to leapfrog our defense systems with newer weapons *based on our research and components*. “Hundreds to thousands of different configurations of heat, vehicle lift and atmospheric drag need to be analyzed to make a hypersonic missile work, which would be too expensive and time-consuming through physical testing alone,” Iain Boyd, director of the Center for National Security Initiatives at the University of Colorado at Boulder, told the *Post*. “If you didn’t have supercomputers it could take a decade,” he said. Well, we certainly wouldn’t want our Chinese comrades to have to slog through a decade of their own “expensive and time-consuming” calculations and testing, would we? That wouldn’t be sporting! So, let’s help them out! Now, thanks to the congenial perfidy of American politicians — both Democratic and Republican — and corporate globalists, Chairman Xi and the Chinese Communist Party (CCP) have stolen a march in the global supercomputer race. They now have fielded an operable HGV prototype before we have. And, with the help of American high-tech companies, they are taking their supercomputing prowess to new levels.



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Racing Ahead on Supercomputers

“In May 2016,” the *Post* revealed, “CARD C unveiled a ‘petascale’ supercomputer that would aid the aerodynamic design of hypersonic missiles and other aircraft. A petascale computer can handle one trillion calculations per second.” Papers published by CARD C scientists show they use supercomputers with Phytium’s 1500 and 2000 series chips. And, notes the *Post* article, “CARD C, Phytium, the military university and the Tianjin supercomputing lab are currently developing an even faster computer — able to handle ‘exascale’ speeds of a million trillion calculations per second. The supercomputer, dubbed Tianhe-3, is powered by Phytium’s 2000 series chips, according to Chinese state media. To produce such chips, Phytium requires the newest design tools.”

So, where does Phytium get the “design tools” to build these super chips? Although CARD C and other PLA entities are under U.S. export controls, the Chinese military is still able to access U.S. semiconductor technology through companies such as Phytium. While U.S. semiconductor makers are prohibited from exporting chips and chip-making equipment to CARD C and other PLA entities, until recently, Phytium had been exempt from the U.S. export control list. Two of its major supply sources are U.S. companies in the Silicon Valley: Cadence Design Systems and Synopsys. “I have not in my decade in China met a chip design company that isn’t using either Synopsys or Cadence,” said Stewart Randall, whom the *Post* identified as a consultant in Shanghai who sells electronic design automation software to top Chinese chipmakers. Cadence even gave an award to Phytium for presenting the “best paper” on how to use its software for high-performance chip applications.

On April 9, 2021, the U.S. Commerce Department added Phytium, along with six additional Chinese companies involved in high-end computing and chip production, to its “Entity List,” imposing restrictions on “exports, reexports, or transfers (in-country) of all items” subject to export regulations. The department’s Bureau of Industry and Security “determined that the seven subject entities are engaging in or enabling activities contrary to U.S. national security and foreign policy interests.” Better late than never, no? But, unfortunately, the horses were already out of the corral. To show how rapidly things are moving, and the devastating price we are paying for past negligence and treachery, reports came out in late October claiming that China had already debuted *two* exascale supercomputers, beating the United States and the rest of the world in the immensely important computational sweepstakes. If the reports prove to be true, the totalitarian Beijing regime has achieved another huge milestone and has leapfrogged over us — again, courtesy of our technology transfers.

The Next Platform, a U.S.-U.K.-based technology publication, rocked the tech world on October 26, 2021 with a headline proclaiming, “China Has Already Reached Exascale — On Two Separate Systems.”

“We have it on outstanding authority (under condition of anonymity),” said *The Next Platform* report, that China’s Sunway “Oceanlite” system, in tests this past March, “yielded 1.3 exaflops peak performance with 1.05 sustained performance in the ideal 35 megawatt power sweet spot.” A second exascale test run on the Tianhe-3 system “reached almost identical performance with 1.3 exaflops peak and enough sustained to be functional exascale.”

Compute This

Is this another of those “who could have known” surprises? Hardly. The “secret” has been out for more than a decade that the People’s Republic was going gangbusters for high-end processor independence



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— and then *dominance*. To that end, it committed to buy, borrow, or steal the necessary components, manufacturing systems, and know-how, and it got plenty of help from American Big Tech, Wall Street globalists, and pro-Beijing politicians.

Want to know how the Tianhe-3 system became the exascale giant-killer? Well, merely look at Tianhe-1 and Tianhe-2, which were the petascale building blocks that made Tianhe-3 possible. Back in 2010, Professor Jack Dongara, the University of Tennessee computer scientist who maintains the annual “Top500” ranking of supercomputers, told the *New York Times* that China’s Tianhe-1A “blows away the existing No. 1 machine,” which, at the time, was the U.S.-made Cray XT5 Jaguar at the National Center for Computational Sciences. How did Tianhe-1A accomplish this petascale victory? With help from American chip giants Intel and Nvidia, of course. Steven J. Vaughn-Nichols, writing for *Computer World* on October 28, 2010, observed that “the Tianhe-1A system covers a square kilometer, weighs in at 155-tons and uses 14,336 Intel Xeon CPUs and 7,168 Nvidia Tesla GPUs.” (Please note, that warning shot was fired a little over a decade ago.)

However, Intel and Nvidia are not the only American and Western companies that have been building the communist regime’s computing juggernaut. California-based Advanced Micro Devices Inc. (AMD), British chip-maker Arm Ltd. (owned by the Japanese conglomerate SoftBank Group), Taiwan Semiconductor Manufacturing Company, South Korea’s Samsung, Taiwan’s United Microelectronics Corporation, and the Netherlands’ ASML have also played a major role in transforming the PRC into a technological hegemonic power.

Stunning examples of this transformational process are occurring even as we write, as evidenced by the mid-October announcement by China’s Alibaba Group of its new superchip. “Alibaba Group Holding Ltd. unveiled a new server chip that’s based on advanced 5-nanometer technology, marking a milestone in China’s pursuit of semiconductor self-sufficiency,” Bloomberg reported on October 18, 2021. “The Chinese tech giant’s newest chip is based on micro-architecture provided by the SoftBank Group Corp.-owned Arm Ltd.,” the Bloomberg story noted.

Yes, as it turns out, some of the leading Big Tech corporations of our allies, whom American taxpayers are paying dearly to defend, have joined hands with our own Big Tech globalists to provide the PRC’s mass-murdering regime with the technological capacity to overtake, bully, rule, or even kill us. With this type of assistance, and with the Chinese Communist Party pouring untold billions of dollars into the supercomputer race, it hasn’t taken long for China to close the computing gap.

China sent serious signals four years ago that it intended to become not only an equal in the chip race but, eventually, the undisputed champion. A November 14, 2017 article by Data Center Dynamics (DCD) illustrated how China was moving ahead at breakneck speed in the petascale contest. The article, which was headlined “China leads supercomputer pack in latest Top500 ranking,” reported that “Sunway TaihuLight remains the most powerful computer in the world, and China has the most supercomputers on the list.”

“The fiftieth Top500 list of the fastest supercomputers in the world, as ranked by the group of the same name, is out now and one thing is clear — it continues to be dominated by China,” DCD reported. China, it continued, “claimed more supercomputers in the Top500 than ever before, at 202, *far outranking the US which descended to an all-time low of 143.*” (Emphasis added.)

“For the first time in the list’s 25-year history,” the DCD story noted, “China also overtook the US in



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aggregate performance, claiming 35.4 percent of the Top500 flops, while the US was responsible for just 29.6 percent.”

The following year, 2018, *Ars Technica* reported: “Thanks to a licensing deal with AMD and a complex joint-venture arrangement, the Chinese chip producer Chengdu Haiguang IC Design Co. (Hygon) is now producing x86-based server processors that are largely indistinguishable from AMD’s EPYC processors.”

In June of this year, Xi Jinping signaled China’s renewed emphasis on attaining semiconductor dominance by appointing his top advisor, Harvard-educated Liu He, as the country’s new “technology czar.” To show how serious the CCP is about pursuing this and other tech-related goals, Comrade Liu will preside over a budget of more than a *trillion* dollars between now and 2025. That’s pretty serious! A good portion of that will go into its semiconductor game plan. Of course, simply throwing all that cash at the objective won’t necessarily mean achieving it, as the abysmal history of central planning — and China’s record of failed, massively funded projects — has amply proved.

Military-Civil Fusion

China’s great push on the computer-chip front undergirds its plans for rapid advancement in a host of cutting-edge fields, all of which depend on achieving the capability to independently manufacture its own top-of-the-line semiconductors. Some of the areas it has targeted and is already seriously pursuing are artificial intelligence, quantum computing, electrical vehicles, pharmaceuticals, cloud computing and data storage, 3D printing, lasers, nanotechnology, robotics, telecommunications, advanced materials research, mining, metallurgy, biomimetic systems, blockchain, 5G cellular, machine learning, nuclear power, virtual reality, and more. Most of these are dual-use technologies that can be applied both to civilian/commercial products and to military applications.

Millions of Americans have felt the negative impact of Communist China’s economic warfare — aided by U.S. policymakers and U.S. technology transfers — that has allowed the PRC to leapfrog us economically, capturing whole industries once dominated by American businesses. In the process, America’s manufacturing base, thousands of critically important American companies, and millions of American jobs were destroyed. True, American consumers benefited from decades of cheaper imported goods made in China’s totalitarian, command-and-control, slave-labor economy. But this beggar-thy-neighbor arrangement has raised China from a backward, Third World nation into a global power, and it is now flexing its economic and technological might in a very aggressive manner.

Since its inception in 1949, the People’s Republic of China has always made the civilian economy subservient to the nation’s military, as determined by the Chinese Communist Party. However, under the current leadership of Xi Jinping, the CCP has adopted an enhanced “military-civil fusion” (MCF) doctrine that explicitly conscripts all of China’s “private” corporations to operate under its direction.

In fact, said Dr. Christopher Ashley Ford in March 2020, under Xi Jinping, “foreign technology acquisition — by means fair or foul — has become all but an obsession.” “Xi elevated MCF to a national strategy in 2014, and in 2017, he put himself in charge of the Central Commission for Military-Civil Fusion Development,” noted Dr. Ford, who was the Trump administration’s assistant secretary of state for international security and nonproliferation. Moreover, he pointed out, “MCF is backed by the full force of national law and the coercive powers of the state, leaving no one within Beijing’s reach any



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choice but to comply with its dictates.”

The CCP’s heavy-handed takedowns of Alibaba’s Jack Ma and Anbang Group’s Wu Xiaohui are but two of many recent examples that put the lie to the widely promoted myths that China’s “private” corporations are truly private, independent entities, and that Communist China operates a “market economy.” The business world was stunned when Jack Ma, China’s richest billionaire, disappeared in 2020. The founder and CEO of Alibaba Group, the e-commerce and technology conglomerate, Ma was China’s rock star and a global gadfly. But the CCP took over Alibaba and banished Ma to the hinterlands to contemplate his deviations from Party orthodoxy. Billionaire Wu Xiaohui received harsher treatment. As chairman of one of China’s largest insurance companies, Wu transformed the Anbang Insurance Group into a global insurance and investment goliath, with huge holdings in luxury hotels and skyscraper real estate. In 2018, however, this privileged insider (whose grandfather-in-law was none other than Deng Xiao-ping) was arrested, tried, and sentenced to 18 years in prison — and Anbang was taken over by the all-wise CCP. The CCP’s high-profile takedown/takeover moves against Alibaba and Anbang are but two of many such maneuvers over the past several years to tighten Party control over business and extend its “whole nation system” of military-civil fusion.

This was all predictable. In fact, The New American “predicted” this many times over the past several decades, pointing out, for instance, in a 2006 article titled “Has China Really Gone Capitalist?” that China was explicitly following Vladimir Lenin’s New Economic Policy (NEP), which was used during the decade of the 1920s to lure Western business, technology, and investment to the new Soviet Union.

Lenin, who desperately needed Western help to save the Bolsheviks’ failed communist state, described the strategy behind the NEP to his fellow communists thusly:

The Capitalists of the world and their governments, in pursuit of conquest of the Soviet market, will close their eyes to the indicated higher reality and thus will turn into deaf mute blind men. They will extend credits, which will strengthen for us the Communist Party in their countries, and giving us the materials and technology we lack, they will restore our military industry, indispensable for our future victorious attacks on our suppliers. In other words, they will labor for the preparation for their own suicide.

Deng Xiaoping, the communist leader who launched China’s “Capitalism with Chinese Characteristics” in 1978, was trained in Marxism-Leninism in Moscow during Lenin’s NEP era. He made very clear that he was following Lenin’s NEP deception model when he told China’s Communist Party Central Committee in 1977:

In the international united front struggle, the most important strategy is unification as well as struggle.... This is Mao Tse-tung’s great discovery which has unlimited power. Even though the American imperialists can be said to be the number one nation in scientific and technical matters, she knows absolutely nothing in this area. In the future she will have no way of avoiding defeat by our hands.... What we need mainly is scientific and technical knowledge and equipment.



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Chinese Nukes and Weaponizing Space

All of China's burgeoning high-tech programs have been greatly boosted by a steady NEP-style flow of state-of-the-art components and research from the United States. But, whereas Lenin's NEP lasted less than a decade, China's NEP has run on for more than four decades. And in recent years, Deng's successors have parlayed the enormous benefits gained from this "peaceful" trade into strategic-warfare advantages.

China's stunning hypersonic missile tests mentioned at the beginning of this article captured headlines and (rightly, if belatedly) sounded an alarm. However, many equally important "shots across the bow" have been nonchalantly reported or altogether ignored. At the same time the hypersonic missile story was breaking, experts from the Federation of American Scientists (FAS) released satellite photographs and analyses indicating that the People's Liberation Army Rocket Force (PLARF) is in the process of building three massive missile-launch sites near the desert cities of Yumen, Hami, and Ordos, with as many as 250 missile silos.



Noodles to nukes: Thanks to bipartisan treasonous policies stretching from Nixon through Obama (and now Biden), Communist China has been transformed from an impoverished, backward dictatorship into a modern superpower, upon which we are now dependent for many essential commodities. *(Photo credit: Bet_Noire/ iStock / Getty Images Plus)*

"If they are all loaded with single-warhead missiles," the FAS reports state, "then the number of warheads on Chinese ICBMs could potentially increase from about 185 warheads today to as many as 415 warheads. If the new silos are loaded with the new MIRVed DF-41 ICBMs, then Chinese ICBMs could potentially carry more than 875 warheads (assuming three warheads per missile) when the Yumen and Hami missile silo fields are completed." These new silos under construction "are in addition to the force of approximately 100 road-mobile ICBM launchers that PLARF deploys at more than a dozen bases."

On November 2, 2021, FAS released an updated report that increased the silo count to 300. Once installed, these ICBMs would be global game-changers. How many other "surprises" like this is the secretive People's Republic getting ready to spring on us?

The hypersonic missile surprise and the ICBM silo surprise are directly tied to Communist China's



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“peaceful” space program, which for decades has piggybacked on the heavy lifting of the U.S. space program.

The PLARF, which is responsible for the PRC’s strategic land-based nuclear ICBMs and its conventional missile forces, is intimately connected with the People’s Liberation Army Rocket Force Strategic Support Force, which is responsible for all of China’s space operations. The American technology and research transfers to China’s space program have been central to the PLA’s ability to leapfrog over expensive and time-consuming technical hurdles and negate our hard-won advances. In 2019, the PRC described space as a “critical domain in international strategic competition.” And it is clear they are on a path to fully weaponize this critical domain.

Chinagate Déjà Vu

Before the lurid Monica Lewinsky sex scandal engulfed him, President Bill Clinton was faced with a far-more-serious scandal known as Chinagate. Actually, Chinagate was a *whole series* of scandals, involving lots of laundered campaign cash and a parade of Chinese agents such as Johnny Chung, Yah-Lin “Charlie” Trie, the Riady family, John Huang, Maria Hsia, and Ted Sioeng. One of the scandals involved charges that the top Democratic donor in the 1996 election cycle had illegally transferred missile guidance technology to China. That top donor was Bernard Schwartz, chairman of Loral Space and Communications Ltd. Did the \$600,000 Schwartz gave to Clinton and the Democrats have anything to do with the Clinton administration granting Loral waivers to export controls for its China launches? The House Select Committee on U.S. National Security and Military/Commercial Concerns with the People’s Republic of China, chaired by Representative Christopher Cox (hence known as the Cox Committee), investigated the matter and issued a three-volume, 871-page unclassified report on May 25, 1999. The Cox Report found that China had acquired vital U.S. nuclear-weapons information and missile technology through our exports of satellites, high-performance computers, and other dual-use technology, as well as theft of secrets from our national laboratories via traditional espionage methods.

The charges leveled at Schwartz stemmed from the series of commercial satellite launches carried out for Loral and Hughes Electronics Corporation during the 1990s by the Chinese government. Aerospace giants Boeing and Lockheed Martin also got in on the China satellite launches. “The first commercial Chinese launch of a U.S.-built satellite occurred in 1990,” a summary of the Cox Report by the Congressional Research Service (CRS) on June 11, 1999 stated. “By May 31, 1999, 20 commercial Chinese launches of U.S.-built satellites had been accomplished, of which 16 were successes, three were complete failures, and one was a partial failure, placing the satellite into the wrong orbit,” the CRS noted. One focus of the Cox Committee was on whether Hughes or Loral had transferred technology or sensitive information during the analysis and investigation of the satellite launch failures.

“The [Cox] committee said that, after three failed satellite launches in 1992, 1995, and 1996, U.S. satellite makers (Hughes and Loral) transferred missile design information and know-how to China without required export licenses from the Department of State ‘in violation of the International Traffic in Arms Regulations,’” stated an earlier June 8 report by the Congressional Research Service.

The CRS report highlighted a number of the key charges related to the illegal transfer of technical information that has very likely contributed to the current Chinese missile and space threats to American security. According to the CRS report:



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The U.S. firms gave technical information that has improved the “reliability” of Chinese rockets used to launch satellites with civilian and military purposes. The information is also useful for the design and improved reliability of “future PRC ballistic missiles.” Specifically, the committee found that in 1993 and 1995, Hughes “illegally” recommended to the PRC improvements to the fairing (nose cone that protects the payload), and in 1996, Loral and Hughes helped the Chinese improve the guidance of a failed Chinese rocket, and in so doing, “deliberately acted without the legally required license and violated U.S. export control laws.”

Regarding Hughes, the Cox Committee’s report printed an unclassified assessment by the State Department’s Office of Defense Trade Controls concluding that Hughes had engaged in technical discussions with the Chinese, which resulted in “significant improvement to the Chinese spacelift program and contributed to China’s goal of assured access to space.” Moreover, “the lessons learned by the Chinese are inherently applicable to their missile programs as well, since SLVs [space launched vehicles] and ICBMs share many common technologies.”

As for Loral’s and Hughes’ activities regarding the 1996 launch failure, the committee reported that a 1998 interagency review determined that the “technical issue of greatest concern was the exposure of the PRC to Western diagnostic processes, which could lead to improvements in reliability for all PRC missile and rocket programs.” The improvements to China’s missile program could come from “increased production efficiency, and improved reliability through adoption of improved quality control and reliability-enhancing measures in design and manufacturing that were introduced after the accident investigation, including some that the [Loral-led] Independent Review Committee advocated.”

The Clinton Department of Justice dropped criminal charges against Bernard Schwartz, and none of the executives of the companies that had made these transfers of technology that seriously compromised our national security were prosecuted. In 2000, the State Department and Lockheed Martin agreed to a settlement with a fine of \$13 million. In 2002, Loral announced a civil settlement with a fine of \$20 million. In early 2003, Hughes and Boeing agreed to a civil penalty of \$32 million. These were mere slaps on the wrists that did little to stop the flow of U.S. technology and know-how to the communist regime in Beijing.

On January 17, 2002, Dr. Gary Milhollin testified before the U.S.-China Security Review Commission of the U.S. Congress that the harmful technology transfers that had been of such concern during the Clinton administration were continuing under the George W. Bush administration. Milhollin, a professor emeritus at the University of Wisconsin Law School and director of the Wisconsin Project on Nuclear Arms Control, stated that between 1988 and 1999, “the U.S. Commerce Department approved more than \$15 billion worth of strategically sensitive U.S. exports to the People’s Republic of China. The exports included equipment that can be used to design nuclear weapons, machine nuclear weapon components, improve missile designs and build missile components.”

“Some of this ‘dual-use’ equipment,” he noted, “went directly to China’s leading nuclear, missile and military sites — the main vertebrae in China’s strategic backbone. And several of these Chinese buyers later supplied nuclear, missile and military equipment to Iran and Pakistan. It seems clear that China received American exports of great military and strategic value with the blessing of the U.S. government.”



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Among the disturbing details Dr. Milhollin provided to the commission were that sophisticated American equipment “was also approved for the National University of Defense Technology, which helps the People’s Liberation Army design advanced weapons, for the University of Electronic Science and Technology, which helps develop stealth aircraft and advanced military radar, for the Beijing University of Aeronautics and Astronautics, which helps develop missiles and specializes in guidance, navigation, and flight dynamics.” Particularly alarming, he said, was President Bush’s “further relaxation in controls on the export of American supercomputers,” despite a warning from the U.S. General Accounting Office regarding “the national security impact on the United States of Russia, China or other countries obtaining high-performing computing.”

Despite repeated technology-transfer scandals and public outcries over them, the high-tech gusher to China continued — until, that is, the arrival of Donald Trump in the Oval Office. Among the more high-profile China sanctions by President Trump was his embargo on the sale of semiconductors to China’s technology/telephone mega-corporation Huawei, the world’s largest manufacturer of telephone equipment and the second-largest manufacturer of smartphones. Founded by Ren Zhengfei, a member of the Chinese Communist Party and a deputy regimental chief in the People’s Liberation Army, Huawei is a favored “national champion” of the communist regime. As a result of the Trump-imposed embargo, Huawei has taken a severe hit in the market. “Revenue of China’s Huawei Technologies Co Ltd plummeted 38% in the third quarter compared to the same period a year earlier, with U.S. sanctions having hobbled its smartphone business and new potential growth areas still in their infancy,” Reuters reported on October 29, 2021. Huawei said its revenue from smartphones alone would drop by \$30 billion to \$40 billion in 2021 due to the Trump sanctions.

But wait! President “China Joe” Biden has rushed in to save Huawei. In August, the Biden administration began easing restrictions on chip sales to Huawei. Senator Tom Cotton (R-Ark.), a longtime critic of Huawei, criticized the move, saying, “It’s unacceptable for the Biden administration to ease the pressure campaign against Chinese spy companies like Huawei.”

Senator Marco Rubio (R-Fla.) called the sales “yet another example of President Biden’s failure to protect America’s economic and national security.” He slammed Huawei for a long history of exporting Beijing’s “digital authoritarianism.”

Concern over maintaining the embargo on Huawei was a major issue when Commerce Secretary Gina Raimondo was up for confirmation earlier this year. “Gina Raimondo’s ethics issues and soft stance on China including her refusal to commit to keep Huawei on the Entities List is deeply troubling,” said Senator Ted Cruz (R-Texas) in a tweet in February announcing his decision to oppose her confirmation.

House Foreign Affairs Committee ranking member Representative Michael McCaul (R-Texas) led more than 20 House members in a call for the Senate to block Raimondo’s confirmation. “As I have repeatedly expressed, #Huawei is not a normal telecommunications company — it is an arm of the #CCP’s military that poses a significant threat to U.S. national security and supports the CCP’s genocide in Xinjiang,” McCaul said in a February 4, 2021 tweet. “The Biden Administration must take this seriously.”

Raimondo was confirmed — and then she confirmed the concerns of her critics by granting a waiver on computer-chip sales to Huawei. But wait, there’s more: On September 24 the Biden Justice Department



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announced it was dismissing fraud charges against Huawei Chief Financial Officer Meng Wanzhou and dropping its request to Canada for her extradition. Meng Wanzhou is the daughter of Huawei founder Ren Zhengfei.

And there is still more. Both the Huawei chip sales and the “get out of jail free” pass from DOJ for Huawei’s CFO bear the imprint of longtime Clinton-Obama soulmate Tony Podesta, veteran lobbyist of the D.C. swamp and brother of Clinton-Obama advisor John Podesta. According to a Reuters report of October 28, 2021, Huawei paid Tony Podesta \$1 million to lobby the Biden administration on its behalf. Huawei probably overpaid, since Podesta was pushing on an open door with Biden and Raimondo. While Biden has talked tough on China and added a few Chinese firms to the Entity List, those moves can be seen as sops meant to assuage concerns that he would open the floodgates to more dangerous technology transfers. But the Huawei sellouts appear to justify those concerns and present the prospect of a Biden administration returning to “normal” in U.S.-China relations.

If that is allowed to happen, then America will continue to see Communist China not only overtake more and more of our leading-edge industries, but also present an ever-greater military threat to the United States and the world. That would be suicidal, and must not be allowed to stand.

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