

China's Arms Race

The world's most populous country wants the world's best military. Here's a look at its plan

By DOUGLAS WALLER/WASHINGTON

IN JANUARY 1991, AS AMERICAN BOMBS RAINED onto Iraq, CNN's live attack coverage found a particularly appreciative audience five time zones away, in Beijing. To the Chinese, the Gulf War was a revelation—an introduction to 21st-century tactics and weaponry that pointed out, in the most graphic way possible, the limits of China's massive but antiquated military. Smart bombs, flexible command and control, and seamless, high-tech attacks dazzled the Chinese leadership, who ramped up a campaign to upgrade the People's Liberation Army (P.L.A.) to world-class status. The new buzz words in China's Ministry of Defense became “limited war under high-tech conditions”—and China is now buying and spying its way toward high-tech, superpower status as fast as it can.

One result has been more fretting in Washington about how China is retooling its vast military. Particularly worrisome: widespread Chinese spying on the U.S. A top-secret congressional report delivered to the White House last month suggests a stunning espionage effort being coordinated from Beijing, whose spy rings have been stealing secrets in the U.S. for 20 years. The congressional committee set out six months ago to probe allegations that two U.S. aerospace companies, Hughes Electronics Corp. and Loral Space & Communications, provided China with critical rocket-design information that helped improve its ballistic missiles.

The committee concluded that they had. But as the panel dug deeper, “we were quickly led to far more serious problems,” says its Republican chairman, Representative Christopher Cox.

U.S. investigators say Beijing has taken a vacuum-cleaner approach to stealing secrets, sucking up any kind of intelligence it can find. The official spy organization is the Ministry of State Security. But it is supplemented by dozens of other government departments, each of which runs some kind of intelligence operation. Beijing also works through Hong Kong front companies or co-production agreements with U.S. firms to glean military-related secrets.

Investigators say the Chinese still place a premium on human intelligence. Private citizens visiting the U.S. are often coerced into collecting information for the state. Others become sleeper agents, burrowing into international firms operating in the U.S., to be called on when a job needs to be done. “The Chinese will use anybody who's available or has access,” says a CIA source. “It's across the board.”

In the past few decades, as U.S.-China relations have thawed, Beijing has had plenty of access to exploit. Chinese scientists visiting U.S. nuclear-weapons labs in the 1980s, for instance, pilfered design information for the neutron bomb and the Trident-II nuclear warhead. Commercial attachés prowling trade shows have been

spotted pocketing demonstration videos of weapons systems or dipping their ties into chemical solutions on display so that secret formulas can be analyzed.

China's new military tools will alter the balance of power in Asia. Explains Ralph Cossa, who heads the Pacific Forum Center for Strategic and International Studies in Honolulu: “China isn't trying to project power to San Francisco Bay. It's trying to project power to the South China Sea.” ■

China Power By the Numbers

ARMY 1.9 million men, 14,000 tanks, 14,500 artillery pieces and 453 helicopters

AIR FORCE 470,000 airmen, 2,556 jet fighters and 400 ground-attack jets

NAVY 250,000 sailors, 63 submarines, 18 destroyers and 35 frigates

Questions

1. What did the Gulf War reveal to the Chinese?
2. How is China retooling its military? What impact is this retooling having on China-U.S. relations?