The China Connection Is the Real Scandal

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Now we know why the Democrats were so vicious in their attacks on Senator Fred Thompson (R-TN) and Rep. Dan Burton (R-IN). Theirs were the committees that were closing in on the China connection, the scandal that can bring down the Clinton presidency, the scandal that has made Congressmen start to utter the T word (treason).

The New York Times played it straight with three front-page news stories above the fold that essentially vindicate Thompson's charge that the Chinese Communist Government tried to influence the 1996 U.S. election with campaign contributions. The rest of the media "did it my way," the liberal way that is, by burying the sensational new evidence unearthed by the Justice Department under redundant and emotional Frank Sinatra obits.

Bill Clinton's friend and ubiquitous Democratic fundraiser Johnny Chung has told Federal investigators that he funneled nearly $100,000 from the Communist Chinese military to the Democratic campaign in the summer of 1996. The money was handed to Chung by the daughter of the top commander of China's People's Liberation Army, General Liu Huaqing, who was also one of the top five members of the Chinese Communist Party's ruling Politburo.

Chung's liaisons with the Clinton Administration were so cozy that he was able to arrange for the daughter, who goes by the name of Lt. Col. Liu Chaoying, to get a speedy visa and come to America to be photographed with Clinton on July 22. Chung was quite a hustler; he visited Clinton's White House 49 times.

After fundraising investigations began last year, the Democratic National Committee returned $366,000 to Chung which were suspected of being illegal foreign contributions. Chung has pleaded guilty to campaign-related bank and tax fraud.

Liu Chaoying is what is called a "princeling," one of the privileged offspring of China's ruling elite. In

addition to her title as Lieutenant Colonel in the People's Liberation Army, she is a senior manager and vice president for China Aerospace International Holdings, which is the Hong Kong arm of China Aerospace Corporation, a state-owned jewel in China's military-industrial complex, with interests in satellite technology, rocket launches, and missiles.

Johnny Chung told Federal investigators that Col. Liu gave him $300,000, which she said originated with China's military's intelligence arm, and told him to use the money for Democratic campaign contributions. He apparently kept $200,000 for his "businesses."

Soon after the picture-taking fundraiser, Col. Liu had Chung open a California branch of Marswell Investing, another of her Hong Kong enterprises, whose chief "business" was parking Chinese money in the United States. She also invested $300,000 in the Chung's facsimile business.

The plot thickens. During 1996, U.S. policy dramatically changed for the financial and military benefit of China's military enterprises and two U.S. multinationals, Loral Space and Communications and Hughes Electronics. Loral's CEO, Bernard Schwartz, was the largest single contributor to the 1994 and 1996 Democratic campaigns, giving $275,000 to the Democrats in 1996.

The U.S. had previously barred all American companies from doing business with China Aerospace because it had made illegal missile sales to Pakistan. Col. Liu was assistant to the president of the sanctioned company and her father, General Liu, was in charge of the Chinese Army when China sold missiles to Iran and nuclear equipment to Pakistan, as well as carried on its own maneuvers to threaten Taiwan.

The Departments of Defense and State maintained that our satellite technology should be on what is known as the "munitions list," the list of our most sensitive military and intelligence-gathering technology. Defense and State argued that commercial satellites carry technological secrets that can jeopardize "significant military and intelligence interests."

Over the protests of Defense and State, Clinton personally reversed our policy and transferred jurisdiction over these exports from the State Department to Commerce Secretary Ron Brown. This let the technology transfer go forward and allowed U.S. civilian communications satellites to be launched by Colonel Liu's China Aerospace.

The chronology is interesting. Clinton's decision to approve the rocket and satellite technology transfer

was announced on March 14, 1996, but the actual change was delayed until the fall. The campaign contributions arrived in the interim.

Another powerful government-owned enterprise that benefited from Clinton's China policy was China International Trade and Investment Corporation. Clinton signed waivers allowing the Chinese to launch four U.S. satellites on the very day that its chairman, Wang Jan (referred to by the press as a "Chinese arms dealer"), attended one of Clinton's now-famous campaign coffees in the White House and later spent some time in Ron Brown's Commerce Department office.

The kind of space technology that Clinton has provided to China is just what it needs to make intercontinental ballistic missiles and point them more accurately at the United States.

Of course, White House spokesmen assert that all this new evidence is mere coincidence. That argument won't sell. It cries out, not for another special prosecutor, but for Congress to start impeachment proceedings immediately.